

# Joint Consultative Council

## "Empowering the Future"



Promoting Small, Medium and Micro Enterprises

### **SME Service Providers' Code of Ethics (CoE) and Related Matters Workshop** **Thursday, 06th April 2006-Heja Lodge**

**Facilitation: Mr. Hosabe /Honeb**

**Present: (53) see APPENDIX A.**

#### **1. WELCOME AND OPENING**

The facilitator, Mr. /Honeb called the workshop to order at approximately 08:45h, and apologized for the late start. He then handed over to Ms. S. Mundjindi, a JCC Board Member, for welcoming remarks and official opening of the workshop.

Ms. S Mundjindi welcomed and thanked all the participants. She stressed that inputs and contributions from participants would make an impact in the expected code of ethics draft paper which is aimed to enhance the effectiveness and efficiency of service delivery to SMEs. She further, highlighted the global trends on corporate governance and proceeded to mention that as challenging as this process and requirements might be, it is inevitable to maintain a sense of ethics in the various industries not excluding SME Service Providers. She then officially opened the workshop. The facilitator then asked the participants to introduce themselves and the organizations they represented.

#### **2. PRESENTATION OF DRAFT CODE OF ETHICS (CoE) TEMPLATE**

The Draft Code of ethics Template was introduced and presented by Mr Sam Geiseb. (**See presentation APPENDIX B.**)

#### **Some of the Supporting Comments from Mr Geiseb were:**

- Ethics in Corporates and Institutions, as familiar as it is, it is not a commonly debated and / or discussed issue.
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- Mr. Geiseb cautioned the delegates that the draft should not be considered as a comprehensive document hence more interviews were still to be conducted in due course. One of the critical aspects of a CoE is member compliance. Should a member be suspended, would it really be of essence or have any negative impact on the member operations or activities. The initial point of consideration would thus now be the value of membership to JCC for example.

Organizations who are JCC members would need to assess themselves during their field work. This would and should start with service delivery to the beneficiaries. This brings the need for the CoE to specifically address its needs given the sector it targets.

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As for the current situation, examples that necessitate the CoE, is the integrity, credibility, protection of intellectual property. Be it business plan compilation or competency that will affect SMEs to accesses financial support for their business plans.

### 3. QUESTIONS, COMMENTS AND ANSWERS

#### Comments from the delegates on the presentation:

- CoE should not only be a controlling document but regulatory
- The CoE should be supervised on the implementation of such regulation
- It is a good start towards a harmonized approach in the sector
- The issue of a professional monitoring body is necessary
- JCC should have CoE compliance in its membership agreement. This could proceed by being developed into a Charter for Service Providers.
- CoE would compel SMEs who provide services to other SMEs to good practice.

To the comments raised by the delegates, the Consultant responded by emphasizing the value of the CoE compliance. Secondly, existing CoEs have so far not been forthcoming in terms of implementation. The point being that such ethics must be realistically addressing the needs and enforced persistently.

Consequences should be expected with the implementation of the CoE but again reward for ethical conduct should also escort this process.

### 4. GROUP WORK: INPUTS & RECOMMENDATIONS INTO THE DRAFT CODE OF ETHICS

Delegates were divided into three (3) groups namely, **SMEs, Service Providers** and **Policy Makers**. Groups were to discuss the Key Questions on the CoE as presented in the Draft. Groups were asked to present their findings after lunch.

### 5. KEYNOTE ADDRESS

Keynote Address was delivered by Hon. T. Nambahu of the Parliamentary Standing Committee on Economics, Natural Resources and Public Administration acknowledging the invitation on behalf of fellow Parliamentarians and apologizing on their behalf for not attending the event due to other official commitments especially the ongoing Budget Debate in the National Assembly.

He lamented on corruption and its negative effects on the socio-economic stability of any Nation. He proceeded to mention the importance of Private-Partnership incentives to fight corruption.

In addition, he proposed the proactiveness of partnerships to lay down the CoE jointly.

