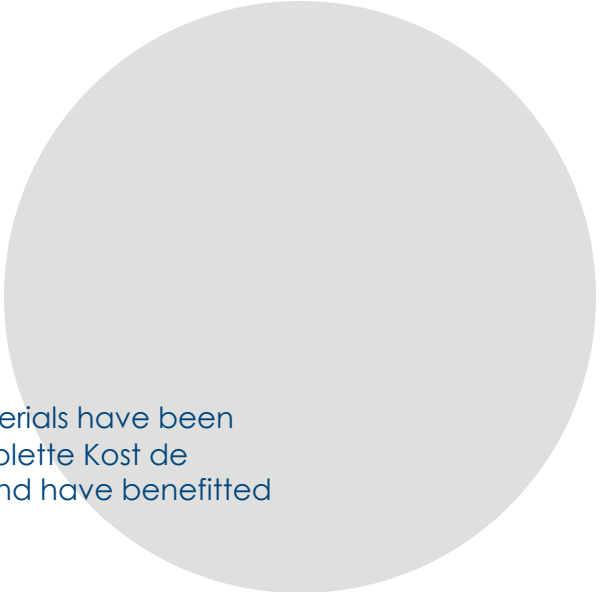




SME AND ENTREPRENEUR TRAINING

OCTOBER 2020

This training was developed within the B20 Saudi Arabia Integrity & Compliance taskforce. These training materials have been created under the leadership of Danielle Cannata, Senior Counsel of SABIC, and the Knowledge Partner Nicolette Kost de Sèvres, Mayer Brown Partner in Paris and Washington DC, and anti-corruption specialist, Christopher Costa, and have benefitted from the valuable contributions of numerous distinguished B20 members.



WHY ARE WE HERE TODAY?

- ▶ The **UN Sustainable Development Goals** are designed to be a "blueprint to achieve a better and more sustainable future for all." SDG 16 calls for justice for all. Today we are going to look at corruption through a gender lens as we seek to achieve the goal of **justice for all**.
- ▶ In a survey conducted by the United Nations Development Programme in 2012, **76% of women** responded that corruption has prevented their access to public goods and services.
- ▶ This is the case despite the fact that several studies suggest that women have a tendency to be **less corrupt** and that countries or companies with a greater number of women in decision-making positions **perform better** in terms of their corruption levels.

UN Sustainable Development Goal 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

WHY ARE WE HERE TODAY?

- In this training, we will consider the specific ways in which women in may experience **requests for bribes and corruption** and how women can be part of the solution.
- The goal is to move women from being the victims of unfair and discriminatory business practices to a place of empowerment – as the **catalysts and drivers** of fair and sustainable business.

OPENING DISCUSSION

- ▶ Have you ever been in a situation in which language/cultural understanding has been in the way?
- ▶ How many have witnessed family members being favored in a selection process or granting of opportunities?
- ▶ How many of you think that you missed business opportunities because another party had been favored in some way?
- ▶ How many of you have ever been asked to pay additional and unexplained “fees” when dealing with a government official?
- ▶ How many of you have been asked to pay off a vendor to expedite the delivery of a service/ product?

CASE STUDY - MINING SECTOR IN CONGO

In Congo's artisanal mining sector, there are **three types of traders**: "Those **who pay the diggers** to extract minerals and then sell them to big companies; those **who buy minerals from the diggers**; and **those who own the pit**, pay the diggers and sell minerals to the companies."

Extortion - Emilienne Intongwa wanted to buy a mining pit. In order to obtain a **small loan** to set up her business she had to **hand over the documents to her house** : "If you find minerals, the trader will be your only buyer. If you don't, you'll either sort out your debt or he'll seize your property...".

Bribes for Protection - As the first female pit owner in her region, Intongwa had to protect her business from men who were not used to women owning mining pits. "The biggest challenge [to working in the mining site] was working with so many men," Intongwa says. "At first, **diggers would steal from me and I had to pay extra money to find someone who could check on them.**"

Sexual Exploitation / Sextortion - Stone crushers, also called "mama twangaises," are the most discriminated category of the mining hierarchy and must negotiate **access to the mining sites by performing sexual acts**. In many cases, they only get paid if they find gold among the crushed quartz. Neema Muyengo, who works as a mama twangaise, says: "I wake up every day at six and I walk for two hours to come here....Every day, the only thing I do is pound stones. I have to look after my family but, sometimes, I don't even get paid and working so hard becomes useless."

