

Work Stream 1: Ensuring Transparency in Public Procurement

Rationale: The business community has considerable expertise in designing internal anticorruption programs to temper the supply-side of corruption. Many of the lessons learned can be shared with governments as they seek to improve programs to stem the demand side, particularly in the critical area of large public procurements. Government and business are most effective when they work together through collective action programs and other initiatives

Work stream team:

Leader: Sandy Merber (GE)

Work stream members:

Fabrizio Pagani (OECD),

Danielle Cannata (SABIC),

Futhi Mtoba (BUSA),

Gretta Fenner (Basle Institute of Governance),

Huguette Labelle (TI)

Dimitri Vlassis (UNODC)

Objectives:

- 1) Make recommendations to G20 leaders
- 2) Have impact in G20 markets and beyond
- 3) Raise awareness of B20 Task Force beyond B20
- 4) Involve more companies from BRICS including Russia
- 5) Expand focus to include SOE's, cities, and major events
- 6) Establish permanent working relationship with G20 ACWG



Delivering Impact: *

Actions: (Each associated with corresponding objective) By when

- | | |
|---|--------------------|
| 1) Deliver recommendations | 30th March |
| 2) Support WB Procurement Indicator | 30th Sept |
| 2) Build support for WTO GP Transparency Agreement | 30th Sept |
| 3) PR Strategy for recommendation delivery and Summit | 15th May/30th Sept |
| 4) Form network (partner with ICC/UNGIC/WEF/IBLF) | 30th June |
| 5) Support Moscow GP reform effort/generalize | 30th Sept |
| 5) Best practice sharing: B20 MNC's and BRIC SOE's | 30th Sept |
| 5) Partner with UNODC on major events | 30th Sept |
| 6) Form specific work programs with G20 on | 30th Sept |
| -- mapping risks in public procurement | |
| -- develop checklist for GP: pre-tender to execution | |
| -- best practices sharing on compliance programs | |
| -- develop joint principles on solicitation | |
| -- develop guidelines for HLRM | |

Comments/notes: See next slides for details on actions.

Objective 1 (Make recommendations to G20 Leaders): The deliverables here will be our prioritization of the actions that governments need to take within their own sphere to improve the climate, such as procurement system reviews, financial disclosures for public officials, etc., and the accompanying monitoring reports. It is important to make at least one recommendation that is of interest at the Leaders' level, not just at the working group/technical level: G20 leaders should personally demonstrate leadership by engaging in diplomatic efforts to encourage robust anticorruption measures in countries where they have influence.

Objective 2 (Have Impact in G20 Markets and Beyond):

-- Support the development of a World Bank Benchmark on Public Procurement similar to those in the "Doing Business" report and for eventual inclusion as an indicator in that report. In response to the B20 recommendations at Cannes and Los Cabos, the WB has initiated a program to develop the indicator, which would be applied globally. Funding is needed to continue the work, and the B20 could commit to assist in raising funds from the private sector. The "by when" could be September 30, and the "measuring impact" could be funding commitments. Support negotiation of multilateral and plurilateral trade agreements on transparency in government procurement. This also falls into the category of a recommendation to G20 Leaders for governmental action, but there also are potential private sector deliverables – a business "white paper" in support of negotiations (by 15th May); business association support for such agreements (by September 30). The Cannes recommendation included negotiation of a WTO Agreement on Transparency in Government Procurement, as was recommended by the Singapore Ministerial, but not taken up in the Doha Round. With the collapse of Doha, it could fit nicely into a new trade agenda.

Objective 3 (Raise Awareness of B20 Task Force Beyond B20): Awareness of B20 activities is high within a narrow sphere. The challenge is to expand understanding of this and other anti-corruption efforts more broadly. The ultimate objective is to promote the B20 activities, such as participation in collective action programs, support for the WB procurement initiative, etc.

-- Develop a coordinated public relations strategy, including the MNC and NGO members of the Working Group, to promote the achievements of the B20 and G20 (by 15th May) and execute a robust publicity initiative surrounding the St. Petersburg Summit (by 30th September).

Objective 4 (Involve More Companies from BRICS, Including Russia):

-- Partner with existing B20 participants (ICC, TI, WEF, IBLF) and others, such as the UN Global Compact, to increase Working Group participation from among the under-represented G20 countries. Use these networks also to obtain input into our work stream from interested companies in non-G20 countries.

Objective 5 (Expand focus of the Work Stream to include State-Owned Enterprises, Cities, and Major Events): To date, most of the focus of the B20 Working Group has been on central governments, but a significant proportion of procurement happens at the local level, and by SOE's.

