



Implementing Collective Action Initiatives against Corruption in the Middle East & Africa

Challenges & Recommendations



Integrity
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Initiative

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Document prepared by:

Jennifer Schöberlein, Qusay Salama
(Integrity Network Initiative)

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ABOUT THIS DOCUMENT

This document presents the outcomes of the Regional Clinic Middle East and Africa “Collective Action to Counter Corruption and Foster Integrity”, which was organized by the Integrity Network Initiative (INI) on the 7th and 8th of February 2018 in Aswan, Egypt.

Chapters 1 and 2 of the present document are meant to provide background and set the stage for the following discussion. They are built on research conducted by the INI. The following main chapters 3-6 are built exclusively on the discussions and outcomes of the Collective Action Clinic. They are meant to serve as a status document on current Collective Action implementation in the Middle East and Africa region and reflect the most relevant success factors, implementation challenges and solution scenarios as discussed and identified by the participating experts and practitioners.

While this document has been compiled by the INI, we refrained, in as much as possible, to include our own assessments and evaluations and tried to reflect the workshop discussions as closely as possible.

ACKNOWLEDGMENTS

To compile this document we relied heavily on the expert input received during the workshop, so we would like to thank all participants, who through their presence and contributions made the workshop and this document possible (a full list of participants can be found in the Annex).

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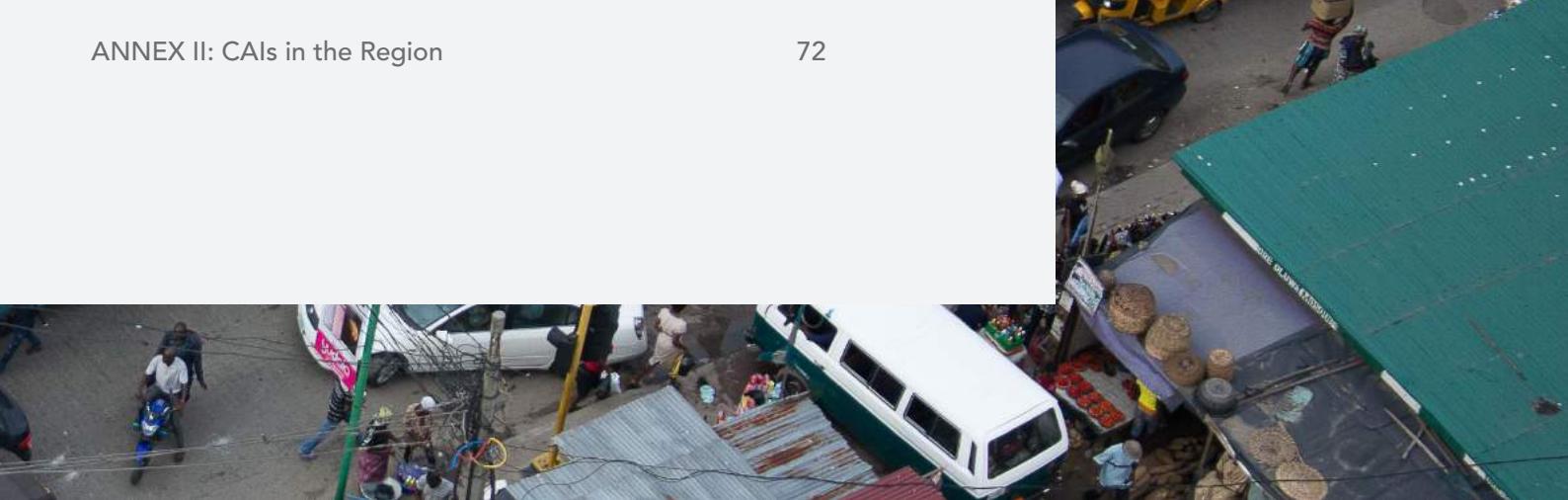


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EXECUTIVE SUMMARY

Corruption is a multi-faceted problem, damaging societies and economies by reducing investment, reducing the quality of goods and services, increasing inequality, and preventing sustainable and fair development. But it also has damaging effects on business as it imposes added transaction costs, increases risk, makes business transactions less reliable and undermines fair competition and productivity.

Specifically in the Middle East and Africa (MEA) region corruption has been repeatedly identified as a key obstacle to economic development, has eroded trust in institutions, and is considered a key impediment to doing business.

It is not surprising then, that tackling corruption has been at the forefront of the debate for many years and on the agenda of many policy makers, researchers, civil society organizations, and private sector stakeholders in the region.

Due to the complexity of the issue of corruption and due to its damaging effects on such a diverse set of stakeholders, Collective Action seems like a uniquely appropriate approach

to meet this challenge, as it brings together likeminded stakeholders in an alliance that represents diverse interests and combines different capacities of involved stakeholders.

Recent years have seen a multitude of Collective Action Initiatives (CAI) being established in the Middle East & Africa Region and there is still much that can be learned regarding its practical successes and failures, as well as its impact "on the ground".

To understand what makes Collective Action efforts succeed or fail in the region and to discuss ways to scale up and improve the long-term effectiveness of initiatives in the region, the Integrity Network Initiative invited regional practitioners and international experts to the workshop "Collective Action to Counter Corruption and Foster Integrity – Regional Clinic Middle East and Africa" on the 7th and 8th of February 2018 in Aswan, Egypt.

The following sketches out the main outcomes from the comprehensive discussions.



REGIONAL DRIVERS FOR COLLECTIVE ACTION

Collective Action Initiatives are launched for a variety of reasons, sometimes to contribute to a general improvement of the business environment, sometimes to tackle very specific issues.

It is important to understand the drivers that were responsible for the launch of a CAI and that are most relevant to its members and target audience. The factors driving Collective Action need to be considered in its communication and outreach strategies and they need to be reflected in the CAI's stipulated impact. To ensure that an initiative tackles a challenge that is relevant and motivates stakeholders to get involved, it is crucial to ensure that the catalysts relevant in a given country or context are addressed appropriately.

Political transformation, the cost of corruption, (international) regulatory pressure, business frustrations, (foreign) investment, and global supply chain integration were identified as the key drivers for Collective Action in the region.

Many countries in the MEA region have seen significant political transitions in recent years – from peaceful changes of government to political uprisings. These transitions opened up political spheres in which CAIs could be established and flourish and have also motivated formerly reluctant stakeholders to be

more open to engage in anti-corruption efforts.

At the domestic level both the (political) cost of corruption as well as business frustrations have led to a push for Collective Action. Recent years have seen an increase in awareness as to the cost corruption poses to countries, their economies, their companies and their citizens. This cost comes both in the form of financial losses to the public and private sectors and, sometimes substantial, political costs. As the awareness of the cost of corruption has increased, so have frustrations, especially from business, about too little improvement.

CAIs in the region were also driven by international regulatory pressure, which has a trickle-down effect on regional supply chains. Increased law enforcement in OECD countries and other international jurisdictions has sensitized large multinational companies as to the substantial legal, commercial and reputational risk that can come from a lack of engagement against corruption. This increased international scrutiny is trickling down to companies in the region both large and small – either because they find themselves falling under international legislation, or because they are business partners of companies that do, and who are pushing standards down to their business partners and suppliers.



CHALLENGES TO CREATING IMPACT THROUGH COLLECTIVE ACTION INITIATIVES

CAIs in the region face a variety of challenges when setting up and during execution.

One key challenge relates to the identification and engagement of different stakeholders. Initiatives in almost all countries have struggled to identify and/or engage stakeholders that are crucial for their CAI's success. This is due to both a lack of capacity among certain stakeholder groups as well as due to low or no willingness to engage.

Secondly, initiatives have struggled to ensure their sustainability due to challenges of engaging stakeholders over time, a failure

to secure long-term funding, and an inability to measure the initiatives' impact and thus measure its success.

Further challenges revolve around the setting up of adequate, effective, and sustainable governance structures, identifying the right facilitators and strategic partners, and building trust among participants.

To overcome the challenges encountered by CAIs in the region, the following were identified as promising approaches and recommendations for future implementation.



SUMMARY RECOMMENDATIONS

SETTING UP A COLLECTIVE ACTION

- ◆ Selecting the right host and/or facilitator is maybe the most important step to jump-start a CAI. The most important characteristics to look for are capacity, network, and credibility.
- ◆ Setting up an adequate governance structure early is crucial. What governance structure is appropriate will depend on the type of CAI and its goals, but all initiatives should include a multi-stakeholder element in their governance structure.
- ◆ Having all stakeholder groups involved in the governance body might not be feasible or desirable in the early stages of an initiative. However, especially initiatives that are implemented by a single-stakeholder facilitator need to make sure to establish independence.
- ◆ It is crucial to look at possible risks early. What can go wrong? Will I have a way to mitigate some of the most relevant risks? Failing to consider this, might mean getting blind-sided along the way.
- ◆ Initiatives that will rely on external funding should be aware of the risks involved (such as funds running out before achieving an impact, reduced flexibility, dependence on external agendas), and should carefully select the point at which to apply for a fund. To ensure success and sustainability of a CAI and to make the best use of external funds, it can be preferable to bring in funds at a stage in the initiative where some groundwork has already been established.
- ◆ It is crucial for initiatives that are implemented at a national level to be truly and genuinely local. This does not mean that international members, partners or facilitators can't be part of the CAI – that can be hugely beneficial. But a CAI always needs to make sure that it addresses a local need and has true local ownership.
- ◆ Over dependence on individual leadership is not sustainable. Hence, initiatives should develop working processes and consider succession planning in advance.

STAKEHOLDER IDENTIFICATION

- ◆ When identifying and approaching relevant stakeholders CAIs need to consider their mandate, credibility, influence, capacity and interest.
- ◆ It is crucial for initiatives to develop a thorough stakeholder mapping and stakeholder analysis that includes a proper due diligence of all identified stakeholders.
- ◆ Where stakeholders have been identified as crucial but are expected to lack the capacity or interest to get engaged, alternative stakeholders that can fill out similar functions need to be considered (e.g. if an important Ministry declines to cooperate, approach other Ministries, Parliament, or regional governmental entities first; if NGOs are absent or lack capacity, see if media stakeholders can fill a gap)
- ◆ CAIs should further look into the feasibility of building the capacity of stakeholders deemed crucial but lacking the capacity to get meaningfully engaged. This is especially critical when engaging civil society and media.
- ◆ While an initial stakeholder analysis should be as thorough as possible, it is also paramount to stay flexible as the relevance, influence, and motivation of stakeholders can change over time (e.g. by reviewing stakeholder maps regularly and incorporating external feedback).
- ◆ It is important to differentiate between institutions and individuals: An institution considered relevant might lack individual representatives with the necessary interest and/or capacity to get engaged. And conversely motivated and capable individuals might work in institutions that are not immediately considered relevant.
- ◆ In contexts where Collective Action, and talking openly about corruption, is still uncommon, starting small is advisable. Initiatives should identify the most motivated and competent stakeholders that can help drive the Collective Action forward, and then add stakeholders as the initiative matures so as to not overburden a new CAI or making it too broad to be effective.

STAKEHOLDER MOTIVATIONS & MESSAGE FRAMING

- ◆ Understanding stakeholder motivations is key, as building trust and engaging stakeholders meaningfully and over time will be impossible if stakeholder motivations are not known and addressed appropriately.
- ◆ From its inception a CAI should understand what drives the identified stakeholders and target audience.
- ◆ Once stakeholder motivations have been identified, a CAI should be able to answer how it can contribute to achieving them and formulate their communication and outreach strategies accordingly.

- ◆ Framing the issue as “anti-corruption” can be a hard sell in the region, as certain stakeholders will find it too confrontational. If necessary, CAIs should frame the topic in a way that focuses on “integrity”, “accountability”, “ethics” or similar, or embed the topic into the overall sustainability agenda.
- ◆ When approaching business sector stakeholders, CAIs need to be able to make the business case for engaging in Collective Action and address specific business motivations.
- ◆ CAIs need to allow for enough time for trust building. Especially in contexts where the concept of Collective Action is still new trust building can take a substantial amount of time.
- ◆ Goals and objectives should be set in a way that is inspirational but also realistic and practical. It is important to give all engaged stakeholders a feeling that they can meaningfully contribute to the task at hand and that they will be able to see objectives achieved.

SUSTAINABILITY

- ◆ Understanding and addressing (possibly changing) stakeholder interests and motivations is an ongoing process and paramount to maintain ownership.
- ◆ To ensure the ongoing engagement of stakeholders as well as long-term funding, CAIs need to be better able to measure the impact they are having on the business environment. However, presently most CAIs lack the ability to measure their impact both due to the absence of useful indicators and benchmark studies, as well as sometimes due to limited funds and capacity in this area.
- ◆ CAIs should document their experiences and successes in a way that allows them to demonstrate the effect they are having on their target audience and the business environment.
- ◆ Initiatives should then use impact evaluations, tailored communication strategies and motivation-specific message framing to attract donors, sponsors, or clients, depending on their operating model
- ◆ Incentives were considered another promising approach to engage stakeholders over time (reputational benefits, commercial benefits, or direct support functions). But while reputational incentives have been established with some success as part of CAIs in the region, the experience with commercial, or generally tangible incentives, is so far still mostly theoretical.
- ◆ While it is hard to identify a specific strategy for financial sustainability that will work independent of the type of Collective Action or its context, it was considered crucial to base CAIs on a broader foundation in terms of financing to reduce the dependency on a single source of funding, which can hold substantial risks for initiatives in the long-term.

A professional photograph of three people in a modern office environment. A man in traditional Middle Eastern attire (ghutra and agal) is seated at a desk, smiling and looking down at some papers. A woman with dark hair tied back is seated next to him, also smiling and looking at the papers. A third woman with blonde hair, wearing a black blazer over a patterned dress, stands to the right, holding a red folder and pointing towards the papers. The office has a large window in the background.

Chapter 1

BACKGROUND

1. BACKGROUND

1.1 CORRUPTION AND ITS DAMAGING EFFECTS IN THE REGION

Corruption is a multi-faceted problem, damaging societies and economies by reducing investment, reducing the quality of goods and services, increasing inequality, and preventing sustainable and fair development. It has damaging effects on business as it imposes added transaction costs, increases risk, makes business transactions less reliable and undermines fair competition and productivity. Specifically in the Middle East and Africa region corruption has been repeatedly identified as a key obstacle to economic development, has eroded trust in institutions, and is considered a key impediment to doing business.

Levels of corruption and corruption perception in the region remain high. In Transparency International's Corruption Perceptions Index (CPI) of 2017, 19 out of 21 Arab states scored below 50 points. And while for Sub-Saharan Africa the organization notes some "notable progress" in several countries, overall, the region remains the worst-performing globally.¹

Similarly, on the TRACE Bribery Risk Matrix Africa, as a continent was considered the most risky in terms of bribery risk. And out of the

67 countries in the Middle East & Africa on the index, 38 were considered to have either a very high or high bribery risk, while only three countries were considered to have a low corruption risk. (The remaining 26 were considered to have a moderate bribery risk).²

Correspondingly on the World Bank's Ease of Doing Business Index, the region isn't faring much better. While this index does not specifically rank corruption risks, it does include a variety of indicators that are linked to high levels of corruption (such as ease of setting up a business, dealing with construction permits, trading across borders etc.). Out of the 20 countries of the MENA region that are considered, only 8 score in the upper half of the ranking. Sub-Saharan Africa again is faring worse, with only 6 out of the 48 considered countries ending up in the upper half of the ranking.³

Similarly, on the World Economic Forum's Global Competitiveness report, out of the 48 countries from the region that are considered, 28 rank in the bottom third.⁴

¹ On the CPI a maximum score is 100, with 0 being the worst possible result and 100 the best. For more detail see: Transparency International: Corruption Perceptions Index 2017: https://www.transparency.org/news/feature/corruption_perceptions_index_2017

² On the Trace Matrix the best possible score is zero, the worst is 100. Africa scored an average 58 compared to a global average of 47. For more detail see: Trace Bribery Risk Matrix 2017: <https://www.traceinternational.org/trace-matrix>

³ For more detail see: The World Bank: Ease of Doing Business Ranking 2017: <http://www.doingbusiness.org/rankings>

⁴ For more details see: World Economic Forum: Global Competitiveness Report 2015-2016: <http://reports.weforum.org/global-competitiveness-report-2015-2016/competitiveness-rankings/>

On the economic indices of the World Bank and the World Economic Forum, on the Trace Bribery Matrix, and to a lesser extent on Transparency International's CPI, the countries of the Gulf region fare better compared to other countries in the region. On all indices, the countries of Sub-Saharan Africa fare comparatively worse.