Response : The response was to put in place **Collective Action** for better implementation and communication of the regulations and the creation of pools of resources funded by women miners. "Associations...are very important because, whenever a member is subjected to any sort of abuse, it gives them **legal representation**. Women alone seldom dare to denounce what happened and, even when they do, **unless they are ready to pay large sums of money, they are hardly able to file a complaint.**"

WHY A LINK BETWEEN WOMEN AND CORRUPTION?

- ▶ In many countries, **women and girls** still find it hard to enjoy equal rights and opportunities. We may face discrimination, cultural or religious bias, harassment and violence. At the extreme, sexual extortion and modern slavery practices may persist.
- ▶ In the family role, women may face corruption **accessing public services** such as healthcare or education. The cultural prevalence of these types of practices can carry over into the workplace as well.
- ▶ At the same time, women are an **ever growing segment of the business world** in every step of the economic cycle and are uniquely placed to have a positive impact.
- ▶ Women should be **empowered** to be part of the solution to corruption.

WOMEN AS PART OF THE SOLUTION

- ▶ Women want to be **equal participants** in the economic sphere and welcome the information and tools to help achieve this goal.
- ▶ Women can be **empowered** to resist solicitation and be more aware of their rights in the workplace.
 - ▶ Are women more detail oriented?
 - ▶ Are women better at following rules?
 - ▶ Do women naturally have more integrity?
 - ▶ Are women already more focused on fighting for our equal place and thus more attuned to the ways in which corruption can set us back?

WOMEN AS PART OF THE SOLUTION

- ▶ In many developing markets, some of **the most active and successful entrepreneurs** are women.
- ▶ Women's ability to optimize their business can be hampered by a combination of **corruption and discrimination**.
- ▶ Now is the time to raise awareness of the experience that women may face in the context of corruption.
- ▶ The G20 Anti-Corruption Working Group (ACWG) recognizes linkages between gender and corruption.
- ▶ This project will help further that dialogue for action.

EXPECTED LEARNING OUTCOMES

1. What is bribery/corruption?
2. How is bribery/corruption experienced by women?
3. What are the effects of corruption?
4. How can I detect, prevent, and report corruption?
5. How can I help other women fight corruption?
6. Where can I find trustworthy sources for additional information/support?

WHAT IS BRIBERY/CORRUPTION?

- ▶ Corruption is the **abuse of public or private office for personal gain**. This means any behavior in which people in the public or private sectors improperly and unlawfully enrich themselves or those close to them, or induce others to do so, by misusing their position
 - Asian Development Bank
- ▶ While there is no harmonized definition of corruption worldwide, bribery is illegal everywhere.
- ▶ In many countries, **the offer itself** is the criminal act - it does not even have to be accepted.

WHAT IS BRIBERY/CORRUPTION?

