



Final Communiqué

3rd Africa Conference

Nicon Luxury, Abuja

20th – 21st November 2017

Organised by:

**International Network for Corporate
Social Responsibility**



**Final Communiqué Issued at End of the
3rd Africa Conference on Business and
Human Rights**

Theme

**Exploring the Relationship between
Corporate Social Responsibility (CSR)
and Sustainable Development in Africa**



Introduction

The 3rd Africa Conference on Business and Human Rights was organised by the International Network for Corporate Social Responsibility on the 20th - 21st November 2017 at Nikon Luxury Tafawa Balewa way, Garki Abuja, Nigeria.

Theme: Exploring the Relationship between Corporate Social Responsibility (CSR) and Sustainable Development in Africa. This event was attended by more than eighty participants from different sectors which include government officials, academia, civil societies and corporate organisations. Countries represented include South Africa, Switzerland, United Kingdom and Nigeria.

Opening: The event started with introduction of dignitaries which was followed by the welcome speech delivered by the Founder and President of the International Network for Corporate and Social responsibility (IN-CSR), Mr Eustace Onuegbu. The guest speaker's address was delivered by the Ambassador of Switzerland to Nigeria, Ambassador Eric Mayora, after which Keynote addresses were delivered by Chief Umana Okon Umana Managing Director/CEO Oil and Gas Free Zones Authority Nigeria, ably represented by Chief Jackson Iniobong and Prof. Louis Meuleman, Member of the United Nations Committee of experts on Public Administration (CEPA) who delivered the second keynote address.

Speakers/Panellists: Barr. (Mrs) Chidiogo Akpuokwe, Assistant Chief Legal Officer, National Human Rights Commission of Nigeria; Mrs Amanda-Lumun Feese-Ideh, Senior Special Adviser to the Honourable Minister of Mines and Solid Minerals; Dr Aderomola Adeola, Steinberg Post-Doctoral Fellow, Centre for Human Rights and Pluralism, McGill University, Montreal, Canada; Dr Basil Ugochukwu Post-Doctoral Fellow, Centre for International Governance Innovation (CIGI) Canada, Mr Olumide Orojimi Head, Brand and Corporate Communications- Nigeria Stock Exchange; Prof Sam Erugo, Dean Faculty of Law, Abia State University, Uturu; Mr Eustace Onuegbu, President, International Network for Corporate Social Responsibility (INCSR); Prof. Louis Meuleman, Member, United Nations Committee of Experts on Public Administration (CEPA) and Visiting Professor Leuven University, Belgium; Dr. Adenike Aiyedun - Deputy Director, Access to Justice, Nigeria; Barr. (Mrs) Chinezelum N.I. Obianyo – President, International Federation of Women Lawyers, Anambra State Branch; Dr Olawale Emmanuel Olayide, Sub Dean, Centre for Sustainable Development, University of Ibadan and Member of Board of Trustees, INCSR;. Further contributions were made by Dr Ngozi F. Stewart-Unuigbe – Research Fellow (Environmental Policy), United Nations University – INRA, Ghana and Associate Professor – University of Benin, Benin City, Edo State, Nigeria; Nelson Obine – CSR/Sustainability Consultant, International Network for Corporate Social Responsibility; Dr Awuese Oku - Chief Learning and Development Officer, African Development Bank,



Abidjan; Dr Sam Phiri – Lecturer, Department of Media and Communications Studies, University of Zambia;

Four plenary sessions based on the sub-themes of the conference were led by seasoned scholars. A total of 16 technical paper presentations were made.

Objectives of Conference

General objective

- To engage in sharing wisdom, experience and knowledge of distinguished experts and practitioners of Corporate Social Responsibility (CSR)

Specific objectives

- To promote the policy outlook of our government and other regulatory agencies
- To link accelerated economic development to effective corporate social responsibility
- To initiate discussions for the strategic importance of achieving the Sustainable Development Goals (SDGs) through effective implementation of CSR policies
- To create a conducive environment for increased synergy amongst different sectors

Sections

Corporate Social Responsibilities and Sustainable Development

Among other definitions, the speakers adopted the following two definitions:

1. Corporate Social Responsibility (CSR) is “Achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment.” - *Business for Social Responsibility*
2. Corporate Social Responsibility is “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” – *World Business Council For Sustainable Development(WBCSD)*

The speakers stated that CSR is a business approach that contributes to sustainable development by delivering social, economic and environmental benefits for all stakeholders. For this purpose, the panel adopted the United Nations definition of sustainable development which states that:



- Sustainable Development is “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.” (United Nations General Assembly, 1987, p. 41).

Based on the research papers presented, the concept of effective Corporate Social Responsibility and Sustainable Development cannot be separated. Businesses through CSR contribute to the sustainable development of a nation. Effective CSR is also an important vehicle for attracting foreign direct investment in most developing countries. While we have a small group of rogue investors that may be attracted to Nigeria and other African countries due to lack of transparency and good governance yet micro-level studies, provide strong support for the overwhelming importance of institutional investors in achieving a level of development in countries around the world. For this purpose, the speakers identified that:

- Transparency and due diligence is vital in maintaining confidence with stakeholder groups and the general public.
- The issues of accurate financial statements, non-financial reporting and independent oversight have become particularly sensitive and important for institutional investors especially from the more developed economies.
- Fiduciary duties within African Stock Exchanges are important to ensure that those who manage other people’s money act in the interests of beneficiaries.
- Poor regulatory oversight and lack of effective CSR/sustainability policies impacts negatively on the economy. Green growth, development in the West, and partnerships that help to establish the Nigerian business community in global markets are particularly important.
- Effective CSR is of economic self-interest for a business. In today’s brand-driven markets, CSR is a means of matching corporate operations with stakeholder values and demands at a time when these parameters can change rapidly while competing for global investment funds.

