



B20 Summit

Task Force on Transparency and Anti-corruption:

**Press Release
20th June 2013**

St. Petersburg. On Thursday 20th June, the 3rd Session of the Task Force on Transparency and Anti-corruption took place within the B20 Summit held in St. Petersburg.

The Task Force Chairman, Andrei Bougrov, Vice President of Interros Company and Norilsk Nickel, opened the session. The Task Force, he said, comprised over 50 companies from the G20 countries, as well as business associations and multilateral agencies. The number of companies, their enthusiasm and energy in working together on drawing up the B20 recommendations reflected the acute concern that the business community feels about corruption.

Mr. Bougrov expressed satisfaction that there was increasing involvement of companies from the emerging markets. "In my opinion, this issue is not going to come close to being resolved at the global level unless we have the full participation of the emerging markets".

He presented the Task Force's recommendations which will be presented to the heads of state of the G20 governments at the G20 Summit in September.

"This year's task force recommendations look more like an action plan than a declaration – an action plan led by the companies themselves", said Andrei Bougrov. "Hence our motto this year – "from declaration to action"."

Amongst some of the very concrete measures that will be implemented by the time Russia hands over its G20 presidency to Australia at the end of this year is the establishment of a Collective Action Hub on Anti-Corruption – a center of excellence to identify, analyze and exchange best practices and experience in collaborative efforts by companies, government and civil society in opposing corruption.

Other recommendations include more regular and in-depth exchanges between business and government, at both a national and G20 level, on practical ways in which to create a level playing-field and a more attractive environment for investment – for example, how to incentivize business to self-report, how to clean up public procurement, and how to raise the standards of compliance in companies' supply chains. State-owned enterprises, export credit agencies and international financial institutions have an important contribution to make in achieving these goals thanks to their economic and social influence, especially in emerging and developing markets, both within the G20, and beyond it.

"Our experience in the B20 this year showed that many of these ideas will remain just that – ideas – unless they are brought in to "land" in each G20 country.", said Andrei Bougrov. The Russian companies in the Task Force took the initiative to review the recommendations in the context of the

Russian market, and produced its own publication “Implementing and sharing best practices in anti-corruption in Russia” which contains parallel recommendations for the Russian government.

Furthermore the Task Force has suggested setting up or supporting “Anti-corruption Centres of Excellence” in each country. These would promote anti-corruption awareness in the business community, provide training in the latest compliance techniques, and act as a neutral platform for collaborative efforts between companies and government to combat corruption. There is already interest from a number of countries in setting up such Centres.

In presenting the Collective Action Hub, Peter Solmssen, Member of the Managing Board and General Counsel of Siemens AG, discussed the importance of Collective Action in tackling corruption: "We view the Collective Action Hub as a significant ground-breaking initiative that will become a formidable force in the fight against global corruption," said Peter Solmssen, Member of the Managing Board and General Counsel, Siemens AG. "The use of Collective Action strategies represents the next 'big step' in taking on corruption associated with business transactions, " he said.

He announced the winners of a competition to determine who would run the Collective Action Hub: it will be developed and managed by the Basel Institute on Governance based in Basel, Switzerland in close partnership with the UN Global Compact in New York. **[For further information on the Collective Action Hub, see Appendix 1]**

For more information on business-led Collective Action initiatives, the B20 Task Force published a study especially commissioned by the G20 and produced on behalf of the B20: “Design and Enforcement of Voluntary Anti-Corruption Agreements in the Private Sector”.

Said Andrei Bougrov: “Our B20 task force set itself an ambitious goal – to move “from declaration to action”. The next few months will determine whether this is to remain at a rhetorical level, or whether the leading companies of the world, in cooperation with their respective governments, really have the will to put their money where their mouth is, pool their resources and contribute to creating conditions for a fundamental change of behaviour in the markets in which they are investing.”

The Session finished with a wide-ranging discussion chaired by Brook Horowitz , Director of Business Standards and Regions of the International Business Leaders Forum on “The role of B20 in combating corruption”. In it participated a number of prominent business leaders including Qitao Liu, President, China Communication Construction, Steve Almond, Chairman of the Board, Deloitte Touche Tohmatsu Limited, Giuseppe Recchi, Chairman, ENI, Michael Andrew, Chairman, KPMG International, Arun Nanda, Director, Mahindra and Mahindra, Kirill Shamalov, Deputy Chairman, Sibur.

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Appendix 1

B20 announces the creation of its Collective Action Hub on Anti-Corruption

St. Petersburg, Russia, June 20, 2013 --The B20 Task Force on Transparency and Anti-Corruption announced today that it will create a Collective Action Hub to advance the fight against corruption at the local, national, regional and international levels. The concept for the Hub was developed and anchored in the B20 Summit Recommendations of Mexico 2012 and will now be implemented. The B20 brings together the most representative and significant private business organizations from the G20 countries, the world's leading economies.