Customs officer asks for sample products to clear a consignment

Tax officer asks you to hire his son as part of lowering tax penalty

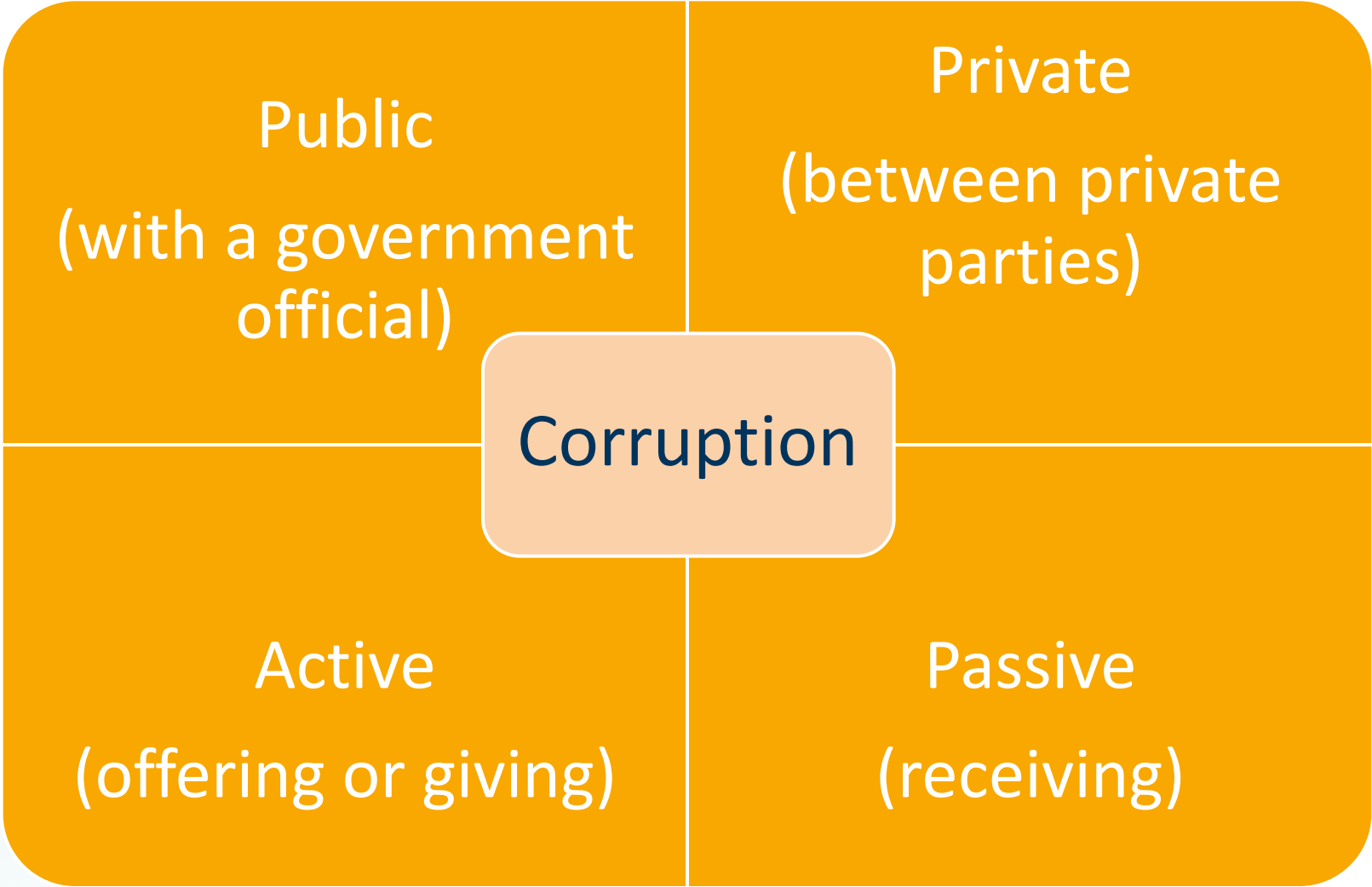
Bureaucrat requests cigarettes in exchange for official documentation

Government inspector requests extra cash to issue a permit

Police officer asks for sexual favors in exchange for responding to emergency call

Contract manager physically intimidates you during negotiation

WHAT IS BRIBERY/CORRUPTION?



TYPES OF CORRUPTION FACED BY WOMEN

Bribery

- Something of value given to an official or person in power to win or retain business including cash, gifts, entertainment, etc.
- Small payments to get someone to do their job

Human Rights Abuse

- Sexual acts or threats of adverse consequences made against another person unless demands are met (sextortion)
- Immigration threats, kidnapping, holding for ransom

Favoritism

- Favoring friends or family in business decisions

Fraud

- Use of deception to obtain an unfair advantage

Conflicts of interest

- Decision-making based on conflicting personal and professional interests

CORRUPTION FACED BY WOMEN

In our personal lives as women, we may face corruption.

Doctors demanding bribes to advance the scheduling of surgery

Teenage girl at a refugee camp applies to camp administrator for food, soap, and medicine she's entitled to and needs to survive. Camp administrator demands sex before turning over the supplies.

School administrators asking for payments to register children at state schools

CORRUPTION FACED BY WOMEN

When corruption is routine in private life, it will often arise in the business context as well.

Women dealing with government / procurement officials who abuse their position of relative power when they believe that women should not be running a business.

Women may need to resist demands for sexual favors, or threats when seeking a business permit / license or contract.

