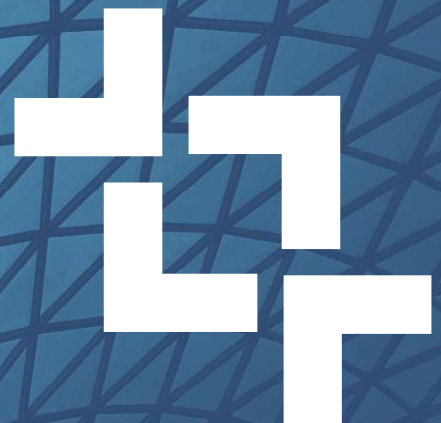


PROMOTING ANTI-CORRUPTION COLLECTIVE ACTION THROUGH GLOBAL COMPACT LOCAL NETWORKS

SECOND EDITION



United Nations
Global Compact



INTRODUCTION

The Tenth Principle of the United Nations Global Compact calls upon businesses to work against corruption in all its forms, including bribery and extortion. The UN Global Compact encourages businesses to develop policies and programs to tackle the issue, and Goal 16 of the Sustainable Development Goals – specifically target 16.5 – reinforces this call to governments and businesses alike.

Through the anti-corruption Collective Action projects of the UN Global Compact, businesses, Governments and civil society can level the playing field and raise anti-corruption and compliance standards within their individual organizations as well as collectively. The UN Global Compact – including through its Global Compact Local Networks – is proud to collaborate with organizations around the world to promote anti-corruption Collective Action.

PARTNERSHIP WITH THE BASEL INSTITUTE ON GOVERNANCE

Through the Siemens Integrity Initiative Second Funding Round, the UN Global Compact partnered with the Basel Institute on Governance as well as Global Compact Local Networks in Brazil, Japan, Kenya and Nigeria to enhance knowledge and capacity to implement anti-corruption Collective Action initiatives at the local level.

The project provided a platform for Global Compact Local Networks and their participants to deepen their understanding and knowledge of Collective Action as a means to combat corruption. It also allowed them to connect with various stakeholders to discuss challenges and opportunities in increasing accountability and transparency and agree on a path towards Collective Action.

This resulted in all four Global Compact Local Networks engaging a combined 900 participants in various workshops, developing resources to improve anti-corruption compliance among business participants and establishing a strategy – in the form of a Roadmap Report – to ensure ongoing commitment towards anti-corruption Collective Action beyond the life of the project.

PARTNERSHIP WITH THE EGYPTIAN JUNIOR BUSINESS ASSOCIATION

The UN Global Compact continued its partnership with the Egyptian Junior Business Association (EJB) to expand Collective Action and improve anti-corruption compliance among small and medium-sized enterprises (SMEs) in Egypt.

Building upon the momentum generated during the Siemens Integrity Initiative First Funding Round, the UN Global Compact and EJB helped develop a corporate anti-corruption ecosystem in Egypt by establishing an Integrity Network – a multi-stakeholder, business-led group of SMEs committed to tackling corruption. They also built SMEs' capacity to implement anti-corruption compliance programs and link the efforts with tangible business incentives.

Founded in 1999 by a group of young business executives and entrepreneurs, EJB tackles issues faced by Egyptian SMEs and offers them solutions that foster a sustainable approach to environment, social and governance performance.



“The UN Convention Against Corruption represents the fundamental recognition that corruption is neither acceptable nor inevitable. Corruption can be prosecuted after the fact, but first and foremost, it requires prevention. An entire chapter of the Convention is dedicated to prevention, with measures directed at both the public and private sectors. Yet, we will not achieve a lasting impact without the full cooperation of civil servants, businesses and the financial and law enforcement communities. We also need civil society, a free press and young people to continue to highlight the social cost of corrupt practices — and the need to hold individuals, businesses and political figures to account.”

António Guterres, United Nations Secretary-General

“The pervasiveness of corruption requires businesses, Governments and civil society to act collectively in promoting clean business and fair market conditions. The UN Global Compact, together with our more than 70 Local Networks, strive to create greater accountability and transparency around the world.”