While rankings always come with certain risks and criticisms, and not all look at corruption directly, these numbers give an idea of the extent to which corruption poses challenges to the countries in the region, and the effect this has on their economies and citizens.

According to the United Nations Economic Commission for Africa (UNECA)⁵ corruption is "one of the major impediments to structural transformation in Africa" (p. XI). According to their study many countries in the region suffer from inadequate institutional structures and processes. The resulting corruption leads to a diversion of resources, distorts regional markets, discourages investment, negatively affects development priorities, and allows foreign corporations to take advantage of weak institutional mechanisms to secure unfair

advantages and unwarranted political influence. The international dimension of corruption is crucial and, according to UNECA, too often overlooked. According to the report "between 1995 and 2014, out of a total of 1,080 cases of cross-border corruption, 257 (or 23.8 per cent) referred to African countries" (p. 14).

The damaging effects of corruption on the countries that it is most pervasive in vary. However, in many countries of the region, corruption has led to a lack of trust in institutions, low levels of investment, low levels of competitiveness, political instability, reduced foreign direct investment, and high levels of inequality.

Several countries in the Middle East & North Africa saw demonstrations and uprisings in 2011 and the following years, some of which ended up toppling long-lived authoritarian regimes. Corruption was among the core grievances voiced by citizens. A rising mistrust in institutions and political instability are thus some of the consequences of high levels of corruption.



⁵UN Economic Commission for Africa (2016): Measuring Corruption in Africa: The International Dimension Matters. African Governance Report IV.

Furthermore, according to UNECA⁶, corruption "remains the single most important challenge to the eradication of poverty, the creation of predictable and favourable investment environment and general socioeconomic development in Africa" (p.12). The UNECA Governance Report of 2016⁵ further notes the damaging effects of corruption on economic growth in the region, on the volume of trade and investment, the delivery of public services, the quality of infrastructure, and on welfare services such as health and education.

"Corruption causes severe wastage and misallocation of resources, thus delaying growth and socioeconomic development through missed investment opportunity, lowered growth and widening inequalities. Corruption also affects government revenue, undermines private sector development and worsens inefficiency in the public sector, thus weakening institutional development."

(UNECA, 2016)

It is not surprising then, that tackling corruption has been at the forefront of the debate for many years and on the agenda of many policy makers, researchers, civil society organizations, private sector stakeholders and others.

Due to the complexity of the issue of corruption and due to its damaging effects on such a diverse set of stakeholders, Collective Action seems like a uniquely appropriate approach to meet this challenge.

⁶ UN Economic Commission for Africa (2009): African Governance Report II.

1.2 ABOUT COLLECTIVE ACTION

Collective Action, in its most commonly used definition, refers to a

"Collaborative and sustained process of cooperation between stakeholders [that] increases the impact and credibility of individual action, brings vulnerable individual players into an alliance of like-minded organizations and levels the playing field between competitors."⁷ (p.4)



As such it covers a vast array of efforts and consequently has been described as a "catch all term for industry standards, multi-stakeholder initiatives, and public-private partnerships".⁸

Broadly speaking, Collective Action thus refers to initiatives that bring different stakeholders together around the common goal of countering corruption.

As per a categorization of the World Bank Institute⁷, Collective Action Initiatives (CAI) may include short-term or long-term initiatives and can refer to a formal agreement with external enforcement or an initiative based on an ethical commitment. Consequently the World Bank model results in four types of Collective Action: (1) an Anti-Corruption Declaration (short-term / ethical commitment), (2) Integrity Pact (short-

term / external enforcement), (3) Principle-based Initiative (long-term / ethical commitment), and (4) a Certifying Business Coalition (long-term / external enforcement).

This structure has sometimes been criticized by practitioners for being too rigid and disregarding the creativity and flexibility needed to implement CAIs on the ground, especially in challenging markets. A point has also been raised that this categorization is too focused on the business perspective and thus tends to disregard initiatives that are initiated or mostly driven by public sector or civil society stakeholders.

Nonetheless it remains the most widely used classification for Collective Action.

⁷ World Bank Institute (2008) Fighting Corruption Through Collective Action: A Guide for Business

⁸ Mark Pieth as cited in: Gemma Aiolfi (2017): The value and importance of Collective Action. In: International Bar Association (2017): IBA Anti-Corruption Committee - Anti-Corruption Law and Practice Report 2017: Innovation in Enforcement and Compliance

Collective Action as an approach is considered especially relevant in high-risk regions or industries and is often established to make up for deficiencies in traditional anti-corruption efforts (e.g. low law-enforcement, insufficient regulations).⁹

One of the core challenges to countering corruption is often that key stakeholders may profit from a corrupt system and individual stakeholders looking to counter corruption face something of a prisoner's dilemma. While they would benefit from everybody (including themselves) behaving ethically, the cost of behaving ethically if others are not, is substantial. So in the absence of knowing whether or not others will bribe (or suspecting that they will), engaging against corruption becomes a risky and costly decision.

The idea behind Collective Action then, is to bring different stakeholders (and especially competitors) together to create a situation where the joint initiative creates the needed level of trust in the compliance of others. As such it is a key tool to level the playing field for companies and to tackle some of the more systemic corruption challenges identified as crucial given a specific context, region, or industry.

While CAIs do not require the inclusion of all stakeholder groups (e.g. industry standards can be business only), generally speaking all stakeholder groups have a role to play.

Businesses are most often on the supply side of corrupt transactions and reducing corruption or tackling corruption related challenges is impossible without a private sector involvement.

And while CAIs are sometimes implemented to "complement or temporarily substitute for and strengthen weak local laws and anti-corruption practices" (World Bank Institute, 2008), including the public sector is nonetheless crucial. In the long-term, tackling corruption challenges will require legal reform or improved enforcement, and in some sectors the public sector is a relevant economic actor as well (e.g. construction of public infrastructure). So engaging with relevant public sector stakeholders is paramount for the long-term success of a CAI.

The role of civil society in CAIs is usually to lend credibility and/or to provide a level of independent oversight. They are also crucial to involve where a CAI includes elements of awareness raising and education.

The increasing interest in and application of Collective Action as an approach to counter corruption can also be seen in the Middle East & Africa region, where a variety of such initiatives have been established and implemented in recent years.

⁹For more detail on regional drivers of Collective Action please revert to chapter 2.1

1.3. THE REGIONAL CLINIC: "COLLECTIVE ACTION TO COUNTER CORRUPTION AND FOSTER INTEGRITY"

While Collective Action, as an approach to fight corruption, has been discussed extensively in recent years, both from an academic and practical perspective, there is still much that can be learned regarding its practical successes and failures, as well as its impact "on the ground".

CAIs have been implemented in the Middle East & Africa region, as across the globe, to varying degrees of success. To understand what makes Collective Action efforts succeed or fail and to discuss ways to scale up and improve the long-term effectiveness of initiatives in the region, the Integrity Network Initiative invited regional practitioners and international experts

to the workshop "Collective Action to Counter Corruption and Foster Integrity – Regional Clinic Middle East and Africa".

The Clinic was held on the 7th and 8th of February 2018 in Aswan, Egypt and brought together 24 organizations and initiatives coming from countries as diverse as Saudi Arabia, Tunisia, Malawi, Nigeria, Ghana, Egypt, South Africa, Ethiopia, UAE, Lebanon, and Turkey. The workshop further included a variety of international organizations to bring in a global perspective and to identify ways in which regional and international initiatives can foster mutual learning.¹⁰



¹⁰For a full list please revert to the Annex

During the two days, participants engaged in discussions on the status of Collective Action globally and regionally, and discussed challenges and success factors in regional implementation. To look in more detail at what makes CAIs succeed or fail, a big portion of the workshop was dedicated to three break-out clinics. The clinics were used to share practical experiences and lessons learned and to see whether there are specific success factors and challenges in implementation that are common within the region or that may hold learnings for other initiatives across the globe.

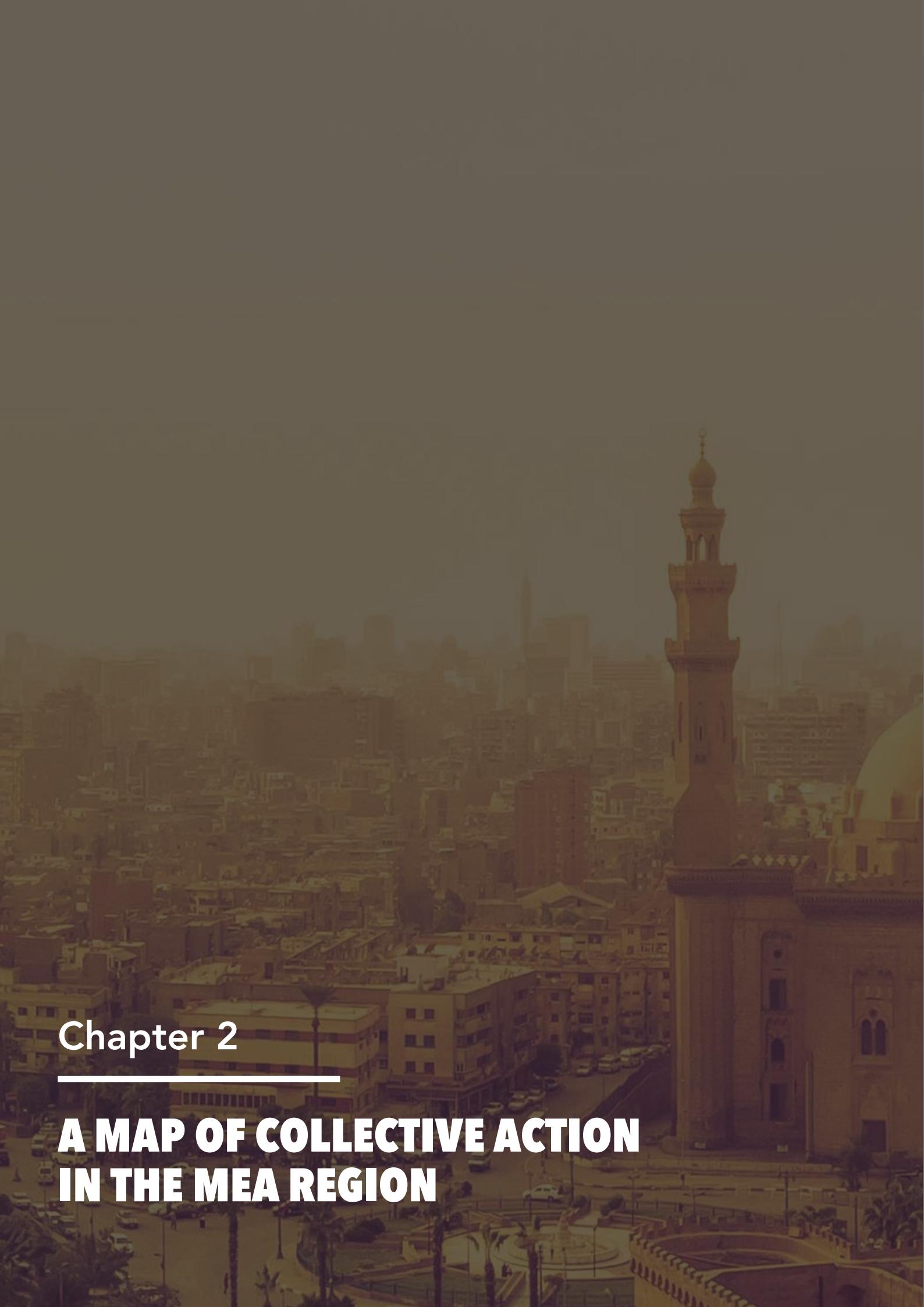
The clinics were held in cooperation with the Basel Institute on Governance and followed a semi-structured interview questionnaire covering the following areas:

- 1. Setting up a Collective Action:** Identifying Facilitators, Governance & Risk Assessment
- 2. Building Multi-Stakeholder Alliances:** Engaging Public Sector, Civil Society & Business
- 3. Creating Sustainability and long-term Engagement:** Funding, long-term stakeholder engagement & Incentives

The topics of the clinics were identified based on prior expert interviews conducted by the Integrity Network Initiative.

The present document aims to give an overview of the discussion and distill the main outcomes of the clinics. It further maps out identified challenges when implementing Collective Action as well as factors that may help in overcoming them.



The background image shows a dense urban landscape, likely Cairo, Egypt, with numerous buildings, a mosque with a tall minaret, and a road with some traffic. The sky is overcast.

Chapter 2

A MAP OF COLLECTIVE ACTION IN THE MEA REGION

2. A MAP OF COLLECTIVE ACTION IN THE MEA REGION

In recent years, several initiatives that follow a Collective Action approach have been established and implemented in the Middle East and Africa to tackle some of the challenges corruption poses to the business environment and sustainable development of the countries in the region. The following chapter aims to sketch out some of their background and key characteristics as well as driving motivations.

2.1 REGIONAL DRIVERS OF COLLECTIVE ACTION

The concrete motivations that end up triggering the launch of a CAI are very specific to each country and its dynamics. Nonetheless, there are certain overarching drivers that are common among initiatives in the region and arguably elsewhere.

“It’s all about timing, and the need in the country, and luck”



POLITICAL TRANSITION

Several countries in the region have seen significant political upheaval in the last decade. Specifically the countries of North Africa have seen previous autocratic regimes collapse, with corruption being one of the key grievances voiced by citizens. In countries such as Egypt and Tunisia, the political changes of 2011 were thus a key catalyst for initiating anti-corruption efforts.

But also absent full-fledged regime changes or revolutions, political transitions were a key driver in countries across the region (e.g. Ghana), where initiatives were able to make use of a new willingness to engage from stakeholders that previously would not have done so. In such situations the sociopolitical context helped to align the interests of different stakeholders.

While politically volatile situations can make the implementation of CAIs more challenging, they can also open up tremendous opportunities for debate and participation. Particularly in countries where the political system had traditionally not allowed for open dialogue and participation of non-state actors in the political process, Collective Action has become a promising and successful tool to foster cooperation and new approaches to problem solving. While in some of these countries recent years have seen a renewed closing of spaces for participation, CAIs were still able to be effective.



(POLITICAL) COST OF CORRUPTION

In many countries of the region, widespread corruption results in substantial damages to public sector institutions. In many CAIs that are facilitated by public sector stakeholders, or implemented as a cooperation between public sector and civil society or the private sector, the political cost of corruption was a key driver. The political cost of corruption can refer to financial losses for the public sector due to corruption dissipating public funds (e.g. Malawi, Ethiopia,

Ghana) or to governments fearing a loss of power due to grievances regarding corruption from the public (e.g. South Africa).

Some CAIs have used studies on the cost of corruption to the public sector as a selling point to motivate government stakeholders to get engaged in Collective Action that may otherwise have been unwilling to do so.

(INTERNATIONAL) REGULATORY PRESSURE

In many countries of the region domestic law enforcement is relatively weak, especially in terms of liability and sanctioning of legal entities of the private sector.¹¹

But internationally, recent years have seen a tightening of regulations and increased enforcement action on anti-bribery legislations. In the US, long at the forefront of anti-bribery law with its Foreign Corrupt Practices Act of 1977, 2016 has seen the highest number of enforcement actions yet.¹² Several countries in Europe have introduced new bribery legislation and/or have significantly increased enforcement action (e.g. UK, Germany, France, Netherlands). And most of these new laws, although through different means, have increased the responsibility and liability of companies. Additionally, enforcement cooperation between countries has increased substantially.¹³

These developments have had a ripple effect in the Middle East & Africa region. While domestic law is often not a severe deterrent factor due to low enforcement rates and often a complete absence of penalties for legal entities, increased international enforcement as well as debarment systems of international financial institutions have become a significant driver to counter corruption; at the very least for large companies in the region that operate internationally.

