

The Siemens logo is displayed in a bold, teal, sans-serif font. It is positioned in the upper left corner of the page, within a white rectangular box. The background of the entire page is a repeating pattern of overlapping, semi-transparent blue circles, creating a textured, grid-like effect.

SIEMENS

Ingenuity for life

Siemens Integrity Initiative Annual Report 2017

Features the Summary Report of the
Mid-term Review independently conducted
by Universalis Management Group

[siemens.com/integrity-initiative](https://www.siemens.com/integrity-initiative)

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Note:

Please refer to the following website for a general overview of the Siemens Integrity Initiative, the selection process for the First and Second Funding Round and highlights of activities: www.siemens.com/integrity-initiative.

The Siemens Integrity Initiative Annual Report 2011, 2012, 2013, 2014, 2015, 2016 and 2017 can be found here:

www.siemens.com/integrity-initiative/Report2011

www.siemens.com/integrity-initiative/Report2015

www.siemens.com/integrity-initiative/Report2012

www.siemens.com/integrity-initiative/Report2016

www.siemens.com/integrity-initiative/Report2013

www.siemens.com/integrity-initiative/Report2017

www.siemens.com/integrity-initiative/Report2014

Kindly note that the online version of this Annual Report 2017, available at www.siemens.com/integrity-initiative/Report2017, is complemented by numerous hyperlinks which provide a wealth of additional external information on the projects funded under the Siemens Integrity Initiative.

A Word from the Siemens Integrity Initiative

Steering Committee

● A Word from the Siemens Integrity Initiative Steering Committee

A Word from the Siemens Integrity Initiative Project Office

Dear Reader,

March 2018

In our very first edition of the Siemens Integrity Initiative Annual Report published in 2011, we introduced to you the Siemens Collective Action program, in Sections A and B of the report, and we provided insight into the conceptualization, planning, project selection, award of funds and project implementation relating to the First Funding Round tranche of USD 37.7 million.

The Siemens Integrity Initiative is backed by funding in excess of USD 100 million out of settlements with the World Bank in 2009 (USD 100 million over 15 years) and the European Investment Bank in 2013 (EUR 13.5 million over 5 years). In terms of the respective settlements, the World Bank Group has a veto right over Siemens' selection of projects and organizations as well as a right of audit over the use of funds, while the European Investment Bank has the right to reject proposed projects.

The first Siemens Integrity Initiative projects were launched in December 2010, and since then, through six Annual Report editions, we have kept to our longstanding commitment of transparency and continuity by reporting on the activities, outcomes and status of our Integrity Initiative First and Second Funding Round projects.

It gives us great pleasure to present to you the Annual Report 2017. The content presented in Section C of this Annual Report is based on information received from and approved by our partners, as of key date March 2, 2018.

March 2018 signals the halfway mark of the 15 year World Bank settlement period, and presents an opportune and fitting moment to include in Section D of this seventh edition the Summary Report of the Mid-term Review of the Integrity Initiative, independently conducted by the Canadian Universal Management Group.



This unique feature not only looks back on seven years of remarkable Collective Action accomplishment, but it also endeavors for the first time to assess the overall contribution of the Integrity Initiative to the global fight against fraud and corruption.

We are indeed encouraged by the findings of the Mid-term Review which are, overall, positive, particularly the observation that there is “strong evidence” that projects have “achieved their intended short-term results” and have made “significant contributions to change within their respective contexts”.

It is the passionate and committed work of our Integrity Partners supported by the Munich Project Office that has “helped promote, enhance the visibility of, and contribute to learning on Collective Action, including demonstrating to the private sector that there is a business case for investing in Collective

Action”, and in so doing, “the Integrity Initiative has made valuable contributions to the global fight against corruption”.

Many professionals active in the Integrity Initiative partner network have contributed to the Germany 2017 G20/B20 process and have helped in shaping the Responsible Business Conduct and Anti-Corruption Cross-thematic Group recommendations, once again demonstrating the immense value and importance of joint effort in placing responsible business conduct themes at the highest level of governments and on the international agenda.