Lise Kingo, CEO & Executive Director, United Nations Global Compact



“Fighting crime and corruption is important for sustainable development. At Siemens, with its 377,000 employees all around the world, there is zero tolerance for misconduct and violations of applicable laws. That is our clear message and the tone from the top. We systematically anchor integrity and compliance in our company culture.

Beyond the boundaries of our company and in our support of the global fight against corruption, we are committed to Collective Action to promote fair competition. Thus we will continue to drive the Siemens Integrity Initiative, which has so far committed more than US\$70 million in around 55 projects in all major growth regions and high-risk countries.”

Joe Kaeser, President and CEO, Siemens

Global Compact Network Brazil convened business participants, Government representatives and civil society actors to assess corruption challenges and explore effective ways to address them. The group identified a potential Collective Action initiative for the construction sector that has recently been embroiled in the country's biggest corruption scandal – an investigation called "Operation Car Wash" resulted in the prosecution of several public officials and business executives. Network Brazil, along with Ethos Institute, successfully engaged the four largest Brazilian construction companies in a dialogue resulting in, among other things, the development of a learning tool providing sector-specific guidance on reducing corruption risk. The guide will serve as a critical first step in establishing a principles-based Collective Action initiative for the construction sector.

OBJECTIVES

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| » Raise awareness on anti-corruption Collective Action | » Promote dialogue between businesses, Government and civil society | » Improve the business environment | » Mobilize strategic partners towards concrete action |
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MAIN ACCOMPLISHMENTS

- » Increased interest in and awareness of the value of Collective Action in fighting corruption among over 220 business, Government and civil society representatives.
- » Developed a learning tool, titled "Integrity in the Construction Sector: Discussing the Challenges and Proposing Solutions to the Industry", which contains a public statement from large construction companies acknowledging past misconduct and affirming commitment to improve compliance standards individually and collectively. It also captures operational, legal and reputational risks that companies may face in their operations and outlines strategies to mitigate and overcome those risks.
- » Developed a robust Roadmap Report which outlines a path for continuity in implementing a principles-based Collective Action initiative for the construction sector.

To learn more about the tool, please visit www.unglobalcompact.org/docs/publications/Integridade-no-Sector-de-Construcao.pdf (Portuguese)

www.unglobalcompact.org/docs/publications/Integrity-in-the-Construction-Sector.pdf (English)

"The project gave us visibility and the recognition by stakeholders that Network Brazil is a reference organization in terms of anti-corruption Collective Action. The Transparency Ministry has recognized us as one of the main anti-corruption non-profit organizations in Brazil and we attribute this recognition to the activities undertaken as part of this project."

Carlo Pereira, Executive Secretary of Global Compact Network Brazil, Project Outcome Evaluation Survey



Network Japan

GLOBAL COMPACT NETWORK JAPAN

Despite their country's reputation as one of the least corrupt nations in the world, there have been notable corruption and related scandals involving Japanese businesses operating domestically and abroad over the last few years. This has prompted companies to consider strengthening anti-corruption practices both individually and collectively.

Under the auspices of Principles for Responsible Investment (PRI) Japan and through a series of multi-stakeholder consultations, Global Compact Network Japan developed a principles-based Collective Action initiative entitled the "Tokyo Principles for Strengthening Anti-Corruption Practices" (Tokyo Principles). The Tokyo Principles are a principles-based Collective Action initiative with the objective to strengthen anti-corruption policies, practices and performance among Japanese companies. Network Japan also created an anti-bribery assessment tool to improve anti-corruption practices and foster public disclosure of information. It will continue to engage with Japanese companies to encourage them to commit to and adopt the Tokyo Principles with the aim of fostering accountability and transparency.

