



DIRECTORATE FOR FINANCIAL, FISCAL AND ENTERPRISE AFFAIRS

Draft Annotated Agenda

ROUNDTABLE ON CORPORATE RESPONSIBILITY

Enhancing the Role of Business in the Fight against Corruption: Making the Most of the OECD Guidelines for Multinational Enterprises

*25 June 2003, 10h00-17h00
New Building, Room 1, OECD Headquarters
2 rue André-Pascal, 75016 Paris*

Summary of agenda

10.00-11.00 a.m.	Session I.	Current business practices – Recent developments
11.00 a.m. -1.00 p.m.	Session II.	Governments and business – Forming effective alliances in the fight against corruption
1.00-2.30 p.m.	Lunch break	
2.30-3.30 p.m.		Continuation of Session II
3.30-5.00 p.m.	Session III.	The contribution of the OECD Guidelines to the fight against corruption

Annotated agenda

Session I (10.00-11.00 a.m.)

Current business practices – Recent developments

Anti-corruption practitioners have developed tools to help the business community in the fight against corruption. An inventory of anti-corruption practices (covering corporate policies, management systems and reporting) – based on a survey of 100 large multinational enterprise -- is presented in the Secretariat note, “Business approaches to combating corrupt practices” [DAFFE/IME/NCP(2003)3]. The fact-finding survey suggests that companies: 1. are half as likely to publish anti-corruption policies as policies for environmental and labour management; 2. use shared vocabulary and concepts when discussing the management challenges of the fight against bribery; and 3. engage in little reporting in this area relative to other areas.

In this session, Roundtable participants are asked to take stock of policies, management systems and reporting in the anti-corruption field.

Questions:

- *Recent trends. What are Roundtable participants' views on trends in corporate anti-corruption policies and practices?*
- *Publication of anti-corruption policies. How should the OECD survey finding that companies are half as likely to publish anti-corruption policies be interpreted? For example, does it suggest that companies are not convinced that it is in their interests to publish such material? Do they prefer to publish policies through business and industry associations? Presumably many of the companies in the survey have internal anti-corruption policies. Is external publication of individual companies' policies useful?*
- *Content of anti-corruption policies. The fact-finding report suggests that the 100 businesses surveyed show wide divergences in their approaches to such issues as political activity, gifts and entertainment and facilitation payments. In the view of Roundtable participants, do companies have a shared understanding of anti-corruption issues? If not, is this a problem, or rather a natural consequence of diversity in individual companies' operating circumstances?*
- *Management systems. What are Roundtable participants' views on the current state of development of management techniques in the fight against corruption? Are there any areas where further work would be useful?*
- *Reporting. The survey of the top 100 multinational enterprises suggests that few major multinational enterprises report systematically on their anti-corruption performance against the benchmark of their own published policies (relative to environmental reporting, for example). Do Roundtable participants concur with the view that such reporting remains relatively rare? Do they view reporting as being an important element of the business sector's contribution to the fight against corruption?*
- *Credibility. Corporate anti-corruption initiatives have been criticised on the grounds that companies with sophisticated policies and management systems do not always manage to avoid engaging in corrupt practices. Is this criticism valid?*

Session II (11.00 a.m.-1.00 p.m.; 2.30-3.30 p.m.)

Governments and business – Forming effective alliances in the fight against corruption

All actors have roles to play in the fight against corruption, but, for governments, these roles are particularly important and diverse. Governments are responsible for putting in place public sector integrity systems designed to constrain the demand side of bribery and corruption. Government agencies also provide anti-corruption enforcement – a core element of the anti-corruption system. More generally, governments can promote anti-corruption values and can encourage and publicize private anti-corruption efforts.

Questions:

- *Policy options. What are the options available to governments to assist companies in the fight against corrupt business practices?*
- *Raising awareness. A number of surveys suggest that companies may not be very aware of their obligations under the OECD Convention. Do Roundtable participants consider awareness to be a problem? If so, what kinds of promotion would be most useful for raising awareness of companies' anti-corruption obligations? What have been experiences with linkages to export credit arrangements and investment guarantees?*
- *Demand side and extortion. In 1998 and 1999, BIAC requested assistance in dealing with the demand-side of bribery and extortion. In particular, it advocated the creation of 'contact points' where enquiries could be made by companies asked to pay bribes or subject to extortion. Is this still an active issue and how have governments responded to date?*
- *Clarification of what corrupt practices are. In October 1998, BIAC stated "... it may not always be obvious that a specific payment or behaviour of a company violates anti-corruption laws. Companies must get quick and reliable information on the legitimacy of certain business transactions." The statement then asks for government assistance in clarifying which behaviours and payments are acceptable. The OECD fact-finding survey also suggests that boundaries between acceptable and unacceptable practices may not always be clear to companies. Do Roundtable participants agree that there is an ongoing need for such clarification?*
- *Whistleblower protection. TUAC has asked that all government agencies take actions to actively support external whistleblowers and supports the establishment of government-sponsored whistle blowing facilities? Have governments responded to this so far? Do NCPs provide a de facto whistle blowing facility via the specific instances procedure?*

Session III (3.30-5.00 p.m.)

The contribution of the OECD Guidelines to the fight against corruption

The OECD Guidelines are complementary to other intergovernmental integrity instruments in that they: 1. incorporate a broad definition of corruption; 2. have a distinctive government-backed follow mechanism based on co-operation between government and other actors; 3. recognise explicitly the role of the private sector and the need for public-private partnerships in making progress in this and other fields of corporate responsibility. Recent initiatives in this field and their relationship to the anti-bribery content of the Guidelines are reviewed in "Anti-Corruption Instruments and the OECD Guidelines for Multinational Enterprises" [DAFFE/IME/NCP(2003)4].

In this session, Roundtable participants will explore how the Guidelines can be used – in conjunction with both OECD and integrity instruments – to enhance the private sector's contribution to the fight against corruption. In particular, possible synergies with other integrity instruments -- especially the OECD Convention and Recommendation on Combating Bribery in International Business Transactions as well as such external initiatives such as the OAS Convention and the Council of Europe instruments – will be discussed. Roundtable participants may discuss how adhering governments and other actors can create more effective partnerships in this area.

Questions:

- *How have the anti-corruption recommendations of the Guidelines been used to date?*
- *How does co-ordination of work and interaction between the OECD anti-corruption work and the OECD Guidelines take place within and between governments? Do anti-corruption agencies use or refer to the Guidelines?*
- *The Commentary to the “Combating bribery” chapter of the Guidelines mentions the International Chamber of Commerce’s 2000 update of its Report on Extortion and Bribery. The Secretariat paper notes a number of other emerging initiatives. Should government take further action to promote such private initiatives?*
- *How can the Guidelines institutions support companies’ efforts to develop policies and to engage in more reporting and disclosure in the anti-corruption area?*
- *The Guidelines are featured in all the outreach work undertaken by the CIME. Would it be useful to deepen work with non-member governments on how both the demand and supply sides of bribery can be reduced?*