-- Support the Russia Work Stream collective action project to assist the City of Moscow in reforming its public procurement processes, by providing direct advice and assistance, and by facilitating their efforts to benchmark with major global cities. Specific objectives could be to hold a program/seminar to develop a concrete project action plan with Moscow City officials in conjunction with (or adjacent to) Executive Forum (by 11th April), and completion of milestones identified in action plan (by 30th September).

-- Capture experience with Moscow project and generalize for use with other cities seeking to improve procurement processes.

-- Best practice sharing forum between B20 MNC's and G20 SOE's in conjunction with the G20 Summit in September. Since the Summit is in St. Petersburg, this could be skewed toward Russian companies (also relevant therefore to the Russia Work Stream) but the objective would be for each Leader to bring a representative SOE to the event.

-- Work with UNODC to help promote and expand lessons learned from their study of corruption in large projects.

Objective 6 (Establish Permanent Working Relationship with G20 Working Group): The objective here would be to form a real, enduring working relationship with the G20 Working Group. The topics would be 1) best practices sharing between the private and public sectors on anticorruption programs to stem demand and supply; 2) establishing guidelines for High Level Reporting Mechanisms, building on the experience in Columbia and otherwise, with a particular focus on BRICS; 3) developing a checklist for transparent procurement processes that encompasses pre-tender and post-award contract execution; 4) mapping risks; and 5) developing a checklist on procurement that extends from pre-tender to contract execution . "By when" would be establishing working groups by 15th May, and deliver results by 30th September.

Work Stream 2: Promoting, extending and implementing Collective Action initiatives

Rationale: The 2012 recommendations of the B20 TF on Improving Transparency & Anti-Corruption call for businesses to

- 1) join Collective Action initiatives, and
- 2) create a central hub on Collective Action (Ch. II Sec. II). To deliver these two recommendations, work stream 2 in 2013 will focus on establishing the hub, as this will both deliver against recommendation no. 2 as well as serve as catalyst for businesses to join Collective Action initiatives, thus deliver against recommendation no. 1.

Work stream team:

Leader: Lee Tashjian (Fluor)

Work stream members:

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Gretta Fenner (Basel Institute of Governance)

Massimo Montovani (ENI)

Vladislav Boutenko and Sergei Perapechka (Boston Consulting Group Russia)

Nejla Saula (OECD)

Objectives:

- 1) Demonstrate progress in implementing Collection Action related G20 /B20 recommendations.
- 2) Have impact in G20 markets and beyond by actively promoting the development and continuation of anti-corruption Collective Action initiatives.
- 3) Contribute to the dissemination of knowledge about anti-corruption Collection Action initiatives.



Delivering Impact:

Actions:

By when Measuring impact

- | | | |
|----|---|------------------|
| 1) | Nominate host of B20 hub for Collective Action | |
| | <ul style="list-style-type: none"> • Decide on modalities for choosing hub host organisation
1 March • Review options and decide on hub host organisation
30 April • Prepare hub related text for inclusion in the recommendations to the G20
30 April | |
| 2) | Identify Collective Action initiatives that may be born out of the B20 TF on Transparency & Anti-Corruption or selected TF members and supported by the hub | June – September |
| 3) | Support the hub host organisation in collecting information on collective action initiatives worldwide | June – September |
| 4) | Hub launch | September 2013 |
| 5) | Draft Recommendations to G20 (on hub and other CA TF initiatives) | |
| | <ul style="list-style-type: none"> • First draft
30th March • Feedback from G20
30th Sept | |

Comments/notes:

Work Stream 3: Creating business programmes to build capacity in the supply chain

Rationale:

Raise standards of anti-bribery compliance among SMEs and reduce bribery risks for large companies exposed via their supply chains

Work stream team:

Leader: Viviane Schiavi (ICC),

Work stream members:

Huguette Labelle (TI)

Sandy Merber (GE),

Fredrik Galtung (Mahindra and Mahindra),

Ivan Tyagoun (KPMG)

Comments/notes:

Objectives:

- 1) Make recommendations to G20 leaders
- 2) Have impact in G20 markets and beyond
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Delivering Impact:

Actions:	By when	Measuring impact
Draft Recommendations	15 th May 30 th	Sept

Action 1)

Develop business training and education programs on anti-corruption compliance. This can include a “train the trainer’s program”, provided by business people for compliance officers. This can also include capacity building through business schools, law schools and academic institutions. In the longer term, public sector to consider giving recognition (or endorsement) for training/education efforts of companies/individuals having successfully completed a structured training program.

Action 2)

Help establish compliance dialogue between leading businesses and SMEs to facilitate the exchange of compliance best practices between large companies and their supply chains, and impact positively the anti-bribery practices of SMEs in G20 markets and beyond.

Linked to this Action –

Involve more Chambers of Commerce to disseminate best practices and compliance programs among SMEs and to encourage anti-bribery programs

Linked to this Action –

B20 companies to help develop/progress a given supply chain initiative – choose sector, develop harmonized customer requirements, roll-out.

