



CENTER FOR PUBLIC INTEGRITY

Good Governance-Transparency-Integrity

Press Release

Better enforcement of anticorruption laws needed to clean up business in Mozambique

LAUNCH EVENT: Thursday, February 18, 2016; 8:30 a.m. – 13:00 p.m. at the Radisson Blu Hotel in Maputo

Minimal enforcement of anticorruption laws coupled with the private sector's lack of exposure to international anti-corruption norms allows corruption to thrive in Mozambique's business sector, according to a new study from Transparency International and its chapter in Mozambique, the Center for Public Integrity.

The new report, will help set a Business Integrity Country Agenda (BICA) for Mozambique, is part of an effort by the Centre for Public Integrity and Transparency International to reduce corruption in Mozambique's private sector. The initiative comprises an assessment of business integrity in the country, resulting in the BICA Assessment Report and then translation of the assessment's key findings into a working agenda for reform.

"The only way we can clean up the business environment is through

collective action," said Adriano Nuvunga, the Director of the Center for Public Integrity. "This new program will be used for the first time ever in Mozambique. It is based on the idea that the government, the business sector and civil society working together can be far more effective in promoting business integrity than actions by individuals or stakeholder groups acting alone."

In the public sector, the results shows that Mozambique has signed and ratified the main international and regional anticorruption conventions: the United Nations Convention Against Corruption (UNCAC), the African Union Convention on Preventing and Combating Corruption and the Southern Africa Development Community (SADC) Protocol Against Corruption, and has made a considerable effort to incorporate these instruments into its legal framework. February 16, 2016

Center For Public Integrity

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But enforcement is problematic because of a low capacity to implement anti-corruption laws and poor incentives to promote clean business dealings. Public sector thematic areas related to business integrity cover issues such as bribing public officials, commercial bribery, money laundering, economic competition, accounting and audit, undue influence, public tendering, and tax administration. In most of these areas the country has a legal framework in line with international standards.

Unlike the public sector, in the business sector in Mozambique local enterprises do not have the same exposure, stimulus and ability to adopt policies and practices in line with international standards. Some factors that have played a role in fostering poor standards of business integrity, include the concentration of exports and the few opportunities for linkages with multinationals and megaprojects in a few enterprises; a weak market with limited business-to-business relations; and weak enforcement of integrity standards in the public sector in Mozambique.

In this context, relatively few companies operate in an environment that creates positive incentives for good management standards and the promotion of business integrity. However, there is growing awareness that corruption harms business. In this regard, business associations are adopting business integrity codes of conduct, although still with low adherence by companies. Moreover, in August 2015, in the context of the dialogue between the government and private sector, both parties agreed to include anti-corruption measures in the set of actions to be implemented by the business sector, which includes responsibility for monitoring and reporting on the progress by the latter.

Historically, civil society in Mozambique has played the role of oversight and watchdog in relation to the public sector. The research found that civil society -- together with the media -- is a key player in promoting business ethics. It can be instrumental to preventing, reducing and responding to corruption in the business sector providing broad societal checks and balances.

The assessment is based on evidence gathered from multiple sources: legislation, official documents, studies, primary data, stakeholders and interviews with experts. The process included the selection of a National Advisory Group (NAG), comprising representatives of all the stakeholder groups and donors, who were responsible for validating the research findings and presenting recommendations on collective action.

EVENT DETAILS:

WHEN: February 18, 2016; 8:30 a.m. – 13:00 p.m.

WHERE: Radisson Blu Hotel (141 Av. Marginal, Maputo 1100)

Openning Panel

- Her Excellency Amélia Nakhare, Presidente da Autoridade de Moçambique;
- **Prof. Dr. Peter Eigen,** Founder Transparency International;
- Eng^o Fernando Silva, Siemens Energy Management Mozambique Director;
- **Dr. Adriano Nuvunga,** Director, Centro de Integridade Pública.

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