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# 'ADVANCING COLLECTIVE ACTION AGAINST CORRUPTION THROUGH GLOBAL COMPACT LOCAL NETWORKS'

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**First Ideation Meeting**



Network India

JUNE 17, 2022  
GLOBAL COMPACT NETWORK INDIA  
DELHI, INDIA

# IDEATION MEETING

## ANTI-CORRUPTION COLLECTIVE ACTION

"Promoting Anti-Corruption Strategies and Integrating Ethical Business Practices in Micro, Small and Medium Enterprises (MSMEs)"



Network India

### JOIN US!

June 17, 2022  
(5:00-6:30 PM)  
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## Executive Summary

Global Compact Network India (GCNI) has been chosen to be part of a new Anti-corruption Collective Action Project led by Foundation for the Global Compact (UNGC) in the Golden Stretch Round of the Siemens Integrity Initiative. The three-year project titled - '**Advancing Collective Action against Corruption through Global Compact Local Networks**', commenced on Oct 1, 2021 and GCNI has started developing a plan for the smooth and effective implementation of the project. Ten Global Compact Local Networks (GCLNs) are part of this project, including India.

The project aims to expand and build upon the activities under the Siemens Integrity Initiative Third Funding Round United Nations Global Compact project "Scaling up Anti-Corruption Collective Action within Global Compact Local Networks" by:

- Transforming the Playbook on Anti-corruption (launched earlier this year by UNGC) into an E-learning course and further adaptation.
- Facilitating and guiding Anti-Corruption Collective Action in Global Compact LNs
- Hosting an international event to celebrate 20th Anniversary of the 10th principle

- Scaling UN Global Compact's engagement in public-private policy dialogue to bring the private sector voice to the global anti-corruption agenda

## Introduction

GCNI hosted the First Ideation Meeting with Anti-Corruption Collective Action (ACCA) stakeholders on **June 17, 2022**, which intended to review and identify corruption challenges, assess the Collective Action methodology to address it and to move in the direction of developing a structured strategy and roadmap to promote transparency and accountability in SMEs Sector. Over 30 nominated officials from diverse relevant sectors participated and shared their ideas, expertise and insights to support the ACCA project of GCNI.

The meeting was moderated by Mr. Arya Dev, Project Manager for the Golden Stretch Round. He welcomed all the participants **Chief Guest, Mr. Rajiv Chawla, Founder & Chairman of Integrated Association of Micro, Small and Medium Enterprises of India (IamSMEofIndia)**, one of the largest SME networks and a globally recognized Institution that provides ready-made solutions to Entrepreneurs; and set the tone of the meeting by establishing the agenda and laying down the objectives of the Ideation Meeting.

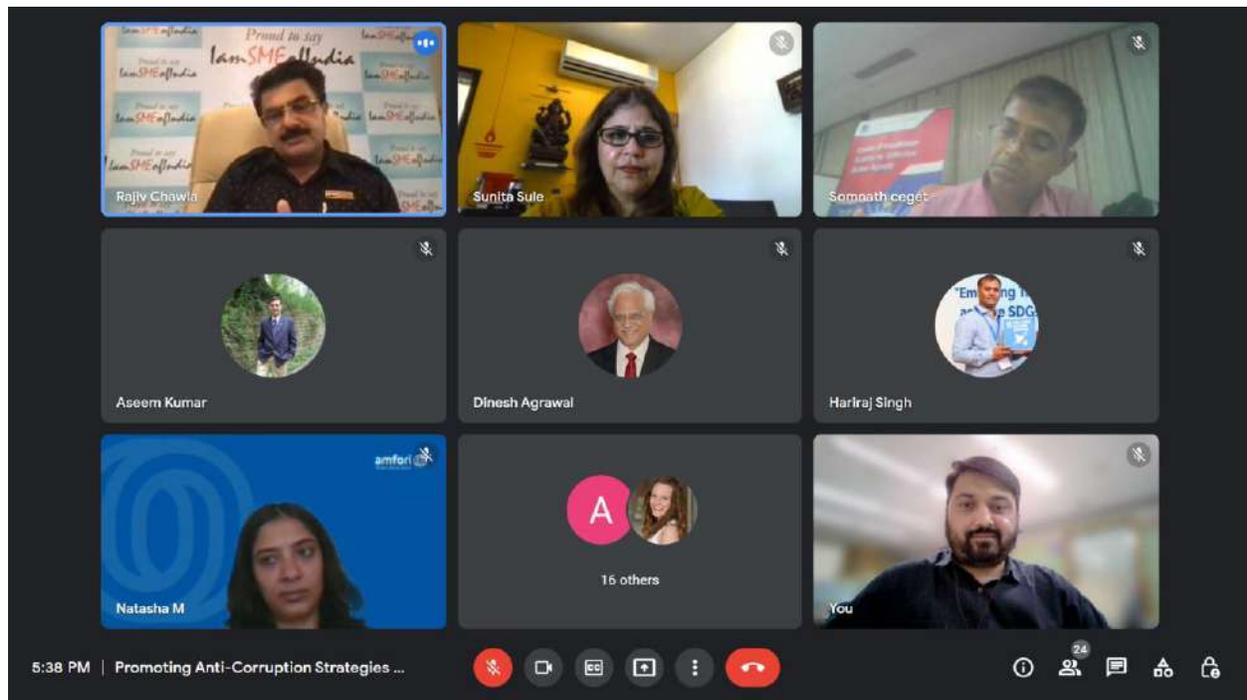
The objectives of the Ideation Meeting were:

- ❖ Identifying corruption challenges in SMEs (sector) and exploring the methodologies /solutions to address the identified corruption challenges.
- ❖ Educating SMEs on the business case for their involvement in Anti-Corruption Collective Action.
- ❖ Building alliances that share the same vision and goals and are clear on how these are to be achieved
- ❖ Tailoring of a Roadmap for the project to develop an ACCA initiative for SMEs

The meeting ensured representation from Micro, Small and Medium Enterprises (MSMEs), Businesses, CSOs, Academic Institutes and other like-minded organizations to discuss the significance, need and possible initiatives to promote transparency and accountability through Collective Action in Indian MSMEs. Members from the ACCA Working Group formed under the Third Round also participated in the meeting and shared their perspectives on developing new

initiatives of ACCA in India.