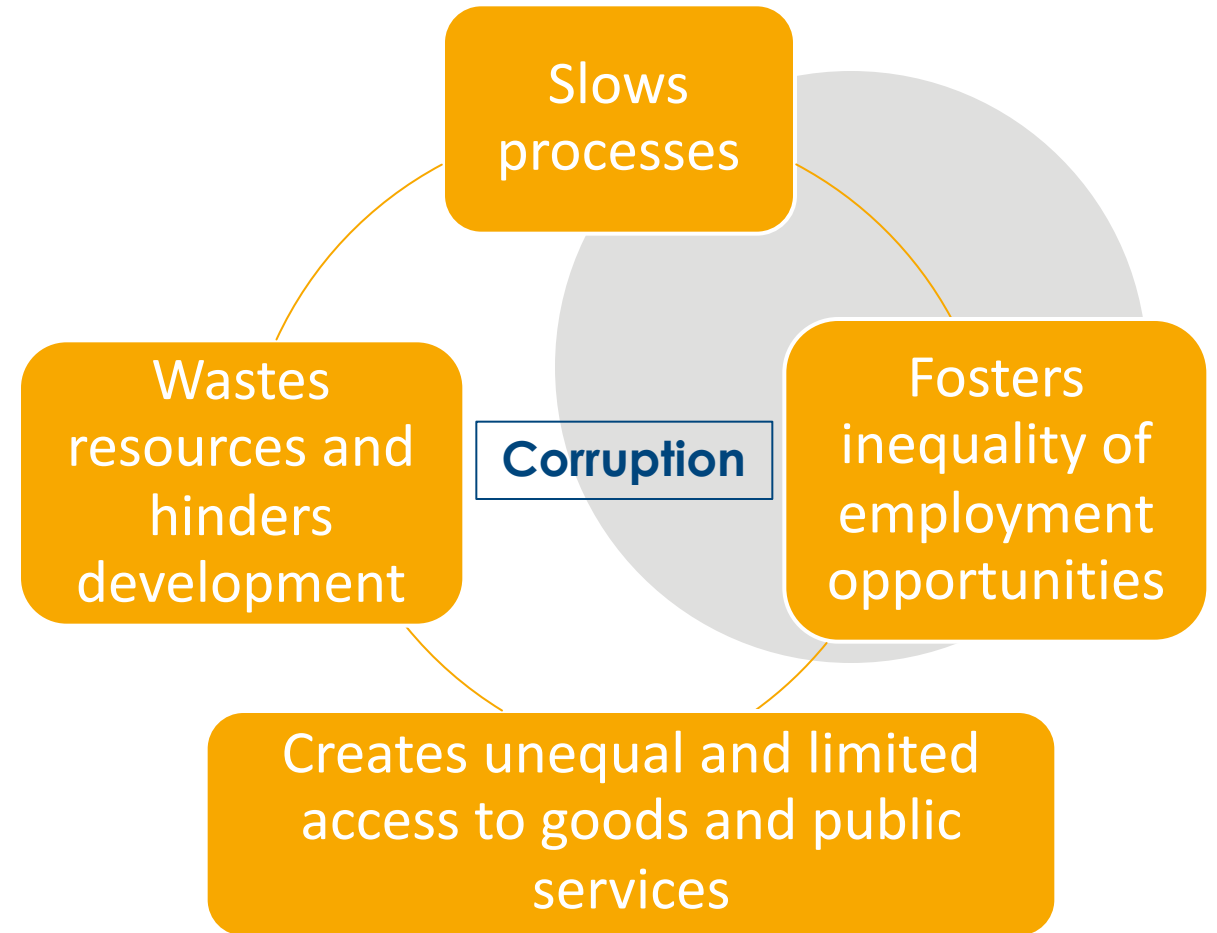
Women may feel that our capability is overlooked in favor of someone appointing a relative or as payback to a third party.

WHAT ARE THE EFFECTS OF CORRUPTION?

- ▶ If you pay a bribe or otherwise engage in bribery/corruption, you are breaking the law and could face serious consequences
 - ▶ **Financial** – fines and penalties
 - ▶ **Legal** – criminal (sometimes in other countries as well as your own)
 - ▶ **Administrative** – exclusion from public bidding and contracts
 - ▶ **Reputational** – larger companies may not want to work with you

WHAT ARE THE EFFECTS OF CORRUPTION?

- ▶ Even if it is “just the way business is done” locally, corruption is still damaging and illegal - **local culture isn't a justification!**
- ▶ Giving bribes can **damage your reputation** and you can lose the opportunity to sell to larger companies that expect a clean supply chain



DETECT, PREVENT AND REPORT CORRUPTION

- ▶ How many of you think that ordinary people can make a difference to stop corruption?
- ▶ How many think people can report corruption?
- ▶ We can all be empowered to resist solicitation when faced with a request for a bribe.
- ▶ The following slides describe some good techniques and practices to use in different scenarios.
- ▶ Each scenario provides a few different suggestions for action.