OBJECTIVES

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| » Raise awareness on anti-corruption Collective Action | » Promote accountability and transparency among Japanese companies and subsidiaries | » Leverage the voice of the investor community to encourage companies to publically disclose their anti-corruption practices |
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MAIN ACCOMPLISHMENTS

- » Increased awareness of anti-corruption practices among more than 260 representatives of businesses, the investor community, academia and civil society.
- » Increased awareness of the importance of accountability and transparency in strengthening investors' confidence in Japanese companies.
- » Launched the "Tokyo Principles for Strengthening Anti-Corruption Practices".
- » Developed an assessment tool for Japanese companies to evaluate anti-corruption policies and practices.
- » Developed a Roadmap Report outlining a path to increasing corporate commitment to and adoption of the Tokyo Principles.

To learn more about the Tokyo Principles and companies that have already made a commitment, please visit www.ungcjp.org/activities/tca/index.html (Japanese).

Kenya has made significant efforts to tackle corruption, including the passing of The Bribery Act, 2016 which was spearheaded by the business community with support from the Government. The Act contains specific provisions requiring businesses to adopt bribery prevention procedures.

Given the importance of SMEs to the Kenyan economy, Global Compact Network Kenya is developing a self-assessment toolkit to strengthen the implementation of the Code of Ethics for Business in Kenya — an anti-corruption initiative launched by Network Kenya in 2011 — and to improve SMEs' compliance with the Act. Network Kenya continues to engage SMEs in the fight against corruption.

OBJECTIVES

- » Discuss major corruption issues persisting in the country and build consensus on how to address them
- » Increase awareness of the power of anti-corruption Collective Action in driving sustainable change
- » Promote businesses' — especially SMEs' — compliance with the Act

MAIN ACCOMPLISHMENTS

- » Raised awareness of the Act and the importance of anti-corruption Collective Action to drive long-term change among 150 representatives of large companies, SMEs, Government and civil society.
- » Drafted an anti-corruption compliance toolkit for SMEs to promote compliance with the Act and to provide guidance on strengthening the implementation of the Code of Ethics for Business in Kenya. The toolkit will contain a self-assessment allowing SMEs to identify gaps in their anti-corruption practices, and it will also incorporate relevant provisions of the Act.
- » Developed a Roadmap Report outlining a pathway to strengthening SMEs' commitment to and adoption of the Code of Ethics for Business in Kenya.



Network Nigeria

GLOBAL COMPACT NETWORK NIGERIA

Nigerian micro, small and medium enterprises (MSMEs) – which comprise 96 per cent of the country’s businesses – are considered to be particularly vulnerable to the endemic and persistent corruption problem in the country. Global Compact Network Nigeria brought together MSMEs and large companies, including from the finance sector, to build a coalition towards action.

Network Nigeria together with the Convention on Business Integrity (CBI) is developing an anti-corruption toolkit to guide MSMEs in improving anti-corruption compliance practices. Network Nigeria is also aiming to develop an integrity pact between MSMEs and the finance sector, seeking to incentivize MSMEs that have strong anti-corruption practices with better access to financing from banks and other institutions.

OBJECTIVES

- » Understand the corruption landscape in Nigeria and identify opportunities for businesses and the Government to collaborate in combating the issue
- » Increase understanding of the benefits of Collective Action and create a consensus that MSMEs are most vulnerable to corruption risks in the country
- » Mobilize MSMEs towards concrete action through the adoption of tools that strengthens them against corruption vulnerability

MAIN ACCOMPLISHMENTS

- » Raised awareness among over 300 civil society, business, Government and financial sector actors about the value of Collective Action in fighting corruption and the important role that MSMEs can play.
- » Drafted an anti-corruption toolkit to guide MSMEs in strengthening anti-corruption practices. The toolkit will include a self-assessment that allows MSMEs to evaluate compliance progress.
- » Developed a Roadmap Report outlining a pathway to combat corruption by building on the commitment of MSMEs and the finance sector to act collectively.
- » Developed a robust Roadmap Report which outlines a path for continuity in implementing a principles-based Collective Action initiative for the construction sector.