Action 3)

Liaise with RECA initiative to understand how it may serve as a role model. The Russian Energy Compliance Alliance (RECA) concept is to use the supply chain of multinationals to introduce business ethics into emerging economy markets by establishing a voluntary certification process to enhance vendors’ qualifications for doing business with these companies. (*linked to Action 2*)

Action 4) G20 Export Credit Agencies (ECAs) to develop anti-corruption training programs tailored for SMEs. G20 ECAs to consider requiring company anti-corruption programs as condition for receiving credit and other financial services.

Work Stream 4: Strengthening the role of the private sector in improving the regulatory environment, including through dialogue with governments and reviews of multilateral conventions

Rationale:

- Improve the dialogue between business and governments, in particular in periodic review of multilateral conventions and at B20 /G 20 level;
- Increase the private sector role and enlarge the number of corporations that are ready to take an active part in the fight against corruption;

Work stream team:

Leader: Massimo Mantovani (ENI SpA)

Work stream members:

Dimitri Vlassis (UNODC),
Huguette Labelle (TI),
Fabrizio Pagani (OECD)

Objectives:

- 1) Push for an effective and even enforcement by G20 countries of the international legal framework, including UNCAC and the OECD Convention ;
- 2) Engage the private sector to participate in peer reviews required by the UNCAC and OECD Anti-Bribery Convention;
- 3) Increase the private sector role in strengthening the national and international regulatory framework;
- 4) Induce more companies to take an active role in the fight against corruption;



Delivering Impact:

Actions:

By when

Measuring impact

- | Actions | By when | Measuring impact |
|--------------------------|--|-------------------|
| 1) Draft Recommendations | 15 th May - 30 th Sept | Feedback from G20 |

a) Define in the B20 Recommendation the benefit of institutionalising the B20 Task Force on anticorruption for a continuing dialogue with the G20 Working Group.

b) Define in the B20 Recommendations possible regulatory developments to enhance the private sector role in the fight against corruption in a global business context (on issues such as double jeopardy, incentives for co-operation and self reporting). ACTION: Thereafter, by end 2013, discussing said suggested regulatory development with authorities of certain pre-identified jurisdiction and international organisations so as to promote an operative effective dialogue on the issue .

c) Enhance the private sector role in periodic reviews of multilateral conventions as one of the B20 Recommendations. ACTION: Identify together with UNODC additional pilot countries in respect of one of the UNCAC reviews, to be carried out by the beginning of 2014, and by exploring how the private sector can support the implementation of the recommendations coming out of the review process (note 1).

Comments/notes: note 1: additional to the ongoing UNCAC work with the Government of Mexico on its pilot to explore, in cooperation with the private sector, possible engagement processes and mechanisms in their forthcoming UNCAC review process.

Work Stream 5: Implementing and sharing best practices in Russia

Rationale: There is rapid, but largely unrecorded, development of many parts of the business environment in the RF as there is in other countries with relatively fast GDP growth and relatively limited experience of the market based economic model and consequent installed institutions, regulatory environment and business practices and processes. Where change is sought to be made and promoted, international best practice is a significant driver as well as an aspiration. It is often easier to produce advance in best practice in faster growing economies with less installed legacy. WS 5 aims to identify, assemble and disseminate business process best practice within the RF.

Work stream team:

Joint Chairmen: Boris Tkachenko (IBLF)

Roger Munnings (AFK Sistema)

Work stream members:

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Elena Panfilova (TI),

Arjan de Jongste (Philips)

Konstantin Tretiakov (Ural Locomotives)

Nigel Layton (KPMG)

Oleg Shvyrvkov (Deloitte)

Olga Ostrovskaya (Siemens)

Vera Cherepanova (Hilti)

Objectives:

1. Make information and guidance on best business practices within the Russian business environment available to organizations and businesses an accelerator for good business and a source of accurate information about the development of Russia's business environment.
2. Providing effective and supported methodologies can be developed and adequate ongoing funding found, continue this Russian centre of excellence beyond the Russian B20 as a legacy of the G20/B20 process being under Russian leadership.
3. Provide a Russian "spoke" for the global hub for dissemination of international best practice under consideration through the B20 mechanism: and
4. Provide accurate up to date information for other work streams.

Delivering Impact:

Actions:	By when	Measuring impact
1) Identify main areas and topics and WS participants	15 th February	Action plan of WS 5
2) Collection and analysis of local Best practices structured around Existing WS themes	11 th March	Review of the anti- corruption initiatives
3) Recommendations based on the practice of implementation. Inputs to other WS	30 th March	Approved by TF
4) Best practices dissemination	September	Publication, public events, web-site
5) Establishment of permanent local centre of excellence to partner with Collective Action hub	November	Identified, established and funded