While generally regulatory pressure from within the region is low, the legal landscape can still influence the establishment of a CAI. Where the private sector is initiating a CAI for example, a reason can either be an absence of laws and regulations, or conversely a situation where laws and regulations are perceived as too dense and complex. In the region there was one example where the release of new legislation triggered the launch of a CAI (United Arab Emirates).

¹¹ See for example: MENA OECD Investment Programme: Business Ethics and Anti-Bribery Policies in selected Middle East and North African Countries.

¹² See for example: TRACE International (2017): Global Enforcement Report 2016. U.S. Securities and Exchange Commission (2016): SEC Announces Enforcement Results for FY 2016 (<https://www.sec.gov/news/pressrelease/2016-212.html>)

¹³ See for example: OECD Working Group on Bribery (2017): 2016 Data on Enforcement of the Anti-Bribery Convention (<https://www.oecd.org/daf/anti-bribery/Anti-Bribery-Convention-Enforcement-Data-2016.pdf>)

BUSINESS FRUSTRATIONS

Especially in CAIs that focus on a specific topic (such as customs or a specific industry or sector) business frustrations are often one of the key drivers.

In these concrete areas, businesses tend to see the immediate damage corruption does to their operations more than when the discussion focusses on generally advancing integrity. Especially in areas or countries where a lack of regulatory enforcement from the public sector creates gaps, companies are sometimes driven to step in and collaborate to ensure a level playing field where they can operate effectively,

based on fair competition, and without losing time, effort, and money to corruption (e.g. Mozambique, Kenya).

However, business frustrations can also be broader. CAIs focusing on SMEs were for example often triggered by a general frustration regarding the disadvantages SMEs face in a national economy. This relates both to a lack of a trickle-down effect in the economy due to corruption at the top, as well as to the specific vulnerabilities of SMEs with regards to corruption risks.

ATTRACTING INVESTMENT

Investors shy away from volatile and risky markets. This holds true both for foreign direct investment as well as domestic investment. As corruption is a key contributor to unpredictable and risky markets, many countries in the region have struggled to attract and retain investment.

And even countries that do attract foreign direct investment (FDI) due to, for example, a high volume of natural resources (e.g. Nigeria), this investment tends to be short-lived. While FDI may come into the country, due to the high-risk environment it is usually pulled out fast after generating profits. So the money flowing out often exceeds the investment coming in which can drain a country's foreign exchange reserves.

Generating more sustainable FDI is thus a common motivation for engaging in CAIs. This is especially true for initiatives implemented by the public sector and for initiatives operating in countries whose economy is heavily dependent on foreign investment and generally its ties to an international market.

But also companies looking for investment or trying to list on foreign stock exchanges may struggle to do so if their home country has a reputation of being highly corrupt. Proving their commitment and integrity through an engagement in a CAI can be a strong motivator here (e.g. Nigeria, Angola).

GLOBAL SUPPLY CHAIN INTEGRATION

Recent developments in international regulations and enforcement can be strong drivers for CAIs as has been described above. This is a driver that is mostly relevant to larger companies operating internationally and thus falling under international laws.

However, due to the more stringent rules placed on companies and the greater responsibility they now hold over conduct of their business partners, MNEs have started to

push standards down to their suppliers. The vast majority of SMEs in the region may not fall under international regulations. However, they are very often embedded in the supply chains of companies that do, or work on contracts that are financed by international development banks or similar institutions. Increasingly these SMEs are being asked to comply with anti-corruption standards by their business partners which can be a motivator for them to engage in Collective Action.



2.2 REGIONAL IMPLEMENTATION

In the Middle East and Africa Region, several initiatives that follow a Collective Action Approach were initiated in recent years, the majority being launched after 2010. However quite a few, or at least their hosting organizations, have been implementing Collective Action Initiatives prior to 2010.

19 active CAIs operating in 16 countries and implemented by 13 organizations / facilitators¹⁴ and additional partner organizations were identified at the time of writing this report. This is in addition to several local chapters of international Collective Action efforts (most

notably the Extractive Industries Transparency Initiative (ETI)).

This does not presume that the information contained in this chapter is exhaustive, complete, or conclusive. This chapter is based mostly on the information and experience shared by the CAIs that were present at the Regional Clinic Middle East and Africa that was held in February 2018 in Aswan, plus on additional research conducted by the Integrity Network Initiative. While all effort has been made to identify all active CAIs in the region, completeness cannot be guaranteed.

FACILITATORS, HOSTS & GOVERNANCE

Of these 19 initiatives 10 are implemented by a host or facilitator that is itself a multi-stakeholder or independent effort, 4 are hosted by public sector institutions, 3 by business sector and affiliated entities, and 2 are facilitated by a civil society stakeholder.

However, it needs to be mentioned that this separation is not always straight forward. Some hosting initiatives are legally civil society organizations but are made up entirely of business sector stakeholders (e.g. business associations) – in such cases, how an initiative or organization would categorize itself can depend on their understanding of the initiative and can thus be self-ascribed. Other initiatives are

hosted by a single-sector host but established a multi-stakeholder governance structure that might lead them to define the CAI as multi-stakeholder hosted, so again it can be difficult to clearly ascribe a CAI in any one category.

Most of the identified initiatives include a certain level of multi-stakeholder governance, usually through a board, steering committee, or advisory board. However, some initiatives have struggled with ensuring a true multi-stakeholder representation in their governance structure. Similarly, many CAIs in the region have struggled to achieve or maintain a true multi-stakeholder set-up in their efforts to recruit members and partners to the initiative.

¹⁴For a full list please revert to the Annex

MEMBERSHIP & PARTNERS

Out of the 19 initiatives considered, 9 include members and/or partners from all three stakeholder groups (public sector, business sector, civil society), 4 are business only, 3 include members from the public and business sectors, 2 are made up of business sector and civil society, and 1 consists of public sector members only. As with the hosting organizations, the categorization is not always clear cut, as many of the CAIs that don't include a certain stakeholder group as members or partners, do in fact cooperate with stakeholders from

that group, and different CAIs have different definition of what constitutes a member.

The general feeling among most CAIs that didn't include certain stakeholders was that they wished to do so or had attempted to do so in the past, but struggled to engage for a variety of reasons. In few instances specific stakeholders were consciously left out for particular reasons. These challenges will be looked at in more detail in Chapter 3.

ACTIVITIES & TOPICS COVERED

Almost all of the initiatives covered in this report are set up to be long-term initiatives. While many operate from funding period to funding period, none are set up in a way that envisions a conclusion of the project in a fixed time period (such as Integrity Pacts).

However, it was mentioned by some, that ideally their aim would be that the goals of the CAI get integrated into the standard operating processes of the respective issue area. This would mean that the idea and effort continue, but not as a CAI per se but as part of how business is done.

Four of the regional CAIs currently conduct some form of an assessment or monitoring process of company performance – which includes certification processes as well as the evaluation of self-disclosed information. Two

more initiatives are in the process of adding an assessment process to their existing CAI.

The topics that CAIs in the region work on differ. But some topics are more dominant than others, most notably corruption in customs and trade and working on/with SMEs. Additionally international sector-specific initiatives are working on the construction sector and the fisheries industries (plus the extractive industries through EITI, which was not included in this report).

Furthermore, most CAIs include some form of capacity building in their program as well as awareness raising activities. Responsible lobbying and advocacy with the public sector is less wide-spread, but some initiatives have done so and with sometimes substantial success.

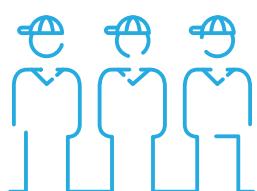
ACTIVE COLLECTIVE ACTION INITIATIVES IN THE REGION

19 INITIATIVES
IN **16** COUNTRIES
1 IN ESTABLISHMENT

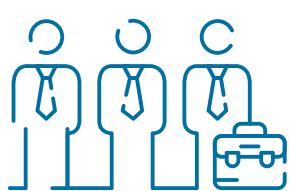


WHO FACILITATES THE INITIATIVES?

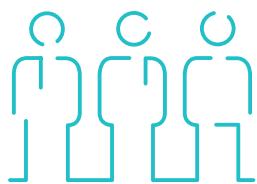
OF THE 19 COLLECTIVE ACTION INITIATIVES:



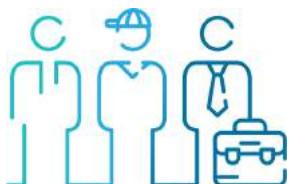
2 Are facilitated by Civil Society



3 Are facilitated by Business Sector or affiliated entities



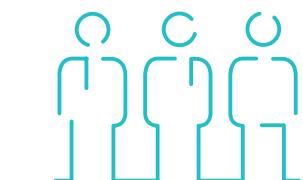
4 Are facilitated by Public Sector entities



10 Are facilitated by Multi -Stakeholder/independent facilitators

MEMBERSHIP

OUT OF THE 19 INITIATIVES:



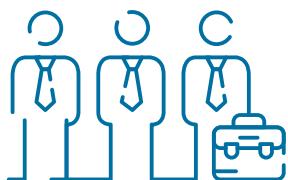
1 Includes only Public Sector



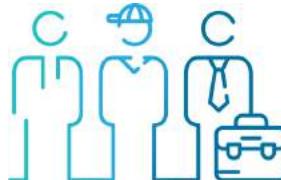
2 Include Business & Civil Society



3 Include Business & Public Sector



4 Include only Business Sector

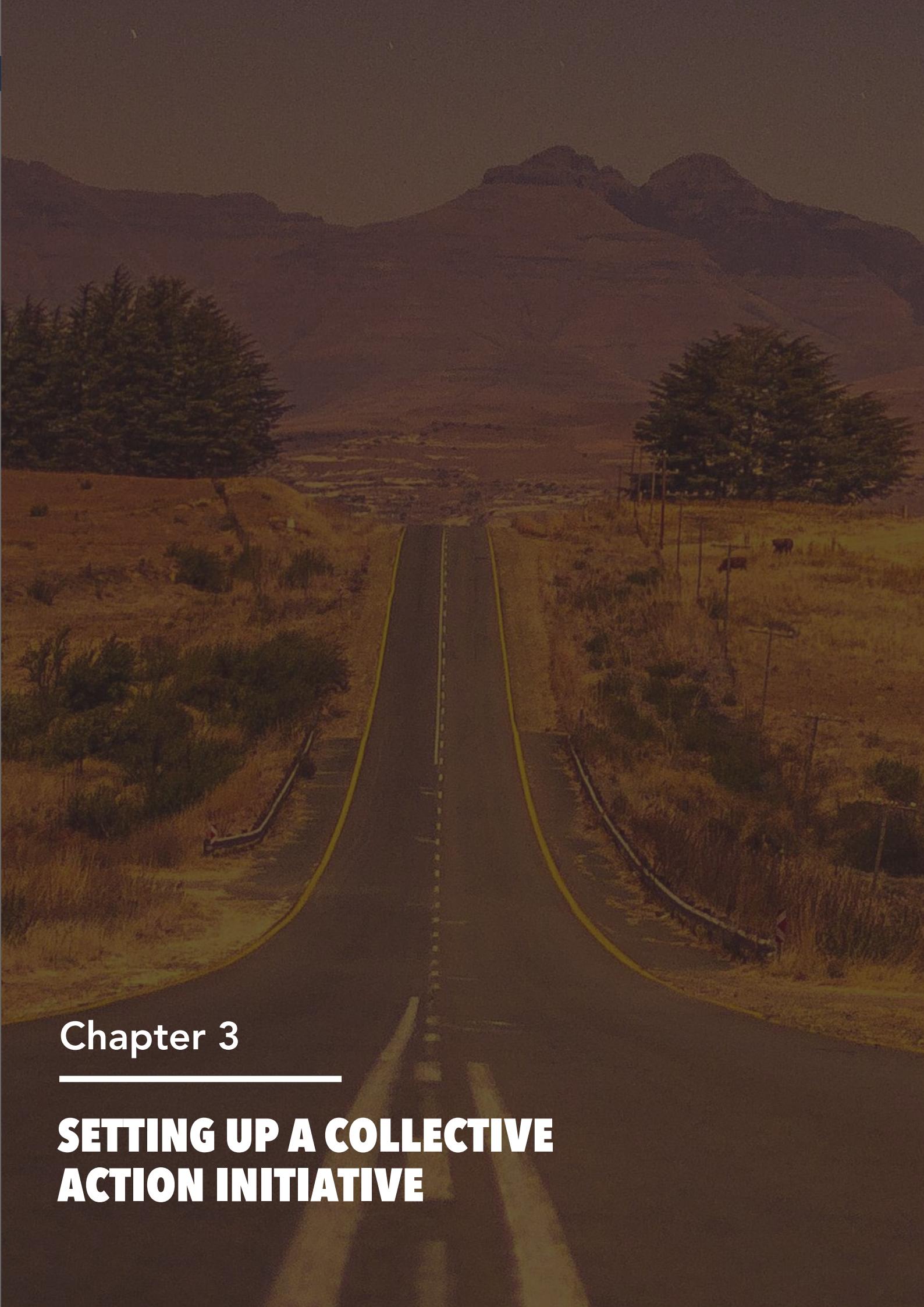


9 Include all Stakeholder Groups

However, almost all initiatives not including all stakeholder groups, aim to broaden their membership base but have struggled with attracting certain stakeholder groups.

WHAT TOPICS ARE COVERED?



A photograph of a two-lane asphalt road with yellow dashed center lines, curving through a dry, grassy landscape. In the distance, a range of mountains is visible under a clear sky.

Chapter 3

SETTING UP A COLLECTIVE ACTION INITIATIVE

3. SETTING UP A COLLECTIVE ACTION INITIATIVE

Collective Action Initiatives are launched for a variety of reasons, sometimes to contribute to a general improvement of the business environment, or to tackle a very specific anti-corruption issue and it is crucial to understand and address the relevant drivers from inception.

In its early stages, a CAI will also have to put some time and effort into defining its goals and outputs and establishing processes and approaches that help in achieving them. This will include detailing a CAI's scope and work plan, conducting a risk assessment, and defining a governance structure.

Generally speaking, a CAI needs someone "who pushes the initiative, someone who operates as the secretariat, and someone who finances" to be successful. In more technical terms this would refer to facilitators, governance & project management, and funding. These points will be looked at in the following chapter after a discussion on initial drivers for Collective Action.

Funding will be looked into in more detail when discussing sustainability in Chapter 4.

Engaging the right stakeholders in a Collective Action is also paramount to establish it successfully. Stakeholder engagement will be looked at separately in Chapter 3.

SETTING STANDARDS

Although countries in the region, generally, look to improve their ranking in international indicators such as the CPI, there seems to be a resistance to following international standards especially when viewed as imposed. Key stakeholders may view advocacy for international standards as foreign interference in a country's policies and procedures.

Meanwhile, completely re-inventing the wheel and ignoring international good practice standards and experiences from other countries is not the best way to go forward, as it would be neither efficient nor effective.

A suggested compromise would be to use international good practice standards, but localizing them for the relevant markets in a consultative process that considers specific local risks and requirements.

3.1 FACILITATORS

The question of facilitators can be a tricky one, especially as who is viewed as a facilitator can differ depending on the context. It is sometimes understood as the stakeholder or agency setting the ground work, i.e. facilitating the context in which a CAI can be implemented. Others use it as a synonym for the founding or implementing stakeholder (i.e. the host).

While there is overlap between the two concepts they are not synonymous. While every CAI will have a hosting organization, not

all initiatives operate with a facilitator as per the first definition. Such facilitators are mostly relevant, where stakeholders with Collective Action experience help to jump start an initiative that is primarily implemented by someone else, maybe even in a different country.

To cover all aspects of the questions, and to accommodate for the different set-ups present at the Regional Clinic this report will look at both scenarios:

FACILITATORS AS HOSTS

Organizations or entities looking to implement CAIs, should make sure that they have the capacity, network, and credibility to do so.

