Discussion Paper

B20 Task Force on improving Transparency and Anti-corruption

**Prepared for G20 Anti-corruption Working Group meeting with B20 Task Force representatives
Moscow, 26th February 2013**

The G20 Anti-Corruption Working Group (ACWG) and the B20 Task Force on improving Transparency and Anti-corruption (B20TF) last met on 11th October 2012 at the OECD in Paris. Since then there have been the following developments within the Task Force:

- With the transfer of the G20 Presidency from Mexico to Russia in December, the B20 was taken over by the Russian Union of Entrepreneurs (RSPP) under the leadership of Mr. Shokhin. Further information about the progress of the B20 generally can be found on the B20 web-site.

- The Task Force on improving Transparency and Anti-corruption was set up as one of 8 Task Forces. It is led by Andrei Bougrov, Vice President of RSPP, Chairman of Norilsk Nickel, and Senior Managing Director of Interros. Co-chairs are Futhi Mtoba of BUSA, South Africa, and Giuseppe Recchi of ENI SpA.

- Andrei Bougrov set up a small secretariat to support the work of the Task Force, which comprises staff from Interros and from International Business Leaders Forum (IBLF), a not-for-profit business association which promotes responsible business practices worldwide and has been present in Russia, China and India for a number of years.

- The secretariat restructured the B20TF, bringing back the Los Cabos team, but adding a number of new companies, especially from Russia. There are now over 50 companies registered with the Task Force. One of the objectives that the secretariat set itself is to include in the Task Force more companies and business associations from the non-OECD G20 countries which have been poorly represented. A sign of success would be to have at least one company from each G20 country actively involved in the work of the Task Force by the end of the year.

- The secretariat, with the help of the World Economic Forum and the Los Cabos team, updated the status of the B20TF actions as agreed at Los Cabos. These can be found on the B20 section on www.iblf.ru, as can minutes of previous meetings, and other relevant documents.

- At the first plenary session of B20TF, held in Moscow on 17th January 2013, it was agreed to focus on implementation of the recommendations of B20TF at Los Cabos, rather than reinvent the wheel. The Task Force agreed to harmonise its Work streams with the main priorities of the G20 by reducing the number of Work stream from 6 to 4 and appointed Work stream leaders from business. The new Work streams are as follows and correspond by and large to the G20 priorities as follows:

B20 Work stream	Name	Corresponding G20 issues (the numbers in brackets relate to clauses in the G20 Anti-corruption plan 2013-2014)
1	Ensuring Transparency in Public Procurement	Encouraging business to improve current anti-corruption practices; ensuring systems of procurement are based on transparency; sharing good practices in the field of public procurement anticorruption (4, 11, 13)
2	Promoting, extending and implementing Collective Action initiatives	Exploring the potential and effectiveness of integrity pacts between business and governments and other mechanisms for sharing anticorruption expertise among businesses and governments; supporting public-private partnerships to combat corruption in specific sectors (13, 14)
3	Creating business programmes to build capacity in the supply chain	Encouraging the business community to develop capacity building programmes tailored to small- and medium-sized enterprises, including through supply chains (11,13)
4	Strengthening the role of the private sector in improving the regulatory environment	Involvement of companies in reviews of multilateral conventions such UNCAC and OECD's ABC; work with the private sector to identify enforcement measures that are particularly effective in changing the behaviour of bribe payers; encourage business to voluntarily self-report suspected breaches of bribery laws; (1, 3, 4, 11, 13)

- The B20TF created a 5th Work stream – Implementing and sharing best practices in Russia. The purpose of this Work stream was to take the main lines of work at the international level, and bring them in to "land" in a pilot country. It seemed most appropriate to take Russia, as the host of the G20, as the pilot. The Work stream is assembling case studies from Russian companies and international investors in Russia on each of the above themes, "testing" their applicability in the local market and feeding back the results to the other Work streams. The secretariat's hope is that the Work stream's work will continue beyond the B20 Summit and will serve as a model for in-country anti-corruption work involving business and government in other G20 countries.

- A number of issues have surfaced which are important for this year's work and beyond. These are to do mostly about the way G20 and B20 interact now and in the future. The B20 Task Force at the ACWG meeting on 26th February would like to raise these for consideration by the G20 at this interim stage.

  o Stronger representation by business from the non-OECD G20 countries: Anti-corruption is a global problem and requires a global solution. The current dialogue is seriously weakened by the absence of companies from the emerging markets. The B20TF is taking its own measures to rectify this, but would request help from the ACWG delegates to introduce the B20TF secretariat to the Presidents of business organisations and companies in their countries so that we can invite them to take part in the work of the Task Force.

  o Tracking and monitoring of G20 and B20 agreements and actions: The decisions reached at G20 and agreed with B20 only have any real significance and impact when they are implemented in each G20 country. There is no clear reporting mechanism from within each country. At this stage, the B20TF would like to explore informally with G20 representatives whether there is any appetite for building a network of independent organisations in each G20 country which could perform the role of an anti-corruption liaison office. In addition to tracking and monitoring the G20 and B20 decisions and their implementation in-country, they could support the exchange of best anti-corruption practices, and mobilise business to participate in the B20 initiatives.

  o Strengthening the G20-B20 dialogue beyond 2014: Given the long-term nature of the challenges posed by corruption, the two year extension granted to the ACWG in Los Cabos, though welcomed, is clearly not going to be sufficient. A longer-term approach is needed, and better continuity from one country's presidency to another. We would like to explore whether the ACWG is interested in proposing for itself a longer-term mandate and a permanent secretariat. By the same token, if this were to go ahead, the B20TF would also consider for itself a permanent secretariat which could lend support to the secretariat of each G20/B20 host nation. Certainly from the B20TF point of view, such an approach would lead to a longer-term more realistic time frame, more tangible results in each country, better continuity, and would avoid the B20 process becoming a paper exercise.

  o Implementation of activities: During the B20TF, it was pointed out many times by companies that each action that the G20 and/or B20 recommend requires resource – ie people and funding. In some cases, companies seem to be willing to fund some of the activities recommended by the B20TF, such as around collective action. In other cases some useful anti-corruption work in certain markets has been funded by

certain governments. If what we are recommending is truly important, then business and governments together need to consider seriously the cost of these activities and be ready to invest sufficient funds to make them happen.

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