Hon. Nambahu also outlined some of the tasks of their Parliamentary Committee and its support towards the SME Service Providers' Code of Ethics and its Related Matters. Further more, he mentioned the King Report on Corporate Governance including its principles of transparency, interest, responsibility and fairness. Finally, he asked the participants to participate effectively and efficiently in providing necessary inputs and recommendations on the CoE and ended on wishing the workshop an abundant and triumphant progress.

***(Keynote address, see attached copy APPENDIX C.)***

Lunch Break

Lunch ended at 14h25, with Ms. Anna Beukes-JCC Board Chairperson taking over from Mr. Hosabe as the new Facilitator. She kicked off by welcoming the participants from lunch, and immediately asked the groups to give their feedbacks and recommendations as agreed before lunch. 25 Minutes were given to each group to share their inputs and recommendations and urging them to be more specific due to time constraints.

## 6. REPORT BACK: GROUP PRESENTATIONS

### 6.1 Group work: Service Providers – Cleo Moono

#### ➤ Purpose of the Code of Ethics

✚ KQ: What do we want the Code of Ethics to be and achieve for the JCC membership and SMEs in general?

- The group agreed that the code of ethics was for SME Service Providers
- The code must take cognizance of other regulatory frameworks that exist in particular sectors. E.g. Banking Sector.
- There is no point in having a code if there is no compliance. E.g. SABS or ISO 9000
- The code should have more emphasis on being a guiding document instead of compliance. Monitoring and evaluation as a means of enforcement.
- The document should not be regulatory but voluntary
- The emphasis must be on the positive outcomes of adherence and not the negative outcomes of non compliance
- The drafting must be followed by a Public Campaign to guarantee awareness by both the Service Providers & SMEs
- The code should not send mixed messages. A code of ethics is about governance and compliance, there is no two ways about it
- The code must outline clear and concise incentives for compliance
- The code should include a compliance rating scale, taking into account that all organizations and individuals are at different levels of growth and also have varying capacities
- Regulation can not be ruled out
- There should be caution over the incentives because guaranteeing them is another issue
- What will add value to the code?
- The Consultant should give more background information to the code
- The language/context, e.g. in point 3.2 is a bit too strong and should be revised

#### ➤ Fundamental Principles or Core Values

✚ KQ: related to general organizational values-What are the core values or principles that should underpin this Code?

- Professionalism/Commitment
- Association/Common Values
- Accountability/Reliability
- Accessibility/Flexibility

#### ➤ General Rules and Principles for SME Service Providers

✚ KQ: related specifically to service provision-What are the rules and Principles that will be applicable to all SME Service Providers?

- On Time Delivery
- Quality Outputs based on agreed sets of Standards
- Performance
- Client Treatment/Orientation

#### ➤ Service-specific Rules and Principles for SME Service Providers

✚ KQ: Are there any service specific rules and principles? What are the examples of unethical behaviour in this area?

- The Code must recognize industry specific standards, especially where they exist (Point 6.2 & 6.3)
- Due Diligence is a critical component of a code of ethics

- The code must outline benchmark fee structures for basic services. A very difficult exercise
- The draft document has too many incomplete sentences and missing content, please address
- Incorporate the Team Namibia theme into the code (Naturally Namibian)
- Reasonable Fees – The JCC must collect fee lists from members and this information should become part of the database

➤ Implementation of the Code of Ethics

✚ KQ: How do we ensure compliance of CoE by Members?

- Efforts to implement educational programs on factors that influence fees for services rendered to SMEs.
- Payment Structure Breakdown
- Integrity – Emphasis on deliverables
- Discipline is a core value of a code of ethics
- Guidance must be offered to local municipalities to use the code as a screening mechanism for services outsourced
- There should be an emphasis on training of stakeholders on the pros and cons of a code of ethics
- The code must have a rewarding scheme e.g. an award for the most compliant service provider. This should not overshadow the small incentives that come along the way due to compliance

## 6.2 Group Work: SMEs – Eneas Emvula

The group informed plenary that it looked at direct issues as presented in the assignment and that it dealt with them as such.