The capacity generally relates to funds, skills and time, all of which can be challenging and are often highly dependent on the question of funding. In many countries of the region work on Collective Action is still somewhat new, as is generally the work on compliance. So many initiatives struggle with attracting and retaining a skilled work force, especially if they are unable to pay competitive salaries due to a lack of funds.

To build a CAI a network is crucial. This question will be looked at in more detail in Chapter 3. But even prior to conducting outreach and attracting new members, the facilitator of a CAI needs to have a strong network, especially in the private sector, to get the initiative off the ground. Once a CAI has been implemented and can show some high-quality output, it can

reach out beyond its immediate network. But in the very early stages a CAI will most likely depend on the engagement of a group of stakeholders that were already in its network and that are willing to get engaged, simply because they trust the facilitator.

This is a point that leads to credibility. A facilitator needs to be perceived as competent, capable, and reliable in the field for stakeholders to join the CAI. Here a few initiatives struggle with the issue of perceived bias. A CAI that wishes to engage stakeholders from all three stakeholder groups on an equal footing, can struggle to do so if the facilitator is heavily associated with one of the three stakeholder groups. Especially where the facilitating organization is linked to the public sector, attracting a substantial following in the private sector can be difficult. But the reverse is also true. This is a challenge that reflects the one of attracting stakeholders across the “stakeholder divide” which will be looked at in more detail in Chapter 3.

LESSONS & RECOMMENDATIONS

- ◆ When selecting facilitators ideally one would look for capacity, network, and credibility. However in reality it can be much more coincidental than that. Throughout the region there were instances, where only one possible facilitator was in the market, or no facilitators met all requirements.
- ◆ While a true multi-stakeholder facilitator would be ideal, where none are available and can't be created, or context requires a different approach, one might consider having one main facilitator and selecting strategic partners in a way that ensures multi-stakeholder facilitation.
- ◆ When selecting a hosting facilitator, ideally one should also consider how financially sound the organization is and how developed its administrative capabilities are.
- ◆ As the CAI matures it can become advisable to separate the initiative from its hosting organization.

FACILITATORS AS EXTERNAL EXPERTS FACILITATING A CAI

Throughout the region some of the more established anti-corruption actors active in Collective Action, have acted as facilitators to new CAIs, sometimes in other countries (e.g. The Ethics Institute, the Convention on Business Integrity). The main idea here is to assist newly found CAIs and their implementing entities with knowledge and capacity gained in prior CAIs.

In this set-up, the concerns listed above regarding the capacity, network, and credibility of the implementing organization still apply. It often falls upon the facilitator to ensure that there are competent partner organizations "on the ground" that have the capacity, network, and credibility for the day-to-day implementation of the CAI.

LESSONS & RECOMMENDATIONS

- ◆ Where a CAI is implemented through an international facilitator, it remains paramount that the local implementers or partner organizations have the necessary capacity and network, especially to engage local public sector.
- ◆ Enough time should be allowed to identify and select the adequate implementing organizations or strategic partners who are sufficiently strong, sustainable, and reputable.
- ◆ Picking the wrong partner as a convening power is a risk. If the selected organization doesn't have the necessary influence, network and credibility, changing partners might become necessary.
- ◆ A capacity building program should be considered, where potential facilitators lack skills or technical knowledge required to adequately fulfil the role.
- ◆ It is important that initiatives are genuinely local, so where a CAI is implemented with a foreign facilitator, it can be advisable that the facilitator exits (or at least takes a less active role) once the initiative has been established successfully.
- ◆ Engaging publicly well-known external entities as facilitators or partners in a CAI can be hugely beneficial. This is especially true where the local implementing entity is still new and relatively unknown. Here the collaboration with a more established partner can lend additional credibility and skillset. While most aspects of a CAI need to be driven locally (ensuring that it matches a local need, reflects aims and capacities, targets root grievances, has local ownership etc.) bringing in an international partner can help to bring in expertise, guidance, resources, and additional credibility.

CASE: TEI SOUTH AFRICA - THE IMPORTANCE OF FACILITATORS

The Ethics Institute (TEI) has been involved in the implementation of Collective Action projects for many years, the majority of which were conducted outside of South Africa. To successfully launch and establish initiatives outside of one's own country requires the involvement of strong partners. Using the expertise of TEI in the launch of new CAIs across the region has proved tremendously successful in getting initiatives off the ground by benefiting from the expertise of TEI. At the same time, to ensure local ownership, the successful embedding in local processes, and sustainability once the initiators retreat, it is paramount to engage knowledgeable and committed local partners. Identifying local facilitators early who have the necessary capacity, reputation, and network to implement an initiative and sustain it over time has proven crucial for the various initiatives' success. Access to public sector stakeholders is best achieved through partnerships with well networked local stakeholders.

Learnings from this endeavor have been the need to identify facilitators early, establish early MoUs especially when dealing with public sector stakeholders, and staying flexible in readjusting or bringing new stakeholders on board if needed. To date, TEI has implemented 8 CAIs in 6 counties in partnership with over 20 stakeholders, with TEI's goal being to step out of the initiative as soon as the local partner assumed ownership.

3.2 GOVERNANCE & PROJECT MANAGEMENT

GOVERNANCE

The CAIs implemented in the MEA region take on different governance forms. In many cases the governance structure will depend on who implements the CAI. In some cases, a governance structure was "inherited" from the hosting or facilitating organization. In cases where different organizations jointly implement an initiative, it is usually governed by a steering committee representing the involved parties. In CAIs that are run as local chapters of international organizations the governance structure of the headquarter is usually adopted. And while the two structures are legally independent, they usually follow the same guidelines and requirements.

The design of the governing body also depends on the goal of the initiative and its structure. A short-term CAI may mainly require a steering committee that is strong on implementation and stakeholder engagement, while a longer term CAI may need a separate Board of Directors / Advisory Board to supervise the work of an executive team (secretariat).

Designing an appropriate governance structure at the outset is crucial to achieving the goals and objectives of the CAI. It should be setup from the beginning, preferably even while the CAI work plan is still being created. Whether the governance structure takes the shape of a Steering Committee or Advisory Board, it is advisable to engage them in the initiation and setup phase of the CAI and in the process of detailing work plans and mile stones.

It is further important to take the external context into consideration. This relates both to the legal framework of a country, which might mandate a specific governance structure, as well as the overall political context. After assessing the most relevant risks, a CAI might identify specific areas that, considering the environment and political climate, are of such importance to the success of the CAI that they need to be considered in the governance structure by establishing committees, task forces, or similar bodies.

For example, in Nigeria, where a governance rating system was setup, an identified high risk was that the process would be perceived as not credible. Hence, a governance committee was setup with the sole purpose of ensuring the process remains open, transparent and credible. When selecting individuals to serve on the Steering Committee / Board of a CAI, a few things will need to be considered:

Necessity of multi-stakeholder representation

Ideally, most CAIs will want to engage the different stakeholder groups they are targeting and this should be reflected in the governance structure. However, in some cases a CAI might find it difficult to identify committed and capable stakeholders from certain stakeholder groups, or might consciously want to leave out certain stakeholders.(This is a concern that mirrors the challenges regarding stakeholder engagement (See Chapter 4)).

Commitment vs. Structure

In the beginning a CAI might opt for picking the most committed stakeholders with the most "skin in the game", to ensure they will have the necessary commitment and motivation to drive the initiative forward. The idea here being, that the most affected and involved need to steer the effort. However, the best stakeholders to initiate and jump-start an initiative are not always the best candidates to govern it and provide sustainable long-term oversight. While in the beginning it might be most important to have motivated people involved, in the long run, processes can become more important.

Roles and Responsibilities of the governance body

- ◆ Oversees the initiative and makes sure it remains on track in achieving its goals
- ◆ Monitors and evaluates the performance of the CAI and adherence to work plans and outputs.
- ◆ Evaluates new ideas and judges the soundness of new endeavors.
- ◆ Establishes processes or committees to deal with specific requirements and specific risks (e.g. an accreditation committee)
- ◆ Adds institutional capacity to the CAI
- ◆ Helps with attaining new opportunities

Challenges

- ❖ Some of the CAIs in the region are very heavily driven by individuals. A strong and sound leadership is crucially important for successful initiatives. Especially in the setup phase having people involved that are willing to go the extra mile is invaluable. However, what can be challenging here is that an initiative that is too dependent on few individuals runs the risk of not surviving if these individuals withdraw or pursue other ideas.
- ❖ A common challenge relates to the question of whether to put founders on the governance board. This can often be the expectation of founders and it can be beneficial in that it results in stronger ownership and commitment from the governing board. However, founders can be inflexible when it comes to necessary adjustments once an initiative matures or the context changes. Especially in long-term initiatives bringing in new viewpoints and challenging old habits can be crucial for long-term success. But founders, then, may be unwilling to accept change or make way in favor of new candidates.
- ❖ Certain stakeholders (institutions or individuals) may be relevant and add tremendous value and credibility to the governance board, but might be viewed as antagonistic or controversial by the government or other crucial stakeholders.
- ❖ Often role descriptions are absent or unclear, especially in terms of roles of the executive lead and governance board, which makes it difficult to say who speaks for the initiative or how decisions are taken.

Learnings and Recommendations

- ◆ Engaging academia and think tanks in the establishment of a governance structure can prove useful to bring in the needed expertise and independently moderate initial discussions
- ◆ As everything else, the governance processes, procedures and structure should stay flexible enough to adapt to opportunities and changes in the context.
- ◆ Generally speaking, a governance structure should aim to represent all relevant stakeholders. This relates to the representation of all involved parties in partnership projects, but also to the representation of key stakeholder groups the CAI wishes to engage / target.
- ◆ This might not always be fully possible at the outset. But especially CAIs that are facilitated by an entity that is strongly affiliated with a particular stakeholder group will need to ensure that its governance structure is sufficiently independent and represents different stakeholder groups to avoid a perception of bias (e.g. have the Board / Steering Committee be headed by a business representative if the facilitator is Civil Society).
- ◆ Institution building tends to be a difficult, long and expensive process that is often beyond the scope of a CAI. So instead of aiming to build an institution to steer the process, CAIs should aim to include representatives of strong, credible institutions in its governance body to build a strong and independent process with the necessary strength.
- ◆ Processes should be set up to address very specific risks, e.g. setting up relevant sub-committees who are independent in their operations and can guarantee credibility of crucial process areas.
- ◆ It is important to have a strategy and processes in place for growing the board beyond the founders. This would help to avoid founders taking absolute ownership over the CAI and it would pave the way for integrating relevant new stakeholders in the future.
- ◆ The roles and responsibilities of the members of the governance body need to be well defined and formally documented. It is also important to separate between the roles of the governing board and the roles of the executive management.
- ◆ Succession planning and developing follow-up leadership need to be considered early to manage the risk of leading figures leaving.
- ◆ In general, CAIs need to make sure that, in as much as possible, the organization is not dependent on one or few individuals.
- ◆ CAIs should establish a monitoring and evaluation process for the governing board or steering committee. This allows the governance structure to change and evolve where needed and will contribute to a CAI's flexibility and evolution.
- ◆ A good governance structure is important to ensure sustainability as it can also help with measuring impact and supporting financial sustainability.

CRITERIA OF A GOOD GOVERNANCE OF A CAI

- Designed at initiation
- Contextualized
- independent
- Ensures credibility and creates trust
- Demonstrates Leadership and ownership
- Highly committed stakeholders
- Clear vision
- Based on risk assessment
- Flexible and evolving

PROJECT PLANNING & PROJECT MANAGEMENT

CAIs should, at the outset, establish a project work plan and accompanying project management tools. Often this is done as a requirement put forth by donors, but an appropriate work plan with KPIs and corresponding project management tools is also a requirement for a CAI to be successful over time.

A clear formulation of goals and outputs will vastly facilitate stakeholder engagement, as most stakeholders will only get engaged in an initiative whose goals they share and whose outputs and deliverables are relevant to their interests and motivations.

A communication on goals and outputs will also be necessary to measure successes and impact of a CAI, which will be paramount in sustaining funding as well as stakeholder engagement over time (see Chapter 5).

Learnings and Recommendations

- ◆ When establishing a work plan CAIs should consider conducting a risk assessment to determine which of their activities are most crucial and to identify risks that might derail activities, and if so, if there are mitigating strategies a CAI can implement that would reduce the likelihood of these risks occurring or could offset some of the potential damages.
- ◆ CAIs should aim to establish a structure for stakeholder engagement early (e.g. meeting schedule, communication strategy etc.). While in a small, new initiative this is often done ad-hoc without any problem, it becomes difficult to change the modus operandi once the initiative mature.

CASE: EGYPT - INTEGRITY NETWORK INITIATIVE (EJB & UNGC) & CENTER FOR ECONOMIC AND FINANCIAL RESEARCH AND STUDIES (CEFRS) (CAIRO UNIVERSITY) - SCOPE AND TOPIC READJUSTMENT IN TIMES OF POLITICAL TRANSITION

Two Collective Actions were being implemented in Egypt when the 2011 revolution broke out. And the quickly and fundamentally changing political landscape changed the possibilities for successful Collective Action.

Corruption was one of the core grievances in the uprising in Egypt, as elsewhere in the region, and correspondingly, the political transition opened space for new debate and engagement. The topic was high on everyone's agenda and awareness activities automatically attracted a large participation. For maybe the first time in recent history, high profile speakers and high ranking government officials would participate in conferences and events about integrity and the fight against corruption. And when the country drafted its national strategy for fighting corruption, CAIs and other anti-corruption efforts had access to be part of the effort and to give feedback and input in shaping the strategy.

But at the same time it became very difficult to execute other aspects of the CAIs. It was increasingly hard for example to fly in consultants. And the political uncertainty made a meaningful and long-term engagement from the public sector difficult. So while the political transition initially facilitated awareness raising activities and opened new space for debates, the associated instability also made long-term and reliable planning almost impossible.

Changes to work plans and project duration became unavoidable and what could realistically be achieved needed to be reassessed. Many CAIs struggle with the reality, that to be successful in challenging conditions they have to stay flexible and adjust to shifting priorities and contexts. But the majority of CAIs are also dependent on external funding which can make a substantial adjustment to shifting priorities difficult. As a consequence many CAIs struggle to combine being flexible and able to react to new opportunities, while also adhering to project plans and budgets and fulfilling donor expectations.

3.3 FUNDING

Accessing funds is probably one of the biggest challenge for CAIs in the region.

A CAI should consider ways to self-sustain its funding as early as possible, a point that will be looked at in more detail in Chapter 5. However at the outset, raising funds internally (e.g. through membership fees, the selling of services etc.) is often not feasible, especially if the CAI is engaging primarily with SMEs.

Therefore, initially, most CAIs will depend on donations or grants to set-up their initiative.

Challenges

Regional funding from domestic sources is mostly focused on humanitarian aid and other charitable efforts, such as health or education, so there is very little available domestic funding for rights-based or advocacy organizations. In some countries of the region there is also only a very limited number of national Foundations, private sector stakeholders, or NGOs available that would have the necessary funds to spend on a new CAI.

As a consequence, many (if not most) CAIs in the region, at least initially, depend on foreign donors.

However, a dependency on a single source of (foreign) funding can hold substantial risks:

- ❖ Implementing a CAI is a lengthy process. Engaging all stakeholders and building the trust necessary to even start with implementation can take a substantial amount of time. Donors on the other hand often want to see results and impact as early as possible and funding cycles can be relatively short. So a risk here is that funds run out before an initiative had a chance to mature enough to be self-sustainable or to even generate any meaningful impact.
- ❖ When relying on donor funding, initiatives are dependent on the (shifting) agendas and focus areas, as well as geographical preferences, of donors.
- ❖ Relying on external funds with strict funding rules and work plans can also pose challenges for CAIs operating in volatile markets or politically unstable situations. These contexts often require a lot of flexibility in the implementation phase, which can collide with donor expectations.
- ❖ Grants from abroad, especially from foreign governmental agencies, can limit a CAI's options in some countries of the region, where a perception of foreign interference will be viewed unfavorably by the authorities and public. In turn funding from a private sector donor could give the perception of corporate capture of the topic and alienate other businesses/local donors.