SCENARIO 1 – CUSTOMS OFFICER ASKS FOR SMALL CASH PAYMENT TO CLEAR MERCHANDISE

Ask to receive the request in writing

Ask to talk to their supervisor

Suggest to pay the customs department and not the person

Ask for receipt or invoice as well as online banking details

Find out if the customs authority has a high-level reporting mechanism

If a reporting mechanism exists, use it to report on the requestor

SCENARIO 2 – COMPANY PROCUREMENT EMPLOYEE SAYS THAT TIME ALONE TOGETHER WILL GET YOU ONTO THE BID LIST FOR A NEW SALE

Report the request through the company's compliance reporting channels

Find out about available channels and then use them, including:

Email

Company website

Phone

Live discussion with the employee's manager or human resources representative

Keep records and notes of all interactions with the procurement officer so that you can inform the company investigator accordingly

SCENARIO 3 – REQUEST FOR SEX BY A GOVERNMENT PROCUREMENT OFFICER TO SECURE A CONTRACT

Threaten to (and then do) inform the requestor's supervisor or compliance officer if you feel safe to do so / or if the law protects you

Go back to the soliciting person with at least one witness (management, adviser, bank representative)

Request to be accompanied by a lawyer or independent party to reduce the probability of being asked to make a bribe

SCENARIO 4 – REQUEST FOR A SURCHARGE TO SECURE A BUILDING PERMIT

Request a written official license procedure to test the legitimacy of the demand

Explain that you cannot pay individuals, but only to a bank account of the public authority

Ask for official receipts from the local authority

Notify the authority's senior leadership/supervising body

SCENARIO 5 – TRASH COLLECTOR REQUESTS A FEW PICTURES OF YOU IN EXCHANGE FOR PICKING UP TRASH FROM YOUR FACILITY

If you are asked to do something that makes you uncomfortable, you have a right to say no

These requests can be harder to stop if you initially comply

Do not share mobile phone number, email address or any other information that can make it easier for the person to reach you

Do not share pictures or online details

Talk to people you trust who may be able to change the situation such as others in your company or community

HOW CAN I HELP OTHER WOMEN FIGHT CORRUPTION?

For any project that you are involved with, find out what external reporting channels are available and let your employees know about them as well

- Know what **external whistleblowing channels** are available to raise concerns by researching local channels at the start of a project.
- Let women in your company know that they can always come to you to **discuss concerns confidentially** if they do not feel comfortable using an official whistleblowing channel.
- Help women to draft written statements if necessary.
- Work collectively with others to stand up against corruption.
- Speak out on social media - **#womenagainstcorruption**.

HOW CAN I HELP OTHER WOMEN FIGHT CORRUPTION?

Ensure a robust internal **whistleblower program** where women feel safe to raise concerns

- It is important to have the appropriate **internal channels** to encourage women to raise concerns confidentially
- Fear of reprisal or the sense that there is no reward for doing so may stop women from reporting
- You can encourage women to talk to you in a **safe, women-only environment**
- Show appreciation for their courage to come forward
- Reassure women that they won't lose their jobs by speaking up

HOW CAN I HELP OTHER WOMEN FIGHT CORRUPTION?

Regular **training** for you and all of the other women in your company – and offer “train the trainer” sessions to have more widespread impact

- Topics suggested:
 - What is corruption and how can I resist solicitation?
 - Gender-related discrimination and corruption
 - Consequences of engaging in prohibited behavior
 - How can I talk to my supervisor or customers about what I am experiencing?
 - How can I engage with government employees?
 - How can I find out about available reporting channels when I work with governments or larger companies?

HOW CAN I HELP OTHER WOMEN FIGHT CORRUPTION?

Create a culture of advocacy

- Ensure a good tone of compliance and openness to hearing issues from your employees and colleagues
- **Reward** good and ethical behavior – thank women for bringing issues to your attention and make them feel appreciated
- Foster **women’s networking and discussion groups** where women can talk over their experiences
- Engage with **local advocacy groups** to find out what others are doing and have a greater impact
- Connect with **business federations** as many will have special sections established for ethics and compliance

HOW DOES THIS ALL COME TOGETHER?

