



**15th INTERNATIONAL
ANTI-CORRUPTION
CONFERENCE**

**MOBILISING PEOPLE:
CONNECTING AGENTS OF CHANGE**

**BRASÍLIA BRAZIL
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Short Session Report: Game Changers

Session Title: Collective Action-Making Integrity Work for Business

Date & Time: 8.11. 2012 9-11am

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Experts:

Ms. Gabriele Zöllner, Deputy Head of Section Governance, Rule of Law and Democracy, German Federal Ministry for Economic Cooperation and Development (BMZ)

Mr. Wagner Giovanni, Cluster Compliance Officer Latin America, Siemens Brazil

Mr. Eduardo Bohórquez, Director, Transparency International Mexico

Ms. Maria Sonin, Associate Director, Marketing and Communications at Ethics & Compliance Officer Association (ECO)

Ms. Olajobi Makinwa, Head, Transparency & Anti-Corruption Initiatives, UN Global Compact

Moderated by: Stefanie Teggemann, Head of Anti-Corruption and Integrity Program, GIZ

Session coordinated by: Stefanie Teggemann

Main issues raised in kick off remarks. What's the focus of the session?

The workshop convened highly experienced change agents that have proven again and again that adding integrity to business is a choice that pays off and that engaging other actors such as governments and civil society makes not just business sense but also leads to solutions that contribute to sustainable development. The discussion went on about sharing experiences on collective action initiatives: what are the best practices, what are the outcomes, who should be involved and what can be done better?

Furthermore the question was raised what is really a game changer and

what can be done by this conference to change the game?

In the kick of remarks many of the most important factors were already mentioned and deepened later on in the further discussion:

It is important that the people understand what integrity means, the importance of integrity has to be understandable not only for the companies but as well for the people working in the companies. It is impossible to fight alone, collective action initiatives are needed. A critical mass of companies have to pull together to achieve results. Within the companies a strong leadership and commitment (turn of the top) is required to start changing the game.

The government of Germany is willing to expand their engagement with the private sector, this includes the dialog with multinational and small and medium enterprises. Especially in developing countries SMEs are not able to act alone.

The logic of the market has to be understood and monitoring processes to be involved.

What initiatives have been showcased? Briefly describe the Game Changing Strategies

Siemens shared their experience in four major initiatives. Firstly, the cooperation with Trade Unions and Chambers of Commerce, because the main organisations have to be engaged, then they are able to spread the ideas to other members. Secondly to integrate the supply chain, Siemens put about 50.000 suppliers a Codes of Conduct they have to follow. Third, their Quality National Award requires an integrity management. Finally the "Clean Games inside and outside" the stadium program was mentioned. This program forces integrity in all the business related to the World Cup and the Olympic games (e.g. in the energy, transport and construction sector).

The ECOA provides services to business compliance officers as well as to governmental and non-profit organizations. This includes trainings, networks, certifications and other resources.

The BMZ has decided to offer their expertise in working with the private sector and especially with SMEs in developing countries and the extensive regional expertise of German Development Cooperation to

partner up with multinational companies to tackle the risks of corruption. They are starting with German companies but will expand it to other international companies as well. It is called the “Business Integrity Initiative”. It’s a true collective action approach, bringing together companies, business associations, networks, civil society and government.

TI Mexico presented the strategy to involve social witnesses in public procurement processes, where a third independent party monitors that everything that is applied in the contract is as well written in the law. By using this strategy within four operations in the health sector the Mexican taxpayers saved 700 Mio \$. The success factors are: a) participants and structures were not the same as usual, a new audience asks new questions and b) to create an atmosphere of trust, what helps to improve quality, for example transparent Terms of References.

The UN Global Compact is already a collective action platform and gives the companies the chance to act together under the umbrella of UN regulations and helps to access governments and share practices.

Highlights: What are the main outcomes of this session? What’s next?

A huge variety of experiences had been shared. The workshop demonstrated, that a lot has been done already but not every approach is well known. Some approaches mentioned above or below are best practices which can be transferred into other contexts and environments. To foster synergies already existing initiatives and networks can be used and cooperated with. The workshop was able to stimulate the audience to be optimistic in terms of the results. The human factor is the key: usually no one is interested to be involved in corruption, a clean environment makes the work easier for CEOs and employees. It’s the people that have to be involved in integrity initiatives.

What are the recommendations, follow-up Actions (200 words narrative form)

The audience came up with a bunch of experiences and recommendations what can be done to change the game: Small and medium enterprises have to get incentives to enhance integrity and avoid corruption. An option could be a faster access to credit or to be listed as a preferred supplier. More transparency, for example by social control, in universal bidding processes are a key, this includes e-procurement measures. It could as well be helpful to register before a bidding process and sign an integrity pact to become responsible for actions taken. As well the requirement to have a compliance programme before start business with the government might be a step in the right direction.

Working with country procurement officers is essential to build capacity and raise awareness. Bringing citizens into the bidding process is a very innovative idea to enhance transparency and integrate the civil society. Furthermore the collusion between politicians and businesses shall be avoided; therefore political financing has to be tackled, this includes the ban and/or disclosure of assets. Issuing certificates about fulfilling integrity standards might be an incentive and competitive advantage especially for SME's from developing countries. Financial transparency in transactions as to be enforced to increase transparency.

To fight corruption a whistleblower machinery is supportive as well as engaging companies in reporting about corrupt government officials. Finally it has been suggested to create more mandatory standards and regulations, voluntary initiatives are not sufficient.

What should be done to create opportunities for scaling up the proven solutions discussed in the session? What and by whom?

More visibility for collective action initiatives is needed, the media has to be sensitized to report about good practices and not only about corruption cases. The idea that a clean business pays off has to be spread.

Companies have to be engaged to participate in these initiatives, the more companies act together the more difficult it becomes to bribe or embezzle money. Therefore effective incentives are needed.

A sector-wide approach, e.g. the health sector, can be useful to see how all actors are related with each other and to understand how this particular market operates.

Furthermore it is not enough just to look at the companies, governments, politicians, ministries have to be involved as well.

SME's and the supply chain have to be taken into account to install an efficient compliance system worldwide.

Key Insights Recommended to be included in the IACC Declaration

The human factor counts: to start collective action we got the knowledge, the techniques, the capacity and the power; now we need to find out who are the people which are interested to talk about anti-corruption and willing to act.

Compliance Programmes can only be successful if all people are engaged and resources are shared.

To provide incentives for the companies and dissent information about collective action initiatives are crucial to change the game.

Awareness-rising and the creation of partnerships is a key to improve the situation, we need to “walk and talk”.

Special attention should be paid on political processes, especially the oversight of political financing.

Jana Schuhmann, 8.11.2012