In Siemens, the business practices we commit to are based on integrity, fairness, transparency, and responsibility. They build the core principles for all our compliance and anti-corruption, supply chain management and human rights related activities. These core principles coupled with what we call ‘Ownership Culture’ underpin

our unwavering commitment and contribution to Collective Action in support of our Vision 2020, and in driving sustainable and transparent market conditions.

We thank the Integrity Initiative Project Office under the leadership of Sabine Zindera for their dedicated and always professional work - shaping the Initiative and its governance structures right from the beginning, as well as the many Siemens Mentors and Project Relationship Managers on the ground who provide local guidance and support.

The independent Mid-term Review recognizes the effectiveness of the Project Office’s management and oversight approach, its strong focus on accountability, and the respect that the Integrity Initiative has gained from many anti-corruption actors around the world.

● A Word from the Siemens Integrity Initiative Steering Committee

A Word from the Siemens Integrity Initiative Project Office

The Project Office has kept the Steering Committee, the World Bank Group, and the European Investment Bank up to date on the status of projects and emerging developments, and as before, it has been a pleasure for the Steering Committee to provide supervisory and advisory support to the Munich Project Office, where needed.

This Annual Report was approved by the Siemens Steering Committee on April 12, 2018 and submitted together with a comprehensive presentation to the World Bank Group in Washington on May 3, 2018 and to the European Investment Bank in Luxembourg on May 14, 2018.

On March 13, 2018 another important milestone was reached as we launched

the Third Funding Round which will see the selection of approximately 25 new projects, with funding of around USD 30 million in total over a period of three to five years, and which will invariably build on and add to the many accomplishments of the 55 First and Second Funding Round projects in more than 25 countries with a committed funding volume of more than USD 70 million.

We remain confident that the collective effort of the Integrity Initiative will continue to stimulate steady improvement in transparency and responsible business conduct.

In that sense, public and private sector Collective Action is essential in making meaningful change possible and contributing to implementation on the ground.



**Steering Committee
of the Siemens Integrity Initiative:**

Dr. Andreas Christian Hoffmann
General Counsel, Siemens AG

Dr. Klaus Moosmayer
Chief Compliance Officer, Siemens AG

Dr. Horst J. Kayser
Corporate Vice President,
Chief Strategy Officer, Siemens AG

Much of the information available to us is transparently accessible to the public and can be viewed on our dedicated website www.siemens.com/integrity-initiative.

The information provided relates in particular to the framework conditions for the First and Second Funding Round, the application and selection process for the projects, the brief profiles and the individual funds earmarked for the selected projects from the First and Second Funding Round, and the unabridged versions of the Siemens Integrity Initiative Annual Reports for 2011, 2012, 2013, 2014, 2015, 2016 and 2017.

We hope that this will encourage additional allies to sign up to Collective Action and join us in our fight against corruption. The positive external and internal feedback received in response to our reports has strengthened our resolve to extend our program even further, enabling us to highlight more and more anti-corruption success stories across all countries and, in so doing, integrate additional stakeholders and activities.

A Word from the Siemens Integrity Initiative Steering Committee

A Word from the Siemens Integrity Initiative Project Office

A Word from the Siemens Integrity Initiative

Project Office

Dear Reader,

March 2018

Joe Kaeser, President and CEO, Siemens AG and Dr. Roland Busch, Member of the Managing Board, Siemens AG in their foreword to the Siemens Sustainability Information 2017 reiterate Siemens' ongoing commitment to sustainable development and see the fight against crime and corruption as an important Sustainable Development Goal.

"At Siemens, there is zero tolerance for misconduct and violations of applicable laws on the part of employees. That is our clear message and the tone from the top. We systematically anchor integrity and compliance in our company culture. Compliance training is mandatory for all employees, and employees are encouraged to report illegal behavior."

They add: "Beyond the boundaries of our company, we are committed to Collective Action, a cooperation that supports the fight against corruption and promotes fair competition. During the German presidency of the G20 in 2017, our Chief Compliance Officer was appointed chairperson of the B20 Working Group on Responsible Business Conduct and Anti-Corruption. We will continue to support the Siemens Integrity Initiative by launching the Third Funding Round in spring 2018."