Women can be champions against corruption!

- In Zimbabwe, Nyaradzo Mutonhori, heard that a certain powerful politician in Harare was extorting sexual favors from women applying for state-subsidized housing.
- The women went to the police many times but because this man wielded great influence in the community, their complaints were dismissed.
- Nyaradzo Mutonhori stepped in, helping the women to draft detailed statements and accompanying them to the police station to open a proper case against the man.
- Soon after that the harassment stopped, the women's applications were processed and they got their housing grants.
- From that moment, Nyaradzo knew that she could play a vital role in helping women fight corruption in her country.

APPENDIX: LIST OF RESOURCES ON CORRUPTION AND WOMEN

OECD

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, available at: http://www.oecd.org/daf/anti-bribery/ConvCombatBribery_ENG.pdf
 - OECD anti bribery convention states the following in its article 1: “Each Party shall take such measures as may be necessary to establish that it is a criminal offence under its law for any person intentionally to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business.” and in its commentaries on page 11: “This Convention deals with what, in the law of some countries, is called “active corruption” or “active bribery”, meaning the offence committed by the person who promises or gives the bribe, as contrasted with “passive bribery”, the offence committed by the official who receives the bribe”. While there is no official definition in the UNCAC article 15 and article 21 of the convention provide the definition of Bribery of national public officials and Bribery in the private sector respectively.
- OECD, G20 Anti-Corruption Working Group Action Plan 2019-2021 and Extract from G20 Leaders Communiqué, December 11-14, 2018, available at: [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB/RD\(2018\)10&docLanguage=En](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB/RD(2018)10&docLanguage=En)
- OECD, Glossary corruption, available at: <http://www.oecd.org/corruption/anti-bribery/39532693.pdf>

United Nations (UN)

- Convention against Corruption (UNCAC), available at: https://www.unodc.org/unodc/corruption/tools_and_publications/UN-convention-against-corruption.html

UN Development Program (UNDP)

- Seeing Beyond The State: Grassroots Women’s Perspectives on Corruption and Anti-corruption, October 2012, available at: <https://www.unwomen.org/en/docs/2012/10/grassroots-womens-perspectives-on-corruption>
- UNDP Training on Gender Equality, Women’s Empowerment and Anti-Corruption, available at: https://anti-corruption.org/UNDP_Anticorruption_Gender2015_WBT_100516/story.html

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- UNDP Business Integrity Toolkit for Young Entrepreneurs, available at: <https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/business-integrity-toolkit-for-young-entrepreneurs.html>
- UNDP Fair Biz Project, available at: <https://www.asia-pacific.undp.org/content/rbap/en/home/programmes-and-initiatives/Fair-Biz.html>

UN sustainable development Goals

- Goal 5: Achieve gender equality and empower all women and girls, available at: <https://www.un.org/sustainabledevelopment/gender-equality/>
- Goal 16: Promote just, peaceful and inclusive societies, available at: <https://www.un.org/sustainabledevelopment/peace-justice/>

UN Global Compact

- RESIST – Resisting Extortion and Solicitation in International Transactions, available at: <https://www.unglobalcompact.org/library/157>
- Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers, available at: <https://www.unglobalcompact.org/library/153>

UN Women

- UN Trust Fund to End Violence against Women, Case Study: Tanzania: Making markets safer for women traders, available at: <https://unf.unwomen.org/en/news-and-events/stories/2017/03/tanzania-making-markets-safer-for-women-traders>

United Nations Office on Drugs and Crime (UNODC)

- University Module Series on Anti-Corruption, available at: <https://www.unodc.org/e4j/en/tertiary/anti-corruption.html> “ (When referring to the E4J Module please acknowledge it by using the following formulation: [Name of company/organization] is supporting the Education for Justice (E4J) initiative, launched by the United Nations Office on Drugs and Crime, by delivering courses inspired by E4J Modules. [Name of company/organization] thereby aims to contribute to the achievement of the United Nations Sustainable Development Goals and particularly SDG 16.”)