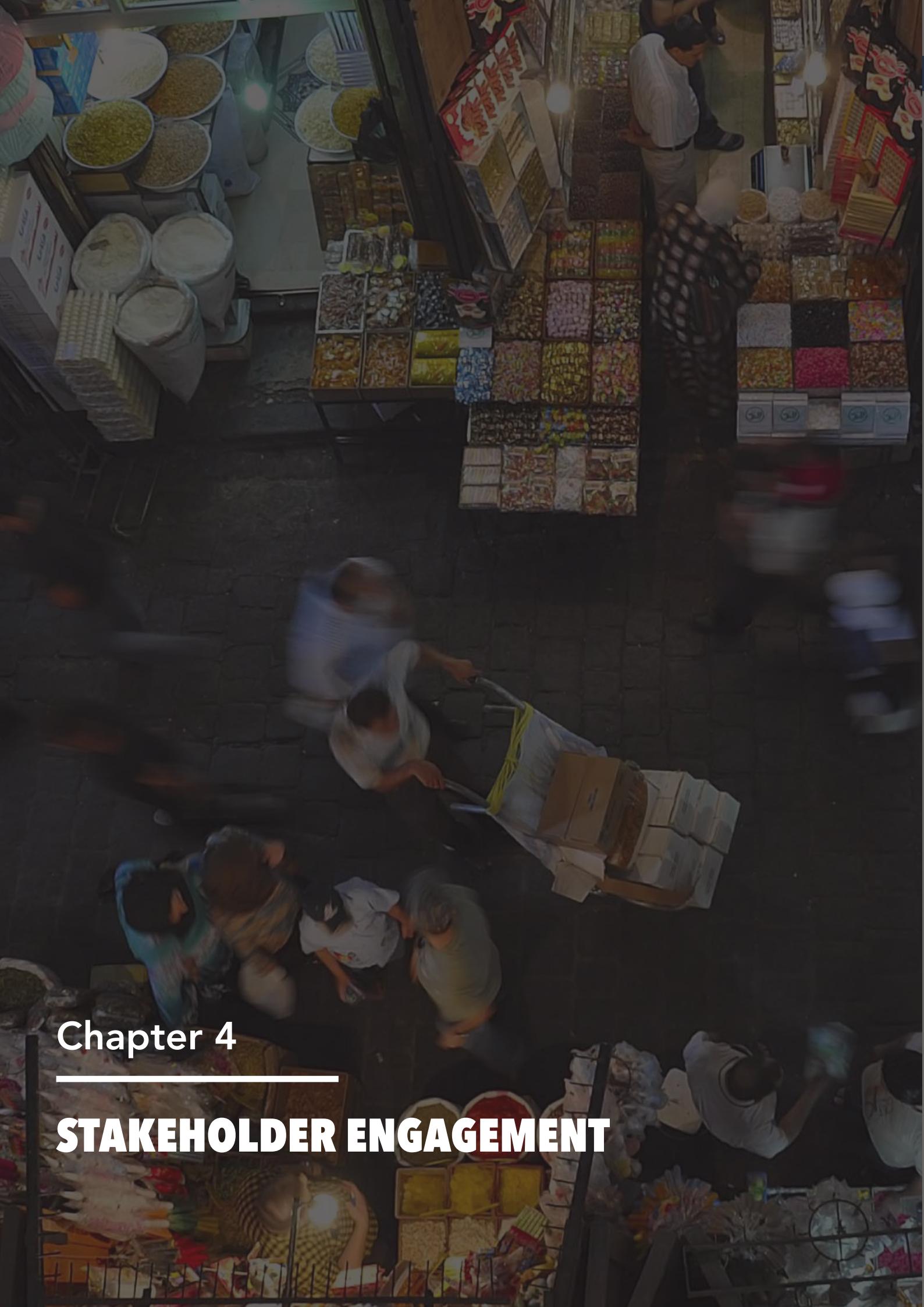
- ◆ But beyond a reputational problem, there can be stringent rules and regulations put on stakeholders, especially civil society, when receiving money from abroad. This can lead to very lengthy approval processes and roadblocks in project execution.
- ◆ When you are a CAI with substantial funds in an environment where many stakeholders are lacking funds, you also need to make sure you are not becoming a “piggy bank” – a general risk factor for NGOs, not only CAIs. It can be a challenge to separate truly interested partners from stakeholders that only want a share of the funds.
- ◆ That being said, external funds are often the only available funding source to jump-start an initiative. And while CAIs should look into the future as early as possible to make sure they do not stay too dependent on external funding, an initial grant can be a very useful way to get an initiative off the ground, build the necessary capacity (if needed), and grow the initiative to an extent that it will be more likely to sustain itself once the funds run out.

Learnings & Recommendations

While dependency on single sources of funding come with certain risks, at the outset a fund or grant might be the only feasible option to properly set-up a CAI and build the necessary capacity.

To mitigate some of the risk and to facilitate sustainability later, CAIs should consider the following:

- ◆ CAIs need to build (financial) sustainability strategies into their project plan from the inception. Even where an initial grant funding is available for the set-up of the initiative or for a certain period of time, a system needs to be established that can ensure sustainability post the grant period.
- ◆ CAIs should look to build on similar guidelines, similar events, similar websites etc. that were established before. This will avoid a duplication of efforts but will also help with resource problems.
- ◆ Set realistic goals and work with what you have. Sometimes resources can be shared with other institutions or initiatives at low or no cost (e.g. communication networks, meeting rooms).
- ◆ To the extent possible CAIs should identify fundraising opportunities from within their membership (membership fees, in kind or financial donations from members and partners, fees for trainings etc.)
- ◆ CAIs depending on external funds should plan well when to try and access these. In many countries of the region there is still a substantial requirement for awareness raising and trust building among stakeholders. These are processes that can take substantial time and usually need to happen prior to an actual project implementation. So where feasible, CAIs should consider starting with small scale awareness raising and interest mapping activities and then approach external donors when they are ready to start with a full scale project implementation. Otherwise initiatives may run the risk of running through a full funding cycle on essentially preparatory work and never getting a chance at full implementation.



Chapter 4

STAKEHOLDER ENGAGEMENT

4. STAKEHOLDER ENGAGEMENT

Reaching out to and engaging relevant stakeholders, is one of the most important success factors for Collective Action Initiatives. As per its definition, Collective Action requires the engagement of several stakeholders, and depending on the specific goal or context of a CAI the involvement of certain stakeholders can make or break an initiative.

First and foremost a CAI needs to identify these stakeholders: "Whose support do I need to be successful?" "Will I be able to get it? And if not, are there other stakeholders I can approach for back-up?" "Who are the members, partners, supporters etc. that will help me position my initiative and expand it in as much as is needed?"

A CAI needs to be able to answer two questions: "What are the interests of my audience?" "How will my initiative contribute to the achievement of these interests?"

Once relevant stakeholders are identified, they need to be approached. Here the question of stakeholder motivations and message framing become relevant. An initiative always needs to be able to answer the following two questions: "What are the interests and motivations of my target audience?" and "How will the work of my initiative contribute to the achievement of these interests?"

Additionally, to build leverage and ensure an initiative's impact over time the long-term retention of stakeholders is paramount.

DEPTH VS. BREADTH

A challenge CAIs often encounter when deciding who to engage, is the question of whether to go for depth or breadth in the early stages of an initiative.

To set-up a CAI it may be most beneficial to go for the most motivated stakeholders that are willing to put in the time and effort necessary to get an initiative off the ground, even if that excludes certain stakeholders that may be relevant, or consider themselves relevant, but are less committed. And with a small, homogenous group of people it can be easier to agree on the shape the CAI wants to take. However, when opting for this approach CAIs may run the risk of reducing their leverage due to their small size and might "groom" their own antagonists that expected to be included but weren't. To minimize this risks the CAI should be transparent about its set-up and clarify that while it is starting small, it is also laying out a roadmap for future growth and inclusion of relevant stakeholders.

Furthermore, a CAI that relies heavily on selected individuals might not be sustainable over time. So as the initiative grows and gets more institutionalized, it might want to go for more structure and breadth. But for some CAIs it has proved difficult to engage stakeholders later on that have been initially excluded as they may not have the same ownership as the early adopters. There can also be political sensitivities at play when stakeholders are approached after an initiative has already been established. So the question of whether to go for the biggest possible group from the beginning that will ensure a proper representation of all stakeholder groups, versus starting small and then growing the CAI as it progresses, is one that poses a challenge to many CAIs.

4.1 ENGAGING DIFFERENT STAKEHOLDER GROUPS

Identifying the relevant stakeholders to engage in a CAI is heavily dependent on the specific goal of an initiative and the context it operates in.

However as a minimum common denominator, almost all CAIs aim for the inclusion of stakeholders from public sector, business, and civil society.

When identifying who to approach from the different stakeholder groups one needs to consider their mandate, credibility, influence, capacity, and interest.

When mapping the public sector, identifying the stakeholders that would have the mandate, credibility, and influence to advance a CAI is often relatively straight forward. But CAIs often find that some of the theoretically relevant stakeholders lack the capacity, and more importantly the interest to get meaningfully engaged.

Stakeholders from the **business sector** might have the influence, and capacity, and sometimes credibility to get engaged, but will often lack the mandate and again often the interest. Additionally when approaching SMEs, capacity is often a challenge.

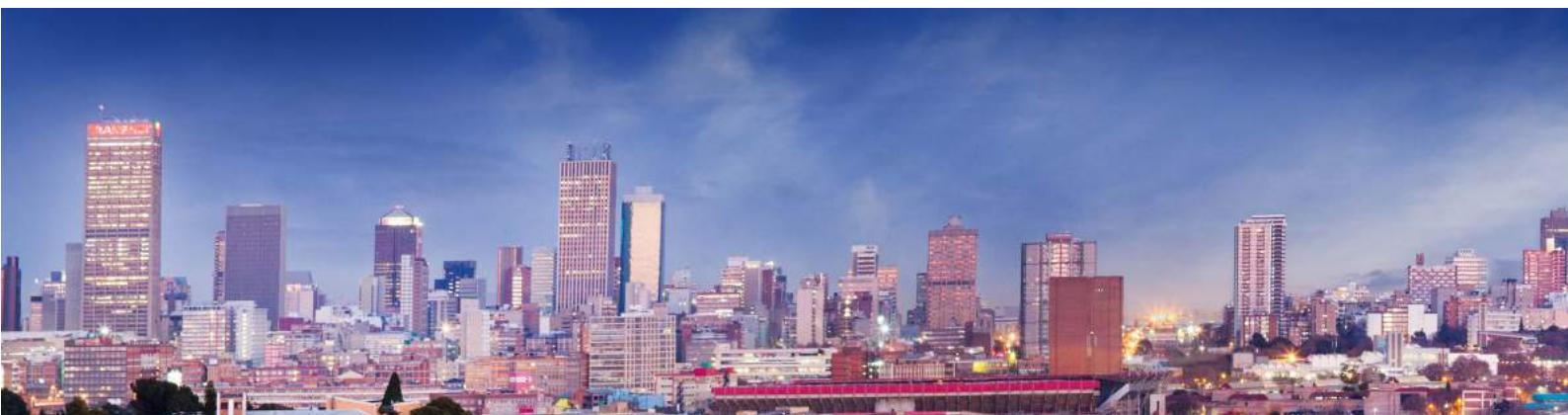
Civil society stakeholders will usually have an interest to get engaged. And while they should ideally also have an (informal) mandate, credibility, and influence, in the countries of the Middle East and Africa region Civil Society Organizations have been overall weak and sidelined from the political process. So unlike in the international arena, civil society is often perceived as lacking credibility and influence. In addition they tend to have very limited capacity, both in terms of funding as well as technical knowledge of the topic.

PUBLIC SECTOR

CHALLENGES

When identifying **public sector stakeholders**, figuring out who has the mandate and influence to effect change may be relatively self-evident. But initiatives have struggled with several challenges when trying to translate the identification into an actual engagement:

- ◆ Institutions that have the legal mandate but lack interest or willingness.
- ◆ Lack of political will at the highest level, either openly, or indirectly (i.e. stakeholders that profess support but show little interest in practice).
- ◆ Gaps between a formal or official mandate and an informal agenda.
- ◆ Institutions that are relevant and capable are identified, but their representatives in charge are unwilling or incapable to engage.
- ◆ An interest at a higher level to publically get engaged, but middle-management and local administrations lack the capacity and interest to follow-through.
- ◆ Politicized institutions whose influence changes frequently and/or the representatives working for these institutions get replaced frequently.
- ◆ When focusing too much or exclusively on government, there is a risk of losing an in-road after elections / political transformations.
- ◆ Agencies that are relevant and influential but that are (perceived to be) the gatekeepers of a corrupt regime.
- ◆ Public sector employees often worry about speaking out, especially if they do not have tenure and fear being replace.



LEARNINGS & RECOMMENDATIONS

- ◆ When identifying public sector stakeholders, a stakeholder analysis needs to include whether due to their mandate, jurisdiction, and responsibilities given to them by law they would be entitled and suitable to fulfil the role envisioned for them in the CAI. This needs to be always in consideration of the CAIs aim and the intricacies of the issue it seeks to address.
- ◆ The public sector entities with the clearest mandate for the issue at hand are usually easy to identify. But often it is critical to engage other public sector agencies as well, such as:
 - ◆ Regulatory bodies
 - ◆ Parliament
 - ◆ Mid-level management and the administrative body within Ministries, who will be responsible for execution and are less likely to change after elections or cabinet shuffle
 - ◆ In national initiatives it can be crucial to involve local administrations and other public sector stakeholders at the local/regional level
- ◆ Capacity limitations of public sector stakeholders need to be considered. Where the public sector stakeholder with the most direct mandate lacks the capacity or willingness to engage, alternatives should be identified. Once the CAI matures initially identified stakeholders can be re-approached.
- ◆ It is advisable to sign MoUs with public sector stakeholders early to formalize the cooperation.
- ◆ As part of their mandate or role some public sector stakeholders may also be able to push private sector or civil society stakeholders to engage



BUSINESS SECTOR

CHALLENGES

When approaching **business sector stakeholders**, the challenges vary depending on the type of business an initiative aims to include. Multi-National Enterprises will often have influence, capacity, and sometimes interest. But when engaging with national businesses, both large and small, interest often becomes a challenge. When targeting SMEs a lack of capacity is an additional problem.

Challenges here can also vary depending on industry. Certain industries (e.g. fisheries) are made up of mostly small and medium sized companies or large national companies sometimes represented through fragmented associations. Here getting a meaningful representation of the private sector engaged can be much harder than for example in the oil and gas industry, which is usually represented by very few large multinational enterprises.

Particular challenges when engaging the private sector in the region have been:

- ◆ Private sector stakeholders can perceive themselves as the victims of corruption, but are often considered part of the problem by the other stakeholder groups.
- ◆ In a large company the interests and goals of the CEO, compliance manager, purchasing head etc. might differ. So the values that are visible publically, are sometimes not experienced by suppliers dealing with these companies.
- ◆ Risk aversion of businesses which, while understanding the benefits of a CAI generally, are hesitant to engage for a fear of losing business – this is especially true in challenging markets.
- ◆ A pervasive fear among business that they would lose business with the public sector if they publically engage in an anti-corruption CAI.
- ◆ Where laws are lacking or insufficiently enforced, the interest of business to engage can be substantially reduced.
- ◆ Lack of trust between companies in highly competitive markets or sectors.
- ◆ When approaching business CAIs often face a “first mover problem”. Even where businesses understand the value of an initiative, they tend to not want to move first or on their own.
- ◆ SMEs are particularly vulnerable and lack resources and capacity. So it becomes difficult for them to withstand corruption requests, even if they would like to do so. They are also often unable to implement anti-corruption standards without external assistance.
- ◆ While getting competitors together in a Collective Action is one way to leverage its most important benefits, there can be a risk of outside stakeholders perceiving such an effort as anti-competitive / anti-trust or as attempting to fix the market. Specifically in the MEA Region this is a frequent concern, especially with CAIs with a relatively homogenous membership. So it is crucial for CAIs to be clear about their objectives in their approach and set-up to alleviate such concerns.