➤ Purpose of the Code of Ethics

✚ KQ: What do we want the Code of Ethics to be and achieve for the JCC Membership and SMEs in general?

- Prevention of victimization of SMEs by pirate Service Providers
- Enhancement of SME environment for it to increase its revenue contribution towards the GDP.
- May lead to black listing of Pirate Service Providers

**In support**, the SMEs recommended the inclusion of regular performance assessment of service delivery by the SPs.

## 6.3 Group work: Policy Makers – Tuwilika Hamwele

➤ Purpose of the Code of Ethics

✚ KQ: What do we want the Code of Ethics to be and achieve for the JCC Membership and SMEs in general?

- The purpose is clearly defined
- To be a guiding tool that SME Service Providers can use
- In harmony with organizational policy and guidelines

➤ Fundamental Principles or Core Values

✚ KQ: related to general organizational values-What are the core values or principles that should underpin this Code?

- Adherence based on the validity of facilitating body
- Supervision in terms of incentives and certificates
- Who does the supervision?
- A transitional process that can eventually regulate the industry
- Should we use current measures put in place or additional required e.g. Economic, Ombudsman, and Fair Trade Office where people can launch their complaints?
- Honesty and Impartiality

➤ Service-specific Rules and Principles for SME Service Providers

✚ KQ: Are there any service specific rules and principles? What are the examples of unethical behaviour in this area?

- Involvement of all stakeholders, SMEs and the poor that are ripped off
- Responsibility
- Compliance

➤ Implementation of the Code of Ethics

✚ KQ: How do we ensure compliance of CoE by members?

- Regular training and forums-service providers, potential members and distribute to all members
- Involve SMEs and leaders at grass root levels, leaders to be informed and also be able to blow the whistle
- A lobbying tool for Service Providers
- Regional representation or focal points at regional level that can feed the Ethic Committee
- A guiding National Code of Ethics of which all SME service providers can respect
- Translation in Local languages

## 7. THE IMPLICATIONS OF A CODE OF ETHICS – Mr. N. Tjombe, LAC

The facilitator welcomed Mr. Norman Tjombe, from Legal Assistance Centre and Chairman of NANGOF to the floor to present on the legal implications of a CoE.

Mr. N. Tjombe thanked everyone and acknowledged his invitation; he further stressed the importance of Ethics and shared the following implications and principles in comparison to NANGOF's CoE.

- Acceptability of the sets of values by members should be checked as a most important move towards acceptance, including different views from all stakeholders;
- An organization should have some form of enforcement power & authority to enable it to discipline those who will violate the CoE;
- Participation of stakeholders and beneficiaries is very important;
- Gender balance to be encouraged;
- Problem solving should be done on consultation with members, staff, board and all other stakeholders and not in-house;
- A democratic culture to be regarded as important (voting and consensus to reach decisions)
- Conflict of interest (measures to avoiding disputes among members should be put in place);
- Information to be available to the public, example financial statements, and
- To enforce justice

### 7.1 Important Principles to be considered when developing a CoE

- Accountability;
- Equality (gender);
- Openness;

- Democratic working system;
- Decision by agreement, and
- Enforcement mechanisms

## **8. DONOR PERSPECTIVE, CLOSURE & VOTE OF THANKS – Mr. H. Schillinger, FES**

The vote of thanks was delivered by Mr. Hubert Schillinger, Country Representative, Friedrich-Ebert-Stiftung. He started to mention that FES welcomes JCC initiatives to carry out its community enhancement activities in the area of SME Service Providers. Secondly, he stressed on the high standard of service delivery that is needed in order to promote a high quality service delivery to the SMEs, to promote a benchmark to JCC Members, for self commitment and to encourage External Donors toward this sort of activities. Further more, he recommended JCC to remain the driving seat toward the incentives of this nature. He finally thanked all the participants.