This anchoring of integrity and compliance is driven by the Legal and Compliance organization, a vital Corporate Unit that has global governance responsibility and one that includes the Collective Action and Strategy department responsible for the conceptualization and implementation of the Siemens Integrity Initiative and other Collective Action Initiatives.



We remain committed to the 10 principles of the United Nations Global Compact, and support the implementation of the United Nations Convention against Corruption, as well as the OECD Anti-Bribery Convention.

Moving beyond the boundaries of our company, Collective Action continues as a priority in Legal and Compliance, as is evidenced in our long-standing involvement in the ICC Commission on Corporate Responsibility and Anti-corruption, the Pact Against Corruption Initiative (PACI) of the World Economic Forum and, since 2011, active involvement in the G20/B20 Task Force on Anti-corruption and the drafting and implementation support of B20 Recommendations drawn up in France, Mexico, Russia, Australia, Turkey, China and Germany.

Dr. Klaus Moosmayer, Chief Compliance Officer of Siemens AG, currently holds the Chair of the Anti-Corruption Task Force of the Business and Industry Advisory Committee to the OECD (BIAC). He also chaired the B20 Cross-thematic Group Responsible Business Conduct & Anti-Corruption under the German presidency of the G20, and will co-chair the Integrity and Compliance Task Force under the Argentinian presidency of the G20.

Established in 2009 and based on the settlements with the World Bank in 2009 and the European Investment Bank in 2013, the Siemens Integrity Initiative is backed with funding in excess of USD 100 million. To date we have implemented 55 anti-corruption projects in over 20 countries with a funding volume of more than USD 70 million.

A Word from the Siemens Integrity Initiative Steering Committee

● A Word from the Siemens Integrity Initiative Project Office

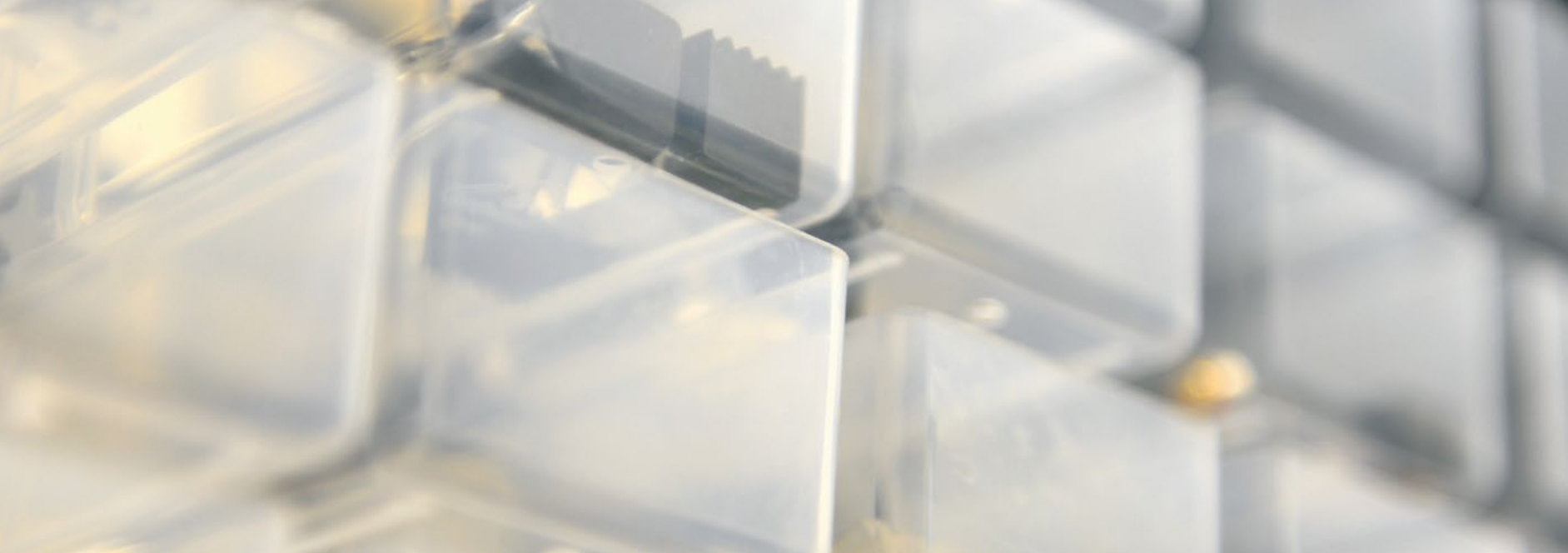
We are delighted with the overall positive results of the independent Mid-term Review performed by the Canadian Universalis Management Group in summer 2017, and the many positive findings that have acknowledged the extent to which the Integrity Initiative has created organizational capacities, enabled knowledge exchange, contributed significantly to expanding alliances, strengthened the rule of law, and pushed anti-corruption and fraud Collective Action agendas.