LEARNINGS & RECOMMENDATIONS

- ◆ When approaching business sector stakeholders it is crucial to make a business case and address specific business motivations, such as framing the issue of anti-corruption as part of the overall concept of sustainability and linking it to business-internal processes that are relevant to companies (e.g. retention of talent, reduced legal risk, improved product quality etc.).
- ◆ When trying to approach SMEs, going through MNEs and their supply chains can be useful. However, this is not always as easy as expected. Some MNEs, even ones that are very committed internationally, are skeptical to stick their necks out in risky markets.
- ◆ Including the financial sector is considered a potential game changer by many initiatives in the region.
- ◆ Consider, and if possible address, capacity gaps when engaging stakeholders lacking awareness (e.g. SMEs or regulators).



CIVIL SOCIETY

CHALLENGES

Involving relevant and capable **civil society stakeholders** was considered challenging by many CAIs in the region. This is predominantly due to a relatively weak civil society landscape in the Middle East and Africa. While NGOs might be interested stakeholders, few have the knowledge and capacity needed and usually lack the resources.

Particular challenges that have been identified include:

- ◆ Limited domestic funding and political space for rights-based or advocacy-based NGOs and a focus on humanitarian and charitable work. This leaves the NGO landscape lacking in stand-alone, independent advocacy NGOs.
- ◆ The lack of domestic funding for rights-based NGOs makes the ones that do exist dependent on foreign funds. This often reduces their independence and domestic credibility and leaves their funding unpredictable.

- ◆ In the region many NGOs, while legally established as NGOs, are founded by or tied to specific businesses or politicians, which further limits their independence.
- ◆ Due to a lack of sustainable funding, NGOs in the region often lack the capacity to bring as much resources and "man power" to a CAI as other stakeholders.
- ◆ The diverging communication strategies and approaches of NGOs and businesses often lead to mistrust between the two stakeholder groups.
- ◆ Depending on the topic of the initiative and the role envisioned for civil society, fulfilling their function can require a level of knowledge and capacity most organizations will not have. So an already small group of potential stakeholders becomes even smaller.
- ◆ Media is considered a crucial stakeholder that could fill some of the gaps left by civil society. But across the region media is often perceived to be politicized and thus has a reputation of limited independence. Media also often lacks the capacity to report factually on the sometimes technical topic or has no interest to do so.
- ◆ In some countries of the region, the limited space given to media and civil society to operate freely on difficult topics, has limited their ability to fulfil their oversight role adequately.



LEARNINGS & RECOMMENDATIONS

- ◆ To ensure a CAI's credibility and ensure independent oversight, engaging civil society stakeholders is crucial.
- ◆ However, as has been discussed, credible, capable, and independent NGOs are rare in the region. Here CAIs may need to look for "replacement" stakeholders that can fulfil similar functions, such as academia and media.
- ◆ Another alternative, at least for long-term initiatives, can be the development of a capacity building program for civil society. While there are few CSOs that have the necessary capacity, there are often several that are interested and committed. So where possible, enabling them to get engaged should be considered.

- ◆ Media stakeholders are considered tremendously crucial to raise awareness and provide monitoring functions. However, as with NGOs, their capacities and independence is often lacking. To meaningfully engage media the following should thus be considered:
 - ◆ Engage in capacity building programs for media where feasible.
 - ◆ Encourage media engagement, e.g. by establishing awards for thorough work on the topic.
 - ◆ Engage media continuously and constructively to create ownership and to ensure the message goes out factually and appropriately.
 - ◆ Consider appointing a spokesperson and putting out clear written messages to retain a level of control over the message.
 - ◆ Where feasible and relevant to the topic, CAIs may look to engage local media, bloggers, citizen journalists etc., who may have more interest and time to engage in the process fully.
 - ◆ Using social media can be a useful way to get the message out directly and communicate directly with the target audience. In countries where traditional media outlets are (perceived to be) not free and independent, people might be more open to voice opinions on social media. However, it needs to be considered that social media can never substitute traditional media's role as a monitor and usually lacks the sophistication and professionalism needed for constructive debates.

CASE: COST MALAWI – ENGAGING MEDIA STAKEHOLDER

The Construction Sector Transparency Initiative (CoST) launched in Malawi, they were faced with the challenge, as many CAIs are, that there were few media stakeholders who had the capacity to get engaged in a Collective Action. This was especially true for the topic at hand – transparency in the construction sector – that required a certain level of technical and expert knowledge to report factually on the issue. At the same time, media engagement was crucial to fulfil the monitoring and oversight functions that are part of the initiative's process. Information that is being disclosed by public sector and private sector stakeholders in the bidding and procurement processes surrounding construction projects needs to be reviewed, evaluated, and published to ensure public oversight. To bridge this gap, CoST launched a capacity building program for media stakeholders to enable them to analyze relevant information and to report on the topic in a transparent and factual manner. Today over 25 media practitioners have been trained under the program and 7 media organizations are now part of the initiative. To further incentivize media engagement, an award was established to recognize the best reporting on the topic.

4.2 STAKEHOLDER ANALYSIS

As outlined before, when identifying and approaching relevant stakeholders to include in a CAI one needs to consider their mandate, credibility, influence, capacity, and interest. As has been discussed previously, few stakeholders will fulfill all of these. Some might need to be included due to their strength in one area even when lacking in others while with some stakeholders gaps in certain areas might be overcome.

It is crucial for CAIs to develop a thorough stakeholder mapping and stakeholder analysis that includes a proper due diligence of all

identified stakeholders that are considered relevant for the issue at hand. When starting out it is crucial for an initiative to understand who can possibly drive its goals forward but also to consider who will be willing and able to do so.

Some questions a CAI may want to answer with their stakeholder analysis are: "Who has a say?", "Who has something to contribute?", "Who can we work with?", "Who is going to complement our overall objective?", "Who is going to be willing and able to meaningfully contribute?"

Some general learnings in this regard are as follows:

- ◆ A prior mapping of all relevant stakeholders is paramount. This mapping should include all stakeholders that have the mandate and/or influence to contribute to the aims of a CAI.
- ◆ Once a stakeholder mapping has been compiled, initiatives need to consider who of the identified stakeholders would be willing and able to meaningfully contribute.
- ◆ Where stakeholders have been identified as crucial in terms of their mandate, credibility and/or influence but are expected to lack the capacity or interest to get engaged, a list of alternative stakeholders from the same stakeholder group should be considered. (The most obvious stakeholders are not always the most useful ones.)
- ◆ Where stakeholders are willing but unable to engage due to capacity constraints, a CAI may also want to consider if the necessary capacity can be built, either by the initiative itself or through partners.
- ◆ Prioritizing the identified stakeholders and mapping out a plan as to who to engage at what stage can be helpful.
- ◆ Despite the importance of a thorough initial stakeholder mapping and analysis, it is paramount to stay flexible and to update the stakeholder mapping regularly. Stakeholder motivations may change over time, some stakeholders might come up as crucial as the process progresses, and some might prove unhelpful with time.

- ◆ A stakeholder mapping should separate between institutions and individuals. Sometimes an institution may have a mandate and be credible, but it proves difficult to find motivated individuals within these organizations. Conversely, there can be committed and motivated individuals that may contribute meaningfully to a CAI, even though they represent institutions that were not considered very relevant.
- ◆ A CAI should know how to communicate its own objectives and approach before reaching out to stakeholders. It is important for the CAI to know where they want to go to identify the relevant partners.
- ◆ Stakeholders will also need to understand what their particular role as part of the CAI will be before deciding to join. This will increase ownership and will reduce the risk of encountering challenges with stakeholders down the road that felt they were left in the dark about the objectives and activities of the initiative.
- ◆ Although an inclusion of all stakeholder groups is often the ultimate goal, many regional initiatives advocate for starting small and selective as shaping the CAI in its early stages can be easier with a committed and somewhat homogenous group. Later on the initiative should be grown gradually and in consideration of stakeholder affiliation as it matures.

4.3 ALIGNMENT OF INTERESTS / TRUST BUILDING

“Make sure that what you are advocating for adds value and speaks for the citizens’ benefit”

A challenge many CAIs in the region face, is that there is still insufficient awareness of the damaging effects of corruption to the different stakeholder groups. The perception of corruption is often that of a somewhat abstract problem that negatively affects sustainable and fair development. But there is still a relatively pervasive belief (specifically among business sector and public sector stakeholders) that as individuals they can benefit from corruption. And in a calculation of perceived short-term gains (e.g. getting a building permit faster through bribing or winning a contract through a relatively small bribe) versus long-term gains (e.g. a level playing field for business and general economic growth), they opt for the former.

A challenge here is for CAIs to make individual stakeholders understand their own interest in engaging in the initiative, while also understanding others' interests and the need for (opposing) stakeholders to sit at the same table.

Where engagement against corruption is seen as something that is done to contribute to the greater good or out of a moral conviction, not out of self-interest, it becomes increasingly hard to motivate a substantial amount of stakeholders to meaningfully engage.

Furthermore, at the outset trust between the relevant stakeholders may be very low. Cooperation between public and private sector is still rather uncommon in the region and the challenges outlined above regarding civil society can make both the formers hesitant towards the latter. But even within each stakeholder group trust can be limited. Particularly on the issue of corruption there is often a tendency for different stakeholder groups to put the majority of the blame on one of the other groups.

Creating trust among stakeholders can be especially challenging where the CAI is associated with one stakeholder group. Where the host or facilitator of a CAI is part of government or strongly associated with it, CAIs have found it much harder to frame their efforts as a joint process that the private sector would feel comfortable to get engaged in.

A core challenge for CAIs here is that the effort of trust building often takes much longer than was initially expected, sometimes substantially derailing the progress of an initiative.

LEARNINGS & RECOMMENDATIONS

In the region Collective Action as a concept is still somewhat new, and getting different stakeholder groups to sit down at the same table and discuss matters openly can be a huge feat in and of itself. But if successful, the process itself can contribute massively to the achievement of desired results.

With that in mind, some key learnings from regional CAIs in terms of aligning interests and building trust have been as follows:

- ◆ Allow for sufficient time to build trust. The initiators of a CAI often underestimate the time needed for trust building and stakeholder engagement due to their own conviction and commitment.
- ◆ Where possible build different discussion forums, workshops, retreats and other physical ways of stakeholder engagement into the project plan early on.
- ◆ It might be necessary to engage different stakeholder groups separately at first. It can be advisable for public sector, business sector, and civil society to meet in stakeholder specific groups first to formulate common interests and build trust amongst themselves before bringing the different groups together.



4.4 MESSAGE FRAMING

The interests and motivations of different stakeholders to get engaged need to be considered from the beginning and need to be included in a tailor made communication and outreach strategy.

What makes a difference for the different stakeholders? Why would they get involved? How does the initiative contribute to their success?

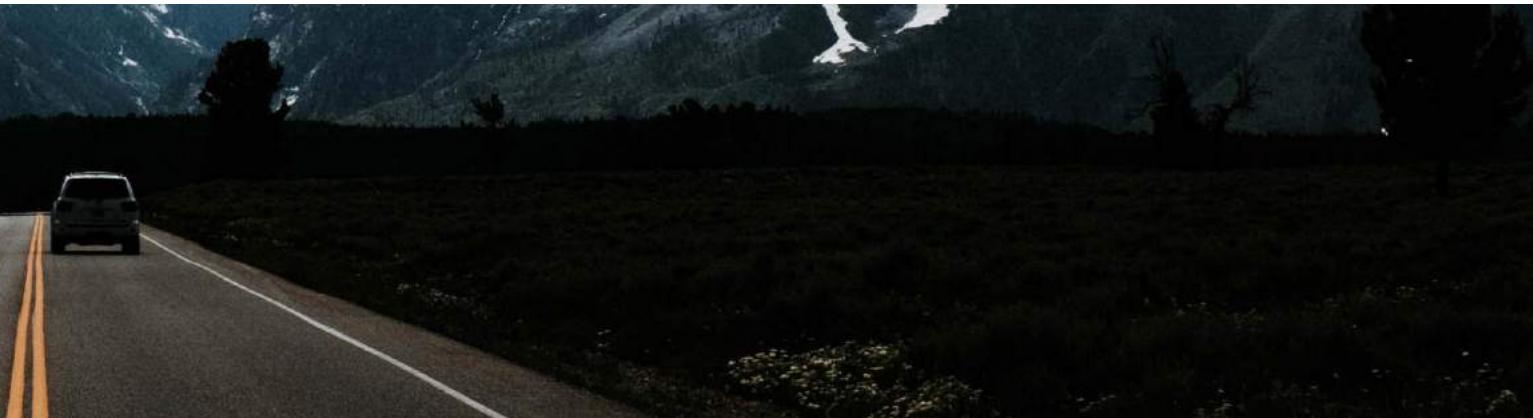
But beyond a stakeholder-specific communication strategy, an initiative needs to make sure to advertise its overall goals and objectives properly.

In many countries of the region awareness of the topic or the damaging effects it has, is still too low, so here CAIs need to be willing to start from the ground up. This can sometimes mean including topics and message in a communication strategy that you would have thought are self-evident.

So a message needs to be broad and easily understandable, it needs to address a key issue that is acknowledged among the target audience, and it needs to be speak to the motivations of individual stakeholder groups.

CRITERIA FOR GOOD MESSAGE FRAMING

- Easy to understand
- Aligned with the key stakeholder interests
- Avoids negative message framing
- Balanced
- Weighing ambitious and realistic goals



CHALLENGES

- ◆ CAIs across the region often struggle to “sell their product” across stakeholder lines. Different stakeholder groups often talk about the issue very differently and subsequently struggle to convince others of cooperation. For example the term “corruption” or “anti-corruption” might be preferred by civil society stakeholders, as it communicates the urgency of the topic and is often associated with negative connotations that are hoped to stir stakeholders into action. Conversely however, business stakeholders are often put-off by the word for exactly the same reason: it is perceived to be confrontational and to apply blame.
- ◆ While all this is known, CAIs still struggle to overcome the “messaging divide”. Most notably, initiatives that are built around or facilitated by public sector stakeholders often struggle to engage a meaningful number of business sector stakeholders, whereas CAIs driven by business often fail to reach out to government and/or civil society.
- ◆ Different stakeholders might have very different reasons to engage, even if their end goal is the same, and CAIs across the region have struggled to address these motivations or have struggled to phrase their approach in a way that would “speak to” the different stakeholder groups.
- ◆ A frequent challenge is that a CAI will (rightfully) want to go out with a coherent message. But simultaneously there seems to be a need to adjust messages for different audiences. This is a balancing act that can pose substantial challenges.
- ◆ But even more basic than this, many CAIs, especially ones that are implemented by a single stakeholder group, often fail to understand or see that they are framing their message in a way that might be off-putting to stakeholders they would like to attract. So a lack of understanding of stakeholder motivations is a crucial hurdle here. And initiatives that do not understand what drives and motivates their potential partners, will always have difficulty to establish a cooperation.
- ◆ Another challenge in relation to message framing is the managing of expectations. CAI's face challenges here in two ways. Where the aims and scope of a CA are overstated, there is a risk of scaring off stakeholders that may be interested to contribute but feel intimidated by the overly ambitious aims. Conversely, many very motivated stakeholders might lose interest where overly ambitious goals are not met and lead to frustrations.
- ◆ So in addition to the challenge of appropriately addressing the motivations of their stakeholders, CAIs also sometimes struggle to properly explain their own goals and motivations.
- ◆ Meaning that they fail to answer the questions: How can everyone contribute? And: What can they reasonably expect to change?