“The project exposed us to the fact that, collectively, we can fight the monster called corruption and can win it.”

Participant of Global Compact Network Nigeria, Project Outcome Evaluation Survey

Egypt is one of the fastest growing economies in the Middle East and North Africa region, but corruption has repeatedly been identified as a key impediment to doing business in the country. SMEs represent about 75 per cent of the employed workforce and 99 per cent of non-agricultural private businesses in Egypt, making them important stakeholders in the development of the Egyptian economy. At the same time, they face particular challenges attributable mainly to a lack of individual resources and capacity to fight corruption.

The anti-corruption Collective Action initiative led by the UN Global Compact and the Egyptian Junior Business Association focused on SMEs and established the Integrity Network Initiative to act as a sustainable multi-stakeholder business-led group of SMEs committed to countering corruption.

OBJECTIVES

- » Encourage Egyptian SMEs to advance their anti-corruption practices by signing and implementing a 10-step Integrity Pledge, accompanied by training and capacity building
- » Establish an assessment process to assess adherence to the Integrity Pledge
- » Engage large companies, civil society actors and the public sector in the Integrity Network Initiative, encouraging them to provide support and business incentives for SMEs that demonstrate ethical leadership

MAIN ACCOMPLISHMENTS

- » Signed up 100 SMEs and 22 supporting partners to the Integrity Pledge and joined the Integrity Network Initiative.
- » Trained over 680 participants from 400 SMEs and other stakeholders on anti-corruption and compliance.
- » Developed a self-assessment and external assessment process to monitor compliance with the Integrity Pledge.
- » Created a catalogue for large companies on incentives that they can offer for SMEs demonstrating ethical leadership.
- » Developed various resources for SMEs, including briefs, guidelines, training tools on various topics including on developing an internal anti-corruption policy, transparency in customs, public procurement, code of conduct, internal controls and an on-line support desk.

To learn more about the Collective Action initiative in Egypt, please visit www.ejb-act.com

“The Integrity Network Initiative from Egypt is a good example of how Collective Action can be used to promote integrity and jointly fight corruption in challenging environments.”

Prof. Dr. Mark Pieth, Professor, Criminal Law and Criminology, University of Basel; Chairman of the Board, Basel Institute on Governance

“I do strongly believe that we as business can and must make a difference in the fight against corruption. A clear tone from the top, effective compliance systems and collaboration with the civil society and the public sector... [B]usiness is ready to be a constructive partner in this most important dialogue.”

Klaus Moosmayer, Chief Compliance Officer, Siemens



“Going it alone can only have a limited impact in the fight against corruption. If real progress is to be made, as many stakeholders as possible must act in concert and form alliances. This is what we call Collective Action — creating a level playing field for clean and great business for the benefit of all.”

Sabine Zindera, Vice President, Siemens Legal and Compliance



“A vital ingredient in anti-corruption Collective Action work is the principled dedication and tireless effort of professionals and champions who hold on to the vision of a sustainable, transparent and equitable future — a future that protects and ensures the basic needs and rights of citizens throughout the world.”

Shawn Teixeira, Director Collective Action, Siemens Legal and Compliance



ACKNOWLEDGEMENTS

The UN Global Compact was able to advance anti-corruption Collective Action with its Global Compact Local Networks and partners, and in collaboration with the Basel Institute on Governance in projects under the Siemens Integrity Initiative Second Funding Round. We are grateful for their invaluable support.



For more examples on anti-corruption Collective Action from around the world, please see **'A Practical Guide for Collective Action Against Corruption'** and the **B20 Collective Action Hub**.

For more information on the anti-corruption work of the UN Global Compact, please visit:
www.unglobalcompact.org/what-is-gc/our-work/governance/anti-corruption

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



1. HUMAN RIGHTS: Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.



3. LABOUR: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.



7. ENVIRONMENT: Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.



10. ANTI-CORRUPTION: Businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

ABOUT THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and nearly 70 Local Networks.

www.unglobalcompact.org

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