We are equally appreciative of the thought provoking and useful recommendations which have guided us in our thinking on how to collectively improve upon and build on the Integrity Initiative momentum and higher level outcomes in future projects through realistic objectives, refined project design and careful stakeholder selection.

The very exciting news is that on March 13, 2018 we announced the launch of the Third Funding Round of the Siemens Integrity Initiative in a Press Release, which will ultimately add around 25 new projects and a funding value of approximately USD 30 million in total to the existing project portfolio.

We look forward to selecting committed, skilled and networked organizations whose applications for funding are shortlisted by a global interdisciplinary team, followed by a careful due diligence process. The results will then be presented to the Steering Committee, the World Bank and the European Investment Bank and a final selection will be made.

We are pleased to release the seventh Annual Report of the Siemens Integrity Initiative based on information provided by our Integrity Partners as of key date March 2, 2018.



As with previous editions, Section C contains an impressive summary of activities, achievements and examples of project outcomes.

The University of Cairo has submitted their Final Report on key activities for the entire project duration, bringing to a close the formal activity reporting of all First Funding Round projects.

Of the 24 projects worth USD 35.554 million in the Second Funding Round, the Beijing New Century Academy on Transnational Corporations (NATC) and the Pan African Lawyers Union (PALU) have completed their project activities and have submitted their Final Reports on key activities for the entire project duration.

Our special feature this year is the Summary Report of the Mid-term Review as set out in Section D, which provides a profound precis of the collective contribution that First and

Second Funding Round projects have made to date in creating fair market conditions for all market participants through Collective Action as well as through education and training.

One observation out of the Mid-term Review reminds us that for most projects it may be “too early to expect visible contributions to impact-level changes”. While this can be attributable to many factors beyond the immediate control of project teams, it does touch on an important reality that anti-corruption work cannot be accomplished alone, it demands collective effort, endurance, consistent messaging and patience, because it takes time!

We can only repeat our sentiments expressed in last year’s report - it is now critical that anti-corruption work remains high on the global agenda and that the momentum gathered over the last 10 years is not stunted or diluted.

A Word from the Siemens Integrity Initiative Steering Committee

● A Word from the Siemens Integrity Initiative Project Office

That is why Collective Action is embedded in our Compliance System as a priority for Siemens. We contribute to Sustainable Development Goal 16 by anchoring integrity and compliance throughout our company and by driving the Siemens Integrity Initiative with external stakeholders. By this means and through our activities with other actors, we support fair competition and secure the long-term success of a healthy business environment.

Our sincere thanks go to our Integrity Partners for their commitment and effort, to our Project Relationship Managers for their support on the ground and to our Mentors for their local insight and guidance.

Our final sentiment is a word of appreciation and thanks to our Steering Committee who have throughout 2017 received regular and detailed updates of the Integrity Initiative, and who have continued to support us with valuable advice and supervision.



The Collective Action and Strategy Team is headquartered in Munich, Germany:

Sabine Zindera, Vice President, heads the Collective Action and Strategy department in the Siemens Legal and Compliance Organization and is supported by Shawn Teixