



## **- ISS & HSF Pan-African Anti-Corruption Conference -**

### **“Strengthening Compliance and Sharing Best Practice in the Fight Against Corruption”**

*Cape Town, 28th – 29th February 2012*

## **CONCEPT NOTE**

### **BACKGROUND**

The fight against corruption throughout the African continent has progressed over the past two decades to the extent that it is now considered an anathema to any and every segment of society. It is consequently worthy of recognition by all governments in Africa and around the world as a way of safeguarding integrity and promoting good governance.

Actions against corruption should include the promotion and implementation of sound ethical, financial and related management practices in all sectors of public life, not least the private sector. Implementation of a national anti-corruption strategy requires that the role played by the private sector be recognized as an integral part of any national integrity system. In the African Union Convention against Corruption such ‘special role’ is emphasised with the aim of improving corporate responsibility, as it is viewed as a ‘powerful tool’ to fight corruption. Weak institutions for corporate governance not only result in inefficiency, but actually encourage corruption, hence the need for an array of reforms that can be effective in curbing both incentives and opportunities for corruption.

The above view accords with the evolving corporate culture around the developing world as the process of setting new standards of ethical behaviour gains momentum. Interventions should generally include provision for an ethical code of corporate practices and conduct. Such a code can and should go beyond the mere financial and regulatory aspects of corporate governance by advocating ‘an integrated approach’ that would serve the interests of a wide range of stakeholders as well as the basic principles of good financial, social, ethical and environmental practice.

In South Africa, the Code of Corporate Governance issued by the King Committee adopted 'a participative corporate governance system of enterprise with integrity' and 'formalised the need for companies to recognize that they no longer act independently from the societies in which they operate'. Such measures by the private sector are in line with global trends, where the traditional understanding, that corporations exist solely to make profits for their shareholders, is making way for a new sense of wider corporate social responsibility, not just to customers and clients, but also to the communities and societies in which such corporations operate.

Through the advent of globalisation, the rapid emergence of new technologies, the plethora of legislative changes, and changes in the listings requirements of stock markets, new challenges will arise. One such challenge in establishing good corporate citizenship is 'to seek an appropriate balance between enterprise (performance) and constraints (conformance) which takes into account the expectations of shareowners for reasonable capital growth and the responsibility concerning the interests of other stakeholders of the company'. The guiding principles for company boards in these deliberations must include fairness, accountability, responsibility and transparency. Unfortunately, compliance with these provisions is often voluntary and formal measures to monitor implementation are rarely in place, let alone measures with which to hold any company accountable for failing to follow such provisions.

Following the wave of international accounting scandals, manifested also in many parts of Africa, the call to strengthen the corporate accountability climate in the developing world for the foreseeable future cannot go unheeded. In the short to medium term, the challenge of fighting bribery and corruption must take precedence, notwithstanding on-going measures instituted by big businesses against fraud at corporate and advanced business levels. However, big businesses seem not in the mood of becoming 'counter-cultural' towards corrupt practices; neither is corruption anticipated as a particular matter requiring urgent attention anywhere in the world.

As a way forward, a higher and more concerted level of engagement by the private sector with government is imperative. Even in countries that are not members of the highly industrialized Organisation for Economic Development and Co-operation (OECD), nothing should stop their governments from seeking regulatory compliance with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. For its part, the private sector must take clear measures to fight corruption within its ranks and accept its crucial role in the implementation of a country's anti-corruption strategy.

Therefore, this conference seeks to address compliance standards and challenges in the private sector and to share lessons learnt in fighting corruption in Africa. Panellists and delegates from national anti-corruption bodies, the private sector, academia and civil society, will take a closer look at anti-corruption watchdogs and their effectiveness in preventing and combating corruption.

## STRATEGIC CONFERENCE

Based on the above background, and to offer strategic guidelines for public officials, business executives and civil society participants on a way forward, the Hanns Seidel Foundation (HSF), in collaboration with the Institute for Security Studies (ISS), has scheduled an international dialogue to take place in conference format from 27-29 February 2012 at the Institute of Security Studies office in Cape Town.

### **THEME: Strengthening Compliance and Sharing Best Practice in the Fight against Corruption**

#### THEMES FOR DISCUSSION

- Corruption and the Private Sector – Compliance Standards and Challenges
- Corruption and the Financial Services Sector - Compliance Standards and Challenges
- The effectiveness of anti-corruption watchdogs in preventing and combating corruption
- Best Practices and Challenges – Case studies from Africa

#### PARTICIPANTS

The conference shall be limited to a total of 80 invited delegates. Each delegate shall be responsible for his or her travel and accommodation, except invited speakers whose expenses shall be borne by the organisers.

#### OUTCOMES

- Increased awareness about the strategic role of the private sector in fighting corruption;
- Continuation of international dialogues on methods of fighting corruption as the third such HSF initiated conference to be held in Africa;
- Opportunity for the private sector to engage with the public sector and government agencies on strategic issues;
- Development of an instrument, possibly an African Charter for Ethical Business Practice, for commendation and adoption as a guide for advancing the fight against corruption throughout Africa.