



Joining Forces against Corruption: G20 Business and Government

Conference jointly organised by the French Presidency of the G20 and the OECD and supported by UNODC.

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OECD Headquarters, Paris

Conference Summary and Conclusions

The Conference on *Joining Forces against Corruption: G20 Business and Government*, co-organised by the G20 French Presidency and the OECD, with the support of UNODC, on 27-28 April 2011 in Paris, provided, for the first time, a platform for high-level executives and government officials of all G20 countries to examine best practices and other forms of business engagement in combating corruption and to consider how G20 businesses could share their on-going efforts.

Recognizing the pivotal role that the private sector plays in the fight against corruption, the G20 Leaders called for a strengthened partnership between the public and the private sector for jointly developing and implementing initiatives to fight corruption. They adopted at the Seoul Summit in November 2010 a comprehensive and ambitious Anti-Corruption Action Plan that lays out a series of commitments to carry these efforts forward. The fight against foreign bribery has been central to this drive. The majority of G20 countries have taken important efforts to make such behaviour illegal, and several, such as India and Indonesia have developed or—in the case of Russia and China—recently adopted important legislation criminalising foreign bribery.

This Conference, which featured key remarks by French Minister for Economy, Finance and Industry Christine Lagarde, French Minister for Cooperation Henri de Raincourt, OECD Secretary-General Angel Gurría, UNODC Executive Director Yury Fedotov, and President of the Mouvement des entreprises de France (MEDEF) Laurence Parisot, was attended by approximately 350 representatives from the private sector and government agencies from all G20 countries and beyond.

Participants discussed the importance of effective integrity programmes as an essential protection for the private sector to prevent corruption by detecting and preventing corrupt behaviour in their business dealings. The OECD Good Practice Guidance on Internal Control, Ethics and Compliance, which is the only guidance endorsed at an intergovernmental level, represents good practices that companies are encouraged to endorse and implement. Supporting anti-corruption compliance tools, such as the Business Principles for Countering Bribery and the International Chamber of Commerce's Rules of Conduct to Combat Extortion and Bribery, as well as guidance provided by the UN Global Compact and the World Economic Forum's Partnering against Corruption Initiative, provide important and useful advice in this regard. The question of bringing all these standards and tools closer together was discussed.

Reliable government systems that reward good behaviour and voluntary disclosure constitute an incentive for preventing, detecting, and reporting corrupt behaviour. Companies should also provide for adequate and effective channels for reporting corrupt behaviour and safeguards for those who report such allegations. Protecting whistleblowers who come forward with credible information from retaliation is helpful for ensuring a climate of accountability and corporate integrity.

The growing role that sectoral initiatives are playing in the global fight against corruption was also discussed. These initiatives, which complement broader anticorruption policies provide a targeted approach to the fight against corruption in business. They offer collective guidance and support that is tailored to the specific challenges of their industries. The success of EITI and other initiatives such as CoST, WIN, and in the defence and aerospace sector, would greatly benefit from support and full involvement of G20 governments.

The solicitation for bribes and extortion by government officials were identified by private-sector representatives as sensitive issues that remain a critical challenge. Integrity programs should have explicit policies for dealing with this challenge. Governments should make efforts to ensure they investigate and prosecute allegations of bribery solicitation, effectively deterring such behaviour. Reporting mechanisms could be explored to provide solicited companies with adequate solutions and support.

Because of the vast amount of money spent on public contracts and the complex nature of these business transactions, public procurement remains one of the areas most prone to corruption. Adequate rules that streamline the whole procurement cycle and strengthen transparency and accountability, effectively implemented, could go far in reducing the risks of corruption in this area. These rules could also address the issue of requirement to deliver additional social services.

Other practices are also prone to corruption, such as employing third-parties, lobbying, or political party financing. These practices could benefit from an effective combination of solid regulatory frameworks by governments and self-regulation by business, including strong internal controls, to minimize the risks of abuse. Effective implementation by governments of anti-money laundering measures could be especially useful, including for mitigating the risk associated with politically exposed persons.

These conclusions reached by the Conference participants highlight challenges that remain for both business and governments, as well as possible solutions and the need for continuing this dialogue on a more regular and systematic basis. The G20 Business Summit (B20) under the leadership of MEDEF provides the opportunity to further discuss these issues through the development of a business pledge to complement G20 efforts to fight corruption.