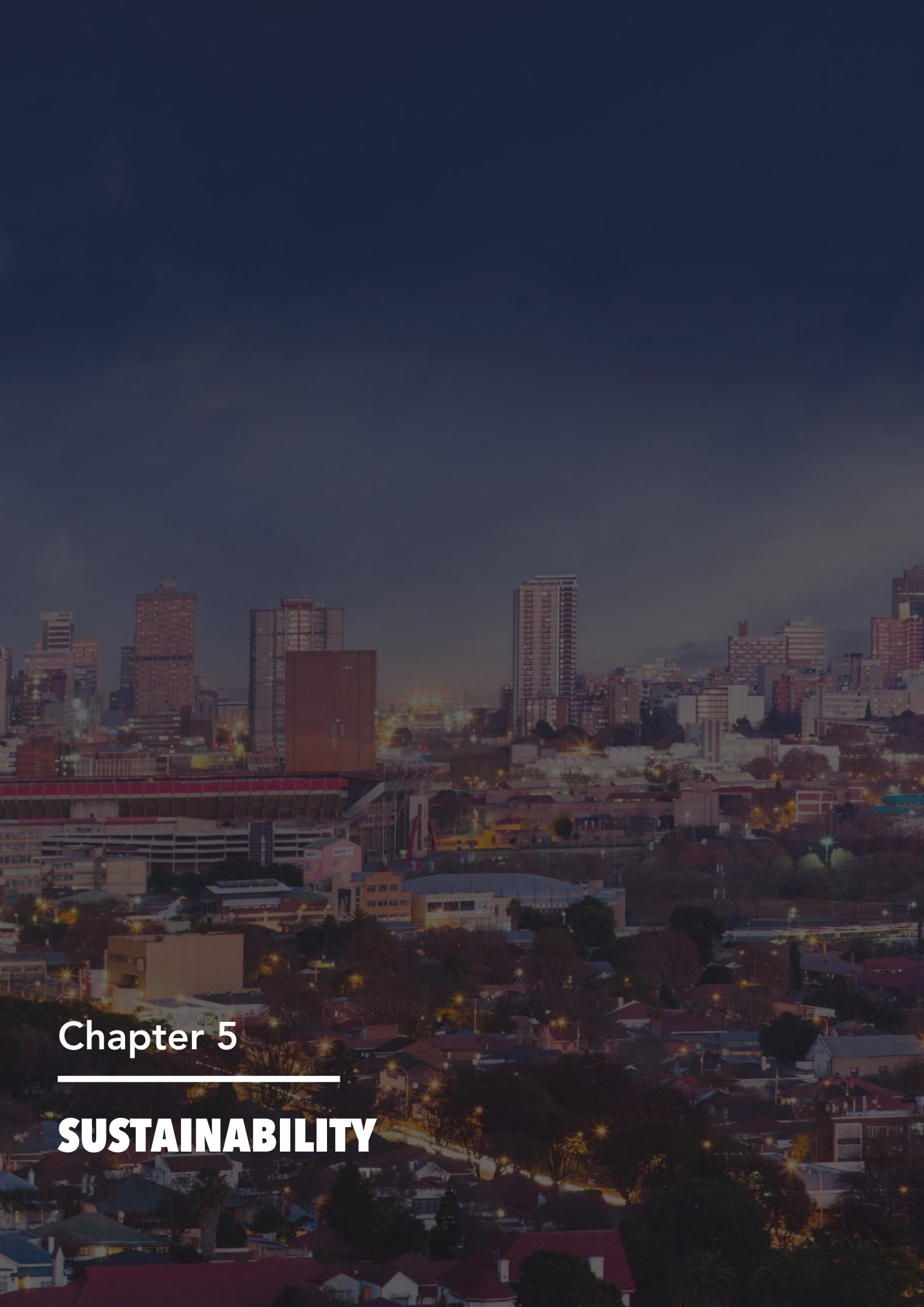
LEARNINGS & RECOMMENDATIONS

- ◆ Most regional initiatives have been more successful when framing the topic in a way that focuses on "integrity", "accountability", "ethics" or similar, or that puts it in the context of the greater sustainability agenda as opposed to framing it as "anti-corruption". As such it may be necessary to repackage an initiative to make it more accessible to the private sector.
- ◆ Generally, the issue of corruption is a complex one, and where it is widespread countering it might seem like a daunting task. It is thus important to frame objectives and aims in a way that is inspirational but also realistic. It is important to give all engaged stakeholders the feeling that they can contribute to the task at hand and will be able to see some objectives achieved.
- ◆ First and foremost it is important to make participating stakeholders understand that this is a shared problem. Once stakeholders fully understand how they individually and as a group are damaged by corruption they will be much more likely to get engaged.

STAKEHOLDER-SPECIFIC MESSAGING

- ◆ For the public sector not wasting funds can be a valid argument. Demonstrating the cost of corruption for the public budget can be useful here. A focus might also be put on emphasizing that an accountable and trustworthy regime will gain public trust.
- ◆ For business staying competitive, building their brand, increasing investment opportunities, gaining access to new business opportunities, and other arguments that link an engagement to more sustainable long-term profitability will be useful. Additionally, especially for large corporates, tying the topic of anti-corruption in the general CSR and sustainability debate can be helpful.
- ◆ Civil Society will usually need the least amount of convincing. Due to their mandate and self-understanding, they aim to contribute to the public good and to sustainability and will have an interest in increased transparency and accountability. So here it is more crucial to explain the aim and approach of the CAI comprehensively. Civil Society (especially NGOs) are often, or appear often, confrontational in their approach, especially towards business. So to engage them in Collective Action, the message of cooperation and interest alignment needs to be emphasized.



The background image shows a panoramic view of the Johannesburg skyline at dusk or night. The Orlando Stadium is visible in the foreground on the left, with its distinctive red and white facade. Behind it, a dense cluster of buildings, including several high-rise residential and commercial structures, are illuminated by their own lights. The sky is dark, suggesting it's nighttime. In the far distance, mountains can be seen under a hazy sky.

Chapter 5

SUSTAINABILITY

5. SUSTAINABILITY

The most important challenge for many CAIs is how to sustain its activities over time.

Getting a CAI off the ground and sustaining it over time can be two very different things, and even initiatives that have been successful in the former can struggle in the latter.

The most important factors to consider in this regard are probably securing the engagement of stakeholders over time and securing long-term funding (or better yet, achieving self-sufficiency), both of which are in turn affected by challenges related to measuring impact.

Many initiatives have struggled with

transforming initially successful pilots into sustainable long-term initiatives. This is due to the mentioned difficulties at retaining stakeholder interest and engagement over time and securing long-term funding. But it is also due to the fact that the necessary structure and resources evolve over time.

While in the early stages of a CAI it is maybe most important to have passion and commitment both from staff, experts and members, over time a combination of commitment, sound management and effectively working processes become more crucial.

5.1 LONG-TERM STAKEHOLDER ENGAGEMENT & INCENTIVES

Where CAIs were initially successful in attracting a substantial number of stakeholders, their attrition rate is unfortunately often high over time. So after an initial excitement and the attraction of several members, commitment dies down gradually.

Stakeholder engagement is a continuous activity, as stakeholders not only need to understand why they should get engaged in an initiative, but also why they should stay engaged

over time. Where stakeholders feel that there is no benefit to stay active, they likely won't. So it needs to be clear to members and partners how they benefit from an ongoing commitment.

Partially this can be achieved through an ongoing stakeholder specific communication strategy as was discussed in the previous chapter.

Factors to consider are:

- ◆ Creating ownership of the process among participating stakeholders by addressing their interests and making them understand how their contribution to the CAI will help their own objectives. (This might mean continuously adapting activities and outputs to reflect changing interests and requirements of different stakeholders).
- ◆ In diverse stakeholder groups group dynamics may arise that can hinder the initiative. Individual members may become resistant or even antagonistic and conflicts can arise between different factions. It is thus important to monitor group dynamic carefully to sense resistances early.
- ◆ Where CAIs include a training program for their members, ideally these should create internal change within the member company or organization. Once the envisioned change has trickled down to employees, companies or organizations will be more likely to stay engaged.
- ◆ Collecting evidence of impact, success stories, positive experience etc. over time and integrating it into the communication strategy for member stakeholders will encourage commitment over time.

STIMULATING LONG-TERM ENGAGEMENT

- Create Ownership
- Address Resistance
- Evoke Internal Change
- Spread Success Stories

Beyond just having to understand what motivates their potential stakeholders, CAIs may need to address these motivations by identifying and implementing relevant incentives.

This is especially true in highly corrupt countries or sectors, where notwithstanding corruption can come at a (sometimes substantial) short-term cost. Especially SMEs who have little individual leverage and rely on few business partners cannot easily cover for losses or substantial delays.

CAIs have understood that beyond a message that addresses stakeholder interests and communicates successes, they need to take this into account and where possible identify and establish incentives that would encourage stakeholders (especially SMEs) to stay engaged.

Incentives can refer to reputational benefits (e.g. public acknowledgement), commercial benefits (e.g. access to business opportunities, reduced rates), or direct support functions (e.g. pro bono consultancy, free capacity building).

While the potential value of incentives is widely recognized in theory, in practice most CAI's struggle with this approach. They either encounter difficulty in properly identifying the incentives that will be relevant for their stakeholders or, where they have managed to identify relevant incentives, they struggle with a larger difficulty of implementing them in practice.

This is partially due to the fact that many incentives are dependent on third parties (e.g. access to supply chains of MNEs, access to finance from the financial sector).

CASE: CBI NIGERIA - INCENTIVIZING PRIVATE SECTOR STAKEHOLDERS

Motivating business sector stakeholders to implement stronger standards of integrity can be a challenging task. Especially in contexts where domestic laws are lacking in measures that would motivate an implementation and adherence to compliance standards. To meet this challenge, CBI started early to identify motivations and interests that can be provided through the market that would encourage businesses to adhere to stronger standards of integrity.

One such initiative was the launch of the Corporate Governance Rating System (CGRS) in cooperation with the Nigerian stock exchange.

National companies working internationally, and especially ones looking for financing or to list on international stock exchanges, often struggled to do so, because companies hailing from Nigeria were often tainted by the (perceived) high levels of corruption in the country. The implementation of an integrity standard that was being monitored and listed on the stock exchange served as a strong motivator for companies to commit to ethical standards as it would open up new business opportunities and was expected to help gain access to new markets and finance that was previously hard to access.

In addition to possible economic advantages, there are reputational factors at play as well. Achieving a favorable CGRS score was introduced as a listing criteria for the "Premium Board" and the rest of the market achieving CGRS is placed in a tradable Corporate Governance Index. A listing on such an index can hold economic and reputational benefits for listed companies, but it might also lead to questions about companies that aren't. As such it can be a motivator between competitors. The basic principle here, as in other efforts of CBI, was to build a stronger business case for companies, to establish processes within the market that would advance integrity standards but that would also benefit companies.

That being said, the following lays out some examples and success factors for the inclusion of incentives into a CAI:

- ◆ While it can prove difficult to commit MNEs to provide tangible business incentives, they have often been more willing to provide reputational incentives (such as public acknowledgement of initiatives and their SME members) or to contribute to capacity building efforts and provide pro bono consultancy for SMEs.
- ◆ Generally, recognition from MNEs has shown to be a strong incentive for SMEs.
- ◆ Capacity building beyond just ethics & compliance or shared services should also be considered to motivate SMEs (e.g. business development, accounting etc.)
- ◆ In some initiatives larger companies are used to encourage a participation of companies in their supply chains. Seeing large (multinational) companies acknowledge CA participation of their suppliers can be a strong incentive for SMEs to get engaged.
- ◆ Some incentives CAIs can provide themselves. Showcasing members (e.g. giving speaking slots and visibility at conferences, including logos in communication activities) can be a useful incentive both for SMEs and large companies.
- ◆ Labels or stamps are considered a useful incentive, as they could help companies to build a positive brand and attract new investors, customers etc. However, while some initiatives in the region are working on the idea conceptually, it has not been implemented.

DEALING WITH INACTIVENESS OR MISCONDUCT FROM MEMBERS

A challenge with regard to long-term stakeholder engagement is the question of how to deal with inactiveness, or worse misconduct, of members or affiliated stakeholders. Where inactive stakeholders remain part of the initiative, and are reaping the benefits of doing so without actually engaging, other members will feel demotivated as there is no clear benefit to a meaningful contribution. But excluding inactive stakeholders, or stakeholders that contribute only little, can derail growth and may scare off stakeholders that may have wished to get engaged gradually.

Where incentives are included in a CAI, even if just in the form of a public association with certain companies, initiatives should have a clear strategy for dealing with misconduct from members or partners that have previously been acknowledged to protect the image and brand of the CAI. This does not always have to mean that stakeholders have to be excluded for misconduct. While this is an approach taken by some initiatives to ensure brand and member protection, there are also experiences with actively and publically engaging with such stakeholders to support them in improving after past misconduct – this is of course provided the company has a genuine interest to do so.

5.2 MEASURING IMPACT

Where CAIs fail to measure their impact and communicate on this impact accordingly, it becomes more difficult to motivate stakeholders to engage in the long-run. But due to a variety of challenges, many CAIs struggle to measure the impact they are having and thus to build a communication strategy around it.

CHALLENGES

While many initiatives now do measure some outputs (and to some extent outcomes) of their work (either as part of obligations from donors or “self-imposed”), such as number of members, number of workshops held, amount of times a document was downloaded etc., measuring impact is much less common and much more difficult. While we now see a lot of anecdotal evidence or qualitative evidence, we don’t have much in the way of quantitative evidence or impact studies.

This is partly due to the fact that impact can be generally hard to measure as it is often perceived as rather abstract and subjective. Additionally, impact can take a lot of time to manifest – more time often, than the duration of a CAI.

Additionally several specific challenges in terms of impact evaluation were identified as follows:

- ◆ An absence of baseline studies to compare against
- ◆ The absence of useful indicators
- ◆ Most impact will only show over time, so making a measurable dent is a very long-term goal and difficult to achieve in the short- and medium term, even for successful initiatives.
- ◆ Even where the business environment has measurably improved in the time span of a CAI, in the absence of control groups it can be impossible to attribute this change to the CAI.
- ◆ To measure impact there is a need to better understand the problem. Often the more implementation progresses the more we understand what a possible impact might be. So putting useful impact indicators from the beginning can be quite tricky.
- ◆ A question in need of answering is who a good stakeholder to measure impact would be. The CAI often understands the context and the possible impact the most, but might open itself up to accusations of bias if measuring their own impact. But bringing in external evaluators is not always possible due to funding restrictions or a lack of available and competent evaluators in the country that would have the topical and regional knowledge to produce a credible assessment.

The difficulty to measure impact, and thus “prove” a CAI is genuinely contributing to an improved business environment and achieving the goals initially set out, also affects an initiative’s ability to acquire new or additional funding.

LEARNINGS & RECOMMENDATIONS

While measuring impact is admittedly difficult, there are certain things that can be done to facilitate impact measurement. At a slow and steady rate a CAI may, for example, be able to collect numbers, outcomes, member testimonies, and success stories that point towards impact. This information can then be used to demonstrate the effect a CAI has on the business environment and how (potential) members and partners may benefit from being engaged.

But it is important to be realistic in what can reasonably be achieved. To that end a baseline assessment, which introduces tangible indicators, is important.

It is also important for initiatives to understand the difference between outputs, outcomes and impact and how outputs can become outcomes and how both can contribute to impact being made. Initiatives should also be aware that impact is usually not something an individual organization will be able to achieve (at least not in the short-term), but that is part of a much larger goal.

A few steps that initiatives can take to facilitate the measuring of impact are as follows:

- ◆ It is sometimes possible to assess whether discussions or language are changing in the media, on social media etc.
- ◆ It is important to document experiences. Without keeping track of successes, challenges, and experiences, measuring impact will not be possible.
- ◆ Collected success stories and positive experiences should be incorporated into outreach and communication strategies.
- ◆ Initiatives should always understand what they want to achieve and based on this determine what would constitute a useful indicator for success.
 - ◆ For example initiatives working on a very particular topic (e.g. customs, the construction industry), will have a natural ceiling in terms of how many companies will be engaged. So here the number of involved stakeholders will be a less useful indicator than for initiatives aiming to effect change in the overall business environment.
 - ◆ For CAIs that include a strong standard that members commit to, a thorough change within the member companies will be a more telling indicator than the number of members.
 - ◆ CAIs that do not follow a classic membership model but rather aim to change an existing market or process, would likely use changes in relevant processes as a more suitable indicator than engaged companies.