According to the B20 Recommendations dated July 2012, the Hub's mission is to identify and analyze Collective Action initiatives and serve as a center of excellence for utilizing Collective Action strategies. Collective Action in an anti-corruption context engages business, government and civil society to work together to address corruption in both the private and public sectors.

The Collective Action Hub will be developed and managed by the Basel Institute on Governance based in Basel, Switzerland in close partnership with the UN Global Compact in New York. The Basel Institute will implement this program through its International Centre for Collective Action (ICCA). Members of the B20 Task Force on Transparency and Anti-Corruption and the ICCA's institutional partners have also pledged to support the Hub.

"We view the Collective Action Hub as a significant ground-breaking initiative that will become a formidable force in the fight against global corruption," said Peter Solmssen, Member of the Managing Board and General Counsel, Siemens AG. "The use of Collective Action strategies represents the next 'big step' in taking on corruption associated with business transactions,," he said.

Solmssen made the announcement on behalf of the B20 Task Force on Transparency and Anti-Corruption at a session of business leaders at the B20 Summit in St. Petersburg hosted by Russia. The selection comes at the end of a six-month process during which the B20 Task Force publicly sought proposals for creation of the Hub based on a request for proposal it developed and issued last January.

Solmssen said that the Basel Institute on Governance, UN Global Compact and their partners bring significant credentials and capabilities to the challenge of creating and operating the Hub. He said, "The Basel Institute has superior research and analytical capabilities coupled with a strong know-how in the utilization of Collective Action strategies. The UN Global Compact possesses a very strong and capable network of operations and contacts in literally every geography." He added, "The combination of the two will make the Collective Action Hub a very key and potent force in our ongoing efforts to effectively fight corruption at all geographical levels and will help to clean up markets."

Prof Mark Pieth, President of the Basel Institute on Governance, said: "The creation of the Collective Action Hub marks a significant development in the international efforts to combat corruption. It will offer tangible tools and a forum for businesses to take concrete steps to jointly step up against corruption and strengthen good business practice. It will also offer a hub for businesses and governments to collaborate in this endeavor." He notes that "for more than fifteen years, the Basel Institute has actively promoted anti-corruption Collective Action; we have initiated and facilitated a

range of such initiatives at global, sectoral or local level. We are delighted to be able to put our experience and that of our partners at the disposal of the Collective Action Hub and the B20.”

In addition to support from B20 members, the Basel Institute and the UN Global Compact will collaborate with their existing partners, which will further strengthen the Hub. These partners include the Organization for Economic Cooperation and Development (OECD), Transparency International, the International Anti-Corruption Academy (IACA), the World Economic Forum, , TRACE and the University of San Andres, among others.

“We are pleased to partner on this important effort to drive widespread action on anti-corruption,” said UN Global Compact Executive Director Georg Kell. “When it comes to the pervasive issue of corruption, collective action represents the single most effective way for business to break down systemic barriers and enhance transparency.” The Collective Action Hub, which will be featured at the UN Global Compact Leaders Summit later this year, builds on the Global Compact’s ongoing efforts to drive high-impact Collective Action partnerships on anti-corruption in five emerging markets.

Details regarding governance, the timeframe for having the Hub fully operational and other related matters are now being formalized. The website is expected to be operational by year-end.

Organizations involved in conceptualizing and managing the request for proposal process included Siemens AG, Eni, the Boston Consulting Group, Fluor Corporation, the Organization for Economic Cooperation and Development, and the World Economic Forum.

About the B20

The B20 is the group of leading companies of the G20 countries. During the annual G20 Summit, the B20 prepare a set of recommendations addressed to the heads of state of the G20 countries. This year’s B20 Summit and G20 Summit will be held in St. Petersburg in June and September respectively. The B20 Task Force on Transparency and Anti-corruption is one of seven Task Forces created by the B20 presidency to draw up the recommendations.

<http://www.b20russia.com/en/>

About the Basel Institute on Governance

The Basel Institute on Governance is an independent not-for-profit organization specialized in corruption prevention, corporate compliance, and the recovery of stolen assets. The Basel Institute has an extensive track record of facilitating and initiating anti-corruption Collective Action internationally and at country level, across industries and in specific sectors. It has published extensively on typologies, success factors and potential stumbling blocks of Collective Action. In 2012, together with other leading organisations in this field, it formalized this decade long engagement with the creation of the International Centre for Collective Action (ICCA)

www.baselgovernance.org www.collective-action.com

About the United Nations Global Compact

Launched in 2000, the United Nations Global Compact is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to catalyze actions in support of broader UN goals. With more than 7,000 corporate signatories in over 135 countries, it is the world’s largest voluntary corporate sustainability initiative.

www.unglobalcompact.org

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