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ICRW International Center for Research on women

- Women's Enterprises: Corruption and Crime (October 2019), available at: <https://www.icrw.org/issues/employment-and-enterprises/>

U4 Anti-Corruption Resource Center : <https://www.u4.no/topics/gender>

- Are men and women equally corrupt? By Frédéric Boehm, Bergen: Chr. Michelsen Institute (U4 Brief 2015:6) 4 p., available at: <https://www.u4.no/publications/are-men-and-women-equally-corrupt>
- The gendered impact of corruption: Who suffers more – men or women? By Erika Sierra and Frédéric Boehm Bergen: Chr. Michelsen Institute (U4 Brief 2015:9) 4 p, available at: <https://www.u4.no/publications/the-gendered-impact-of-corruption-who-suffers-more-men-or-womenhttps://anti-corruption.org/wp-content/uploads/2017/05/Grassroots-women-and-anti-corruption.pdf>

Trace International

- Training for Third Party Intermediaries, available at: <https://traceinternational.org/compliance-training>

Transparency International

- Gender, Equality and Corruption: What Are The Linkages?, 2014, available at: https://images.transparencycdn.org/images/2014_Policybrief1_GenderEqualityCorruption_EN.pdf
- Transparency International Guide on Gender and corruption, 2016, available at: https://www.transparency.org/files/content/corruptionqas/Topic_guide_gender_corruption_Final_2016.pdf
- Transparency International, "What is corruption?", available at: <https://www.transparency.org/en/what-is-corruption>

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B20 – G20

- B20-G20 Anti-Corruption Toolkit for SMEs, available at: <https://irp-cdn.multiscreensite.com/e0b6c17a/files/uploaded/B20-G20%20Anti-corruptionToolkit%20for%20SMEs%202015.1.pdf>
- Joint Statement by B20 Argentina, C20 Argentina and W20 Argentina, #Corruptiontoo: Why gender matters for anti-corruption, 2018, available at: <https://civil-20.org/c20/wp-content/uploads/2018/10/Joint-Statement-Gender-and-Corruption-1.pdf>
 - C20 Statement: "recognize, condemn and adopt an effective criminal framework that addresses harassment and sexual extortion ('sextortion') as a gendered form of corruption and violence."
- Joint Statement by C20, L20, T20, W20 and Y20 on Eliminating Violence and Harassment in the World of Work, 2019, available at: <http://www.g20.utoronto.ca/c20/2019-C20-L20-T20-W20-Y20-FINAL-Joint-Statement-on-Eliminating-Violence-and-Harassment-in-the-World-of-Work2.pdf>
- OECD, G20 Anti-Corruption Working Group Action Plan 2019-2021 and Extract from G20 Leaders Communiqué, December 11-14, 2018, available at: [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB/RD\(2018\)10&docLanguage=En](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB/RD(2018)10&docLanguage=En)
- Women's Empowerment Principles Flyer (Established by UN Global Compact and UN Women), available at: <https://www.weeps.org/resource/womens-empowerment-principles-flyer>

Alliance for Integrity Women's Programs

- Corruption prevention Training Programme and other initiatives, available at: <https://www.allianceforintegrity.org/en/offer/training-programme/> and <https://www.allianceforintegrity.org/en/news/messages/launch-event-of-the-first-integri-tea-in-india.php>

The Swedish International Development Cooperation Agency (Sida)

- Gender and Corruption, Gender Tool Box, 2015, available at: <https://www.sida.se/English/publications/159390/gender-and-corruption/>

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The Quality of Government Institute (QOG) University of Gothenburg

- The effect of gender on corruption, 2019, available at: <https://qog.pol.gu.se/news/news-detail//the-effect-of-gender-on-corruption.cid1667356>

Thomson Reuters Foundation, International Association of Women Judges and Marval, O'Farrell and Mairal

- Combating Sextortion: A Comparative Study of Laws to Prosecute Corruption Involving Sexual Exploitation, available at: <http://www.trust.org/publications/i/?id=588013e6-2f99-4d54-8dd8-9a65ae2e0802>

Videos

- CNBC: Cost of Corruption, available at: <https://www.cnbc.com/video/2018/10/18/cnbc-explains-whats-the-cost-of-corruption.html>
- Transparency International: How Does Corruption Affect You, available at: <https://www.youtube.com/channel/UCuwdoOuo2MLU2ebspAWKcxQ>
- Transparency International: International Women's Day, 2020, available at: https://www.youtube.com/watch?v=SJ6yQrqwi_k
- Global Ethics Solutions: Business Gifts and Bribery, available at: <https://www.youtube.com/watch?v=XQdfD227NBA>
- City of London Police: Bribery and Corruption - The Conversation, available at: <https://www.youtube.com/watch?v=g0HAjm3ApdU>