The facilitator then thanked all for attending and congratulated the success of the workshop. She further, reminded the JCC Members' for tomorrow's events, starting with the JCC Members Meeting at 08h00 and the Dinner Party, 18h30 at JCC House (Secretariat) No.5 Schiller Street, Windhoek Central. She further asked those who are interested to purchase their tickets from Ms. Rauna Jacob at N\$ 50-JCC Members and N\$ 100-Non JCC Members. Finally, she reminded the participants without transport about the transport arrangement to Windhoek.

The workshop closed: 16h45

Reviewed and endorsed by:

1. Tuwilika Hamwele - JCC National Coordinator
2. Cleo Moono - Research & Membership Development Officer

## **APPENDIX A.**

### **SME Service Providers' Code of Ethics and Related Matters Workshop Thursday, 06<sup>th</sup> April 2006-Heja Lodge**

#### **LIST OF PARTICIPANTS**

1. Mr. Lawrence Mutjavikua-Centre for Entrepreneurial Development Polytech.
2. Mr. Ndawendua K.P Muandingi-Eenhana Town Council
3. Mr. Hans Feichab -Dabe & Asdse
4. Mr. P. Mandonsela-Division of Co-operative Development
5. Mr. Tobias Gerster-GTZ
6. Mr. Ismael Gei-khoibeb-Institute of Bankers in Namibia
7. Ms. Rauna Jacob-JCC
8. Ms. Alma Otto-Ministry of Youth, National Service, Sport & Culture
9. Ms. Olga Katjiuongua-NACOBTA
10. Ms. Elizabeth Amungulu-Namibia Rural Development Program
11. Ms. Marianne Erastus-Namibia Women Network
12. Ms. Indileni Hauwanga-Nampost
13. Mr. Martin Scholling-Nedbank
14. Mr. T. Kandukira - Okakarara Town Council
15. Mr. B.S Humbu - Okakarara Town Council
16. Mr. Benedict Nakuta-Old Mutual
17. Mr. Frans Goaseb-Omaruru Municipality
18. Hon. Tommy Nambahu-Parliamentary Standing Committee on Economics
19. Mr. George Lututu- Parliamentary Standing Committee on Economics
20. Mr. Paul Stephanus-SCF Vehicle Assembling
21. Ms. Anna Beukes-UTN
22. Mr. M. Nowaseb - Kalanami Investments
23. Mr. Sam Geiseb - UTN/Consultant
24. Mr. M. Heyn-Mukorob Business Consulting Services

25. Mr. Amon Namwandi-The Connector Post
26. Mr. Julius Eichab-Sentinel Security Services
27. Mr. Schillinger Hubert - FES
28. Ms. C. !Gaoses
29. Ms. Elina Shilamba-Ministry of Youth, National Service, Sport & Culture
30. Mr. Brian Mungunda-NASA
31. Mr. Tuli Shivute-Nava Property Consultants (PTY) Ltd
32. Mr. Josephat Ndjavera-Ongendo Development Trust
33. Mr. Job Kamutuezu- Ongendo Development Trust
34. Ms. Janita Von Widligh - Oshipe Development Fund
35. Mr. Fransisco Resandt-Rossing Foundation (Arandis)
36. Mr. Frans Benn- Rising Foundation (Armanda)
37. Her Worship Manab Sherally -Rehoboth Town Council.
38. Mr. Jonathan Ockhuizen- Rehoboth Town Council
39. Mr. Eugene Junius-Standard Bank
40. Mr. Joyce Shumba -Tas Financial Service
41. Mr. Kaembo Kasiringua-Tsumeb Municipality
42. Mr. Corries Arries-WVTC
43. Mr. B. Kasuto-Ongendo
44. Mr. Zhang Jun-Chinese Embassy
45. Ms. Magreth Hausiku-Consult Buro
46. Mr. H. Honeb-! Nara Training Centre
47. Ms. Johanna Cloete-JA Namibia
48. Mr. Eneas Emvula-SBIC/JCC
49. Ms. Tuwilika Hamwele-JCC
50. Mr. Paulus Ntinda-JCC
51. Mr. Cleopas Moono-JCC
52. Mr. Norman Tjombe-Legal Assistance Centre
53. Mr. Peter Ndeilenga-JCC

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