It was also agreed that CSR is core to achieving Sustainable Development as it compels organisations to contribute to sustainable community development. CSR is embedded in all the 17 goals of the SDGs. Integrating CSR for backward integration, promotion of local content law and accelerated economic development provides a foundation for achieving sustainable development. Raising corporate bodies’ awareness on CSR issues with particular importance on their role in alleviation of poverty, provision of human rights, management of natural resources and environmental sustainability



In line with the United Nations guidelines, corporate sustainability reporting and continuous improvement of accountability and transparency should be promoted (United Nations General Assembly, 2012, p 9).

Observations

Many African countries are struggling to locate the right balance between the different approaches to CSR regulation which is a major task for the State and its regulatory agencies. Nigeria in particular is lagging behind as the largest African economy considering that South Africa through the Johannesburg Stock Exchange introduced the voluntary reporting for all listed companies in 2002 and the integrated reporting 2010.

There is also binding regulation as provided for in the Constitution of the Republic of South Africa, 108 of 1996 as well as Broad-Based Black Economic Empowerment Act 53 of 2003 in line with the King Report on Corporate Governance (South Africa 2009 - King III). South Africa therefore remains a leading example of a sustainable exchange market globally which is reflected in investor confidence and market capitalisation. For example, a single Johannesburg Stock Exchange (JSE) listed company, Naspers (owners of multi choice) is worth over three times at a value of \$107 billion than the Nigerian Stock Exchange (NSE)'s total market cap which is only about N13 trillion (or \$38 billion).

Efforts made so far in Nigeria

The team of experts discussed in details the Nigerian Local Content Bill which was passed in April 2010. It was decided that this bill was a right step in the rights direction.

The team also reviewed the late Senator Uche Chukwumerije's sponsored bill entitled: "A Bill for an Act to provide for the Establishment of the Corporate Social Responsibility Commission– popularly referred to as the "CSR Bill."

The bill sought to establish:

The Corporate Social Responsibility Commission, a supervisory body that would be responsible for the control and regulation of the CSR activities of businesses in Nigeria.

The CSR bill also proposed that:

All businesses undertake CSR activities utilizing not less than 3.5% of their gross annual profit. While urging the accountability of corporate organizations to their labour force, investors, consumers, host communities, the bill proposed sanctions for defaulting companies and incentives for companies who complied with the regulations.

Main Drawbacks of the Proposed Bill:

The team identified that the bill may have defined CSR in line with Corporate Philanthropy (CP) and Corporate Social Investment (CSI) therefore only focused on one of the three pillars which is “Social” rather than taking a more holistic approach. Business benefits of effective CSR programmes includes enhanced brand and reputation, better access to capital, stronger relations within communities through stakeholder engagement, global competitiveness, Improved bottom-line, etc. Similarly, the team identified effective CSR as the main driving force for an accelerated economic development. The alignment of Nigeria’s national priorities with the agenda of economic diversification, job creation and business sustainability offers opportunities for companies to create value from innovative and globally competitive products and services.

Recommendations

Given CSR’s obvious relationship to governance, business, ethics and sustainable development, there is need to explore enforceable options rather than promoting its soft law, voluntary core. The Forum therefore recommends

- a. An urgent and detailed review of the proposed CSR bill in Nigeria with the view of redefining and regulating CSR efforts in line with global best practices
- b. A national action plan on Business and Human Rights to be launched as a matter of urgency in line with the United Nations Guiding Principles on Business and Human Rights
- c. Key regulatory agencies, in particular, the Nigerian Stock Exchange (NSE), Central Bank of Nigeria should introduce sustainability policies including mandatory annual independent assessments (audits) and voluntary reporting for listed companies and the financial sector in line with global best practices within one year
- d. Government should provide enabling environment for environmentally friendly and sustainable businesses such as enabling legislations in Sustainability CSR practice, independent green bond implementation and reporting agency, better incentives for off-grid energy investments and sustainable water initiatives, etc before going further with issuing the proposed green bond in order to provide for sustainability.
- e. Government should develop a national CSR standard and certification system as a benchmark for CSR standards in Nigeria. CSR should be blended into core business and economic issues, such as innovation, skills enhancement, and the development of high-value industries.



Further work

The team therefore respectively requests to meet with the following key stakeholders – Office of the Senate President, Federal Republic of Nigeria, Office of the Governor of the Central Bank of Nigeria, Office of the Chief Executive Officer of the Nigerian Stock Exchange and the National Human Rights Commission of Nigeria to discuss these finding and recommendations further.

Appreciation

The Board of Trustees and all our partners for the 3rd Africa Conference on Business and Human Rights wishes to express our appreciation to the Embassy of Switzerland to Nigeria, Niger and ECOWAS, the Centre for International Governance Innovation (CIGI) Canada, the Oil and Gas Free Zones Authority (OGFZA) and Zenith Bank PLC for their support.

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