

Collaborative Approaches to Strengthen Business Integrity in the Private Sector

The ASEAN region is one of the largest economic zones in the world. But at the same time, corruption and weak governance are also of concern in the region. According to the 2019 ASEAN Business Outlook Survey, the majority of businesses in the region listed corruption, unfair and inefficient law enforcement practices as a major challenge of doing business in the ASEAN countries.

Engagement of businesses in formulating new laws, policies and regulatory frameworks is limited. This hinders trust and collaboration between governments and businesses.

Addressing corruption and strengthening governance systems requires a more active role of the private sector – both in developing and complying with the spirit and letter of laws and regulations and ensuring that business practices promote values of fairness, inclusiveness, integrity, transparency and accountability.

But often, practices by the private sector that do not promote transparency and accountability have a broader impact, including weaken public institutions and rule of law and widen inequalities. Strengthening business integrity, thus, can contribute to improved governance, and specifically to the achievement of Sustainable Development Goal 16.

Towards this end, UNDP, through its regional initiative on Promoting Fair Business Environment in ASEAN, aims to encourage engagement of private sector to develop and implement solutions for business integrity and sustainable development in collaboration with other stakeholders.

UNDP, in cooperation with the UK government, aims to promote fair, transparent and predictable business environments in dynamic ASEAN countries.

By working with governments, civil society and the business sector, the project strives to foster a level playing field for business competition where a culture of transparency and integrity in the public and private sectors is nurtured; responsible and sustainable business practices are encouraged; corruption risks are minimized and the application of justice is fair.

In June 2019 stakeholders from the 6 target countries gathered in Bangkok for the first Fair Biz Environment Lab. As a result of the Lab, teams identified multi-stakeholder projects they could bring forward in-country.

The Lab was organized in-country groups and for each group, the priority was to lay the groundwork for different stakeholders to work together, in-country, on a continuing basis by designing a platform for collaboration.

As a result of the Lab, the Fair Biz Grants were launched to support innovative solutions aimed at fostering a culture of transparency and integrity within the business community.

Indonesia and Viet Nam were selected to implement projects in 2020.

Promoting Transparency & Business Integrity in the Plantation Sector in Indonesia

At a glance

Focus industry: plantation sector
Location: Riau Province, Indonesia
Timeline: January to December 2020



The challenge

Unavailability of unified land rights database is still a major challenge in Indonesia with more than 82 millions (out of 126 million) of land area with no certificate (Source: Ministry of Agrarian and Spatial/Head of National Land Agency 2017). This opens opportunities for corruption both from the government and private sector, particularly on the Business Permit issuance and misuse of Land Use for Agriculture, Forestry and Plantation. Corruption in this sector leads to irregular use of land whereas many forests are burnt for plantation and impacts the community's environment as well as health, particularly of women and children. To address this challenge, a transparent and unified land database would enable more responsible business practices, lower the cost of doing business and promote a better business environment in which communities, government and private sector can collaborate.

Intended impact

To promote responsible business practices in plantation sector through the implementation of the OneMap land database policy and the increase capacity of private sector in business integrity and ethics, conflict resolution and beneficial ownership. The community, particularly indigenous people, women, and youth groups, will benefit from improved advocacy skills and engagement in land rights policy implementation and monitoring.

Stakeholders engaged

Indonesia Global Compact Network (IGCN)

CSO "SPAK" (I am Women, Against Corruption)

Executive Office of the President

Joint Secretariat of the National Strategy on Corruption Prevention

Milestones

SITUATION ANALYSIS

To better understand beneficial ownership mechanisms and identify strategies for scaling up the OneMap Policy piloting in the target area (Riau Province).

BUILDING CAPACITY

Local companies in the plantation industry will be trained on business integrity and ethics, conflict resolution and beneficial ownership. Community groups will be trained in data collection and monitoring tools to support the implementation of the OneMap Policy.

CONSOLIDATING A COLLABORATIVE PLATFORM

A multi-stakeholder platform will work to build trust and promote responsible business practices in the plantation sector, by joining the forces of community groups, private sector, civil society and government actors to resolve land disputes and accelerate the implementation of One Map

Promoting a Fair Business Environment for new Businesses in Viet Nam



At a glance

Focus industry: startup ecosystem
Location: Viet Nam
Timeline: January to December 2020

The challenge

Viet Nam's thriving startup scene continues to grow strongly, attracting interest and investments from around the world and making the country the third-largest startup ecosystem in Southeast Asia. These new businesses, including startups, are mostly led by young people, 55% of entrepreneurs in Viet Nam are 18-34 years old. Young startup founders and entrepreneurs often work with small business teams, without the necessary capacity to effectively navigate red tape and other administrative business procedures. According to the 2019 Vietnam Youth Integrity Survey nearly all youth surveyed believe that corruption and lack of integrity are harmful to their generation (96%), the economy (95%) and the development of Vietnam (97%). But more than three-quarters of them (81%) report having no or very little knowledge on the integrity and anti-corruption rules and regulation. With barriers to conducting business, limitations in capacity to deal with such barriers, and growing pressure from potential investors to show returns, the risk of young entrepreneurs compromising business integrity increases.

Intended impact

To promote and enable business integrity practices among young entrepreneurs, supporting their individual contributions and collective action towards a fair business environment in Viet Nam. By influencing policy and practice of business integrity, entrepreneurs and startup ecosystem leaders can combat a culture of corruption which damages the business reputation of Viet Nam and keep investors at bay.

Milestones

BUILD COLLECTIVE INTELLIGENCE

Develop capacity and capability within the startup ecosystem to Integrate business integrity training and practices into business development and incubator programmes for young entrepreneurs. Training and guidance will be available both in person and online using e-learning and Artificial Intelligence technology.

Stakeholders engaged

Viet Nam Business Forum Magazine (VBFM)

Viet Nam Chamber of Commerce & Industry (VCCI)

Viet Nam Youth Union

Ministry of Science & Technology

Viet Nam Angel Network

UK Embassy in Viet Nam

SET STANDARDS FOR BUSINESS INTEGRITY

Impact investors will be able to use a Responsible Business Practice (RBP) checklist, to consider business integrity standards and practices when assessing potential investments in startups and new business ventures.