## Event Agenda and Proceedings



The session was conducted virtually on Google Meet. It was an interactive session where the participants came forward and shared the ways through which they hope to commit to and support ACCA initiative. The session moderator welcomed the speakers and participants, shared the agenda and objectives of the meeting.

The journey of ACCA in India through various projects and initiatives over the course of a decade, was shared by **Ms. Sunita Sule, Chair, CEGET Advisory Committee, UN GCNI**. Ms Sule fondly reflected on her association with our dearly departed leader Late. Ms. Shabnam Siddiqui and remembered how she was instrumental in establishing the fundamentals of Anti-corruption and redefining the approach to practice the principles of ACCA in India. She then shared the discussions and outputs of the Kick-off meeting. The crux of the Kick-Off Meeting was to develop a local ACCA initiative for this project focused on promoting Anti-Corruption strategies and ethical and responsible business practices in SMEs. The participants of the Kick-off stressed on harnessing Collective action of SMEs and understanding the challenges, cumbersome compliances and solutions for the pain points related to integrity issues in the SMEs sector.

It was followed by an address by the Chief Guest, Mr. Rajiv Chawla on the ***'Role of MSMEs in the contemporary Anti-corruption discourse in India.'*** He asserted about the fact that even after almost 92% of the formal workforce of India being employed in MSMEs, there was negligible interest in anti-corruption as it is considered as an added cost and there is hardly any formal and concerted effort towards AC CA. However, automated grievance systems and use of digital technology is used to institutionalize things. Regarding procurement, he said, that 25% of all government procurements are made through MSMEs and hence integrity in procurement should be top priority.

The floor was then opened for focused discussion by the participants on identifying corruption challenges and assess the Collective Action methodology to address it and to move in the direction of developing a structured strategy and roadmap to promote transparency and accountability in MSMEs Sector. The detailed discussion themes, leading questions and suggestions given by the participants are listed in the next segment.

The summary of the discussion and Vote of Thanks was given by Dr. Somnath Singh, Programme Manager, GCNI and Project lead for the Third Round.

## Open Discussion Themes and Suggestions

The following were the critical questions for which we solicited responses:

- ❖ What are the functions of SMEs in India and how do they ensure they are in compliance with Govt policy/rules?
- ❖ What are the current challenges and areas for improvement in effective implementation of anti-corruption strategies across the SME supply chain in India?
- ❖ What benefits do SMEs see in achieving credibility for their anti-corruption practices through Collective Action
- ❖ What are the strategies have you found the best to guide SME sector to address their integrity challenges and overcome weaknesses?
- ❖ As an SME, what do you think about the role of governments and various collective action initiatives in creating incentives for SMEs to implement anti-corruption policies?
- ❖ How can we effectively develop elements, models and strategies of anti-corruption, which are tailored to the needs of various categories of SMEs?

Participants also discussed about the MSMEs and came up with the following comments and

suggestions for the ACCA initiative:

- ❖ Challenges, cumbersome compliances, integrity complications, Ease of Doing Business, ethical violations, red-tapism and related pain points of MSMEs sector in India.
- ❖ Big corporates focus on licensing and certification, which is an uphill task for MSMEs.
- ❖ The cost of compliances is high. However, once the paperwork is in place, it becomes easier to conduct business with integrity.
- ❖ Distinguishing between Anti-corruption and Compliance is essential to move from statutory compliance to a culture of integrity.
- ❖ Pilot an ACCA initiative in partnership with Government organization. The best way to approach the government is to form a consortium of sorts, as individual non-compliance will be penalized.
- ❖ Formation of advocacy groups and the support of industry associations is crucial in making any headway or giving presentations to the Government officials.
- ❖ Cutting down on compliances is the only way to reduce corruption in MSMEs. A draft National Policy for MSMEs is underway in which the State Governments have been advised to make efforts to improve the regulatory and compliance ecosystem for MSMEs.
- ❖ Awareness amongst the promoters and Board Members about the anti-corruption initiatives, which do not affect their businesses is the best strategy to promote ACCA. They should be made aware of the hidden-costs of corruption.
- ❖ Digitalizing each and every compliance and process is must in reducing corruption. Also, simplification of the procedures, so that MSMEs confidently and directly deal with the government, without intermediaries and the need to invest substantial time and efforts.
- ❖ Repealing frivolous laws and redundant policies will make compliances crisp and less burdensome.
- ❖ Develop a concrete action plan and execute it with full responsibility and accountability
- ❖ Public-Private dialogue of AC CA in collaboration with a govt. organization. Come out with manuals/ publications and have efficient dissemination strategies so that its circulation and awareness is maximized.
- ❖ Maximize awareness through trainings of Playbook on ACCA as well similar compendiums and manuals.
- ❖ Developing Codes of Conduct, internal reporting structures that to assure employee compliance with established standards, codes or policies, and mandatory training mechanisms for employees of MSMEs will further strengthen AC CA.