STRENGTH OF A STANDARD VS. GROWTH OF THE INITIATIVE

Where CAIs include pledges or other standards for members to commit to, there can be trade-off between the strength of a standard and the number of people an initiative will attract. But both factors are relevant for a CAI to have substantial impact. If standards are relatively weak and their adherence is not monitored, attracting large numbers of members to sign on to it might be comparatively easy. With a stricter set of standards however, it will be much harder to attract a large number of companies but it will result in a much bigger change within the companies.



5.3 FINANCIAL SUSTAINABILITY

Aside from sustaining the engagement of members and partners, financial sustainability is considered the biggest challenge for CAIs to survive over time. And sustainability in funding and engagement can go hand in hand. If activities are slow because there are no funds, participants may drop out of the initiative due to frustrations over slow progress.

Many CAIs in the region are funded under, or have initially started under, a fund or grant. A challenge for these initiatives is to ensure their continued independent operation after this fund runs out.

CHALLENGES

Very few initiatives in the region have so far managed to establish independent systems for financing that have allowed them to operate independently and use grants only selectively.

While some initiatives in the region have implemented systems to raise funds independently, either through the provision of tools or services at a fee, the raising of membership fees, or by shifting to a model of (domestic) sponsorships, this has been with mixed results and poses a set of challenges:

- ◆ Initiatives that include an element of monitoring or assessment face a challenge with membership fees, or generally taking money from members, as it could damage the independence of the monitoring process.
- ◆ Membership fees can hold the risk of reducing a CAI's (perceived) independence, especially if the initiative relies on very few large companies.
- ◆ Membership fees may discourage stakeholders from joining. Even if the fees are relatively low, they can create a barrier, especially if an initiative is targeting stakeholders with limited funds, such as SMEs.
- ◆ Selling certain tools or services can pose the risk of making a CAI turn into, or appear to be, a consultancy company.
- ◆ For some CAIs sponsorships have worked in principle, but it can be a very difficult and long-term process that sometimes requires several years of relationship building before the sponsorships come through.

LEARNINGS & RECOMMENDATIONS

Most funding options for CAIs come with certain challenges and risks. What has worked for one initiative did not work for others, and which options for funding and financial sustainability are available is heavily dependent on the set-up of a CAI as well as the region and context it operates in. Considering this, it is hard to identify a specific strategy for financial sustainability that will work independent of the type of collective action or its context.

Membership fees will only be an option for membership-based CAIs. Relying on donations from partners and domestic stakeholders will depend heavily on the business environment. And whether or not foreign funding from donor agencies is an option, will depend on their availability as well as on the constraints put on a CAI by domestic regulations and attitudes.

What can be said, is that generally speaking CAIs should, where feasible, aim for the following:

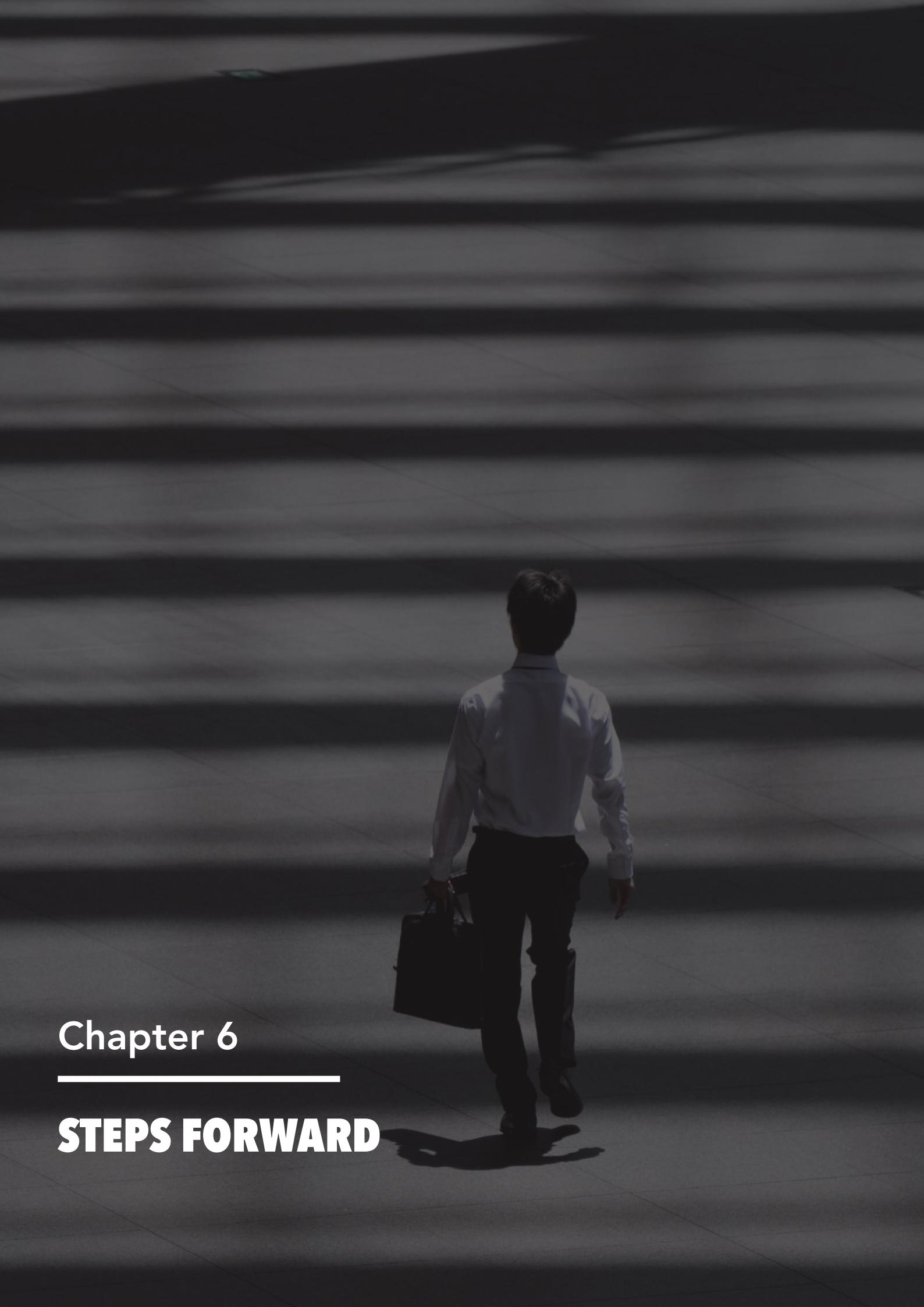
- ◆ Build broad and diverse sources of funding (i.e. a mix of donations, sponsorships, membership fees, grants, service fees etc.), to be as independent as possible from one individual funding source.
- ◆ Try to work with whatever resources are available (i.e. identify options for resource sharing with partners, look for local resources that might not be the immediately obvious choices)

- ◆ Aim to cover at least basic operational costs (e.g. office space and salaries independently and use grants for the implementation of specific projects without making the survival of the organization depend on them. This is also important to attract and retain knowledge, skills, and talent.
- ◆ Understanding and selling impact are important to access funds. Whether an initiative relies on donor funding, sponsorships, or selling services, being viewed as a successful initiative that reaches its proclaimed objectives is crucial.

Aside from these general recommendations, the following sketches out a few approaches that have worked for some initiatives, but again, might not be identically replicable for others:

- ◆ Some initiatives were successful in institutionalizing the CAI as a go-to center for Collective Action that provides training, assessment, dialogue etc. If the demand is there, this may sustain an initiative after initial funds run out.
- ◆ Some initiatives were able to identify the skills they have that the market is willing to pay for. If necessary this may be done by setting up a separate company whose surplus goes into a fund that finances the CAI.
- ◆ Initiatives may also be able to identify optional services that are not part of the core CAI but can help with it (e.g. custom-made or specialized trainings) that can be provided at a fee.
- ◆ Setting up an endowment fund or a social enterprise to support the CAI may be an option.
- ◆ Some initiatives have been successful with raising membership fees to cover running costs. Where initiatives manage to build a system where members clearly see a benefit from being part of the group (e.g. access to a network, reputational recognition, access to training tools) membership fees can be feasible.



A black and white photograph showing the back of a person walking away from the viewer. The person is wearing a light-colored shirt and dark trousers, carrying a briefcase. They are walking on a polished floor with strong, dramatic lighting creating long shadows and highlights. The background is dark and architectural.

Chapter 6

STEPS FORWARD

6. STEPS FORWARD

INCENTIVES

- ◆ Many CAIs in the region have identified incentives as a promising approach to encourage the private sector to join CAIs, but few have been able to implement them in practice. While MNEs are relatively easy to convince to support a CAI symbolically, or even to advertise it among their partners and suppliers, actual tangible incentives are much more difficult to materialize. Strong and tangible incentives such as establishing easier access to finance or reduced fees, has not been achieved by any of the CAIs in the region.
- ◆ Incentives are considered important and potentially game-changing to ensure the growth of a CAI and to build a true business case, especially for SMEs and companies operating in high-risk sectors, but there is still much to be learned in terms of the practical feasibility of tangible incentives. More effort and funding need to be put into serious attempts and pilot projects that aim to implement strong tangible incentives.

ACHIEVING & ASSESSING IMPACT

- ◆ For CAIs to achieve their objectives and deliver an impact towards their environment, they need to deploy creative methods and sometimes adjust plans and goals based on external developments. In many countries of the region the implementation scene is somewhat volatile and is affected by many, sometimes unpredictable, variables, which stresses the need for creativity and flexibility. However, donors have an expectation of planning certainty and consistency, which is reflected in funding contracts. This can result in a lack of flexibility and maneuvering room for CAIs, which poses implementation challenges. There is thus a need for a greater alignment between donor expectations of reliable project plans, and initiatives' need to respond to opportunities and changes in environment.
- ◆ CAIs need to put more effort towards impact assessment. This will be beneficial in several ways: It will help the initiative understand whether progress has been made and whether a focus was put on the right efforts and activities. It will also help with the long-term engagement of stakeholders, as measuring impact will better allow CAIs to sell their successes and communicate the benefits of engagement to relevant stakeholders. Being able to measure impact will also help initiatives in securing longer-term funding or gaining access to new funding opportunities. Therefore, CAIs need to dedicate the necessary resources and acquire the required capacity to measure the impact of their efforts.

FINANCIAL SUSTAINABILITY

- ◆ Financial sustainability is the key challenge of many CAIs in the region. In the absence of sufficiently available domestic funding (either in the form of grants or individual donations), many initiatives depend on single grants from international donors, a fact that comes with several challenges. How to make diverse financing options available to CAIs remains a question that needs to be answered, and more research and advocacy needs to be done in this area.



ANNEX

ANNEX I: PARTICIPANTS OF THE REGIONAL CLINIC

1. Basel Institute on Governance, Switzerland (Claudia Baez-Camargo & Gemma Aiolfi)
2. Care International in Egypt, Egypt (Amr Lashin)
3. Cairo University, Egypt (Jasmin Fouad)
4. Center for International Private Enterprise, Egypt (Seif El Khawany)
5. Construction Sector Transparency Initiative (CoST) Ethiopia, Ethiopia (Tesfaye Yalew Ayele)
6. Construction Sector Transparency Initiative (CoST) Malawi, Malawi (Joe Ching'ani & Lyford Gideon)
7. Convention on Business Integrity, Nigeria (Olusoji Apampa)
8. Ethics and Reputation Society of Turkey (TEID), Turkey (Tayfun Zaman)
9. The Ethics Institute (TEI), South Africa (Celia Lourens & Deon Rossouw)
10. Fatma Abassi, Independent Consultant, Tunisia
11. Ghana Anti-Corruption Coalition, Ghana (Beauty Narteh)
12. HUMBOLDT-VIADRINA Governance Platform / Fisheries Transparency Initiative (FiTI), Germany (Peter Conze)
13. Integrity Network Initiative / Egyptian Junior Business Association, Egypt (Ghada Darwish, Jennifer Schoeberlein, Qusay Salama)
14. International Anti-Corruption Academy (IACA), Austria (Martin Zapata)
15. Ministry of Planning, Monitoring, and Administrative Reform, Egypt (Ghada Moussa)
16. Organisational Development Support (ODS), Belgium (Emma Harte)
17. Pearl Initiative, United Arab Emirates (Mahmoud Eid)
18. PwC Egypt, Egypt (Ayman Shehata)
19. Safaah Foundation, Saudi Arabia (Abdulaziz A. Alsugair)
20. Transparency International Italy, Italy (Giovanni Colombo)
21. Transparency International Ukraine, Ukraine (Anastasia Mazurok)
22. United Nations Development Programme, Anti-Corruption and Integrity in the Arab Countries, Lebanon (Rania Oweida)
23. United Nations Global Compact, USA (Neha Das)
24. United Nations Office on Drugs and Crime Middle East & North Africa, Egypt (Mona Salem)

ANNEX II: CAIs IN THE REGION¹⁵

COUNTRY / NAME OF INITIATIVE	CO-FACILITATOR / HOST	STAKEHOLDER AFFILIATION OF HOSTS
1 Angola / Principles for Responsible Business	The Ethics Institute (TEI)	Independent / Multi-Stakeholder
2 Democratic Republic of the Congo (DRC)	The Ethics Institute (TEI)	Independent / Multi-Stakeholder
3 Egypt / Integrity Network Initiative	Egyptian Junior Business Association	Business Sector
4 Ethiopia / Construction Sector Transparency Initiative (CoST)	CoST Ethiopia	Public Sector
5 Ghana / Alliance for Integrity	GIZ	Public Sector
6 Ghana / Business Integrity Forum	Ghana Anti-Corruption Coalition	Independent / Multi-Stakeholder
7 Kenya / Edible Oil Industry Initiative	The Ethics Institute (TEI)	Independent / Multi-Stakeholder
8 Malawi / Construction Sector Transparency Initiative (CoST)	CoST Malawi / National Construction Industry Council	Public Sector
9 Mauritania / Fisheries Transparency Initiative (FiTI)	HUMBOLDT-VIADRINA Governance Platform	Civil Society
10 Mauritius / Private Sector Anti-Corruption Task Team	The Ethics Institute (TEI)	Independent / Multi-Stakeholder
11 Morocco	Confederation General des Entreprises (CGEM)	Business Sector

¹⁵ This is a non-exhaustive list based on engaged and contacted initiatives that were part of the set-up and execution of the Regional Clinic

COUNTRY / NAME OF INITIATIVE	CO-FACILITATOR / HOST	STAKEHOLDER AFFILIATION OF HOSTS
12 Mozambique / Cross-Border Customs Initiative	The Ethics Institute (TEI)	Independent / Multi-Stakeholder
13 Nigeria / Governance Rating System	Convention on Business Integrity (CBI)	Independent / Multi-Stakeholder
14 Nigeria / SME Initiative	Convention on Business Integrity (CBI) / UNGC	Independent / Multi-Stakeholder
15 Nigeria / Trade & Customs Initiative	Convention on Business Integrity (CBI) / Maritime Anti-Corruption Network (MACN)	Independent / Multi-Stakeholder
16 Saudi Arabia (in establishment)	Safaah Foundation	
17 South Africa / Gauteng Province Public-Private Partnership & Coalition for Ethical Operations	The Ethics Institute (TEI)	Independent / Multi-Stakeholder
18 Tunisia / Islands for Integrity in Health, Customs, Municipalities, and Internal Security Forces	Instance Nationale de Lutte Contre la Corruption (INLUCC)	Public Sector
19 Turkey / Turkish Integrity Center for Excellence (TICE)	Ethics & Reputation Society of Turkey (TEID)	Civil Society
20 United Arab Emirates / Pearl Initiative	Pearl Initiative	Business Sector



**Integrity
Network
Initiative**

Al Salam Tower, Beside Al Salam International Hospital, Cournish El Nile, Maadi, 8 th Floor



+202 2528 40 94



+202 2528 40 95



info@ejb-act.com



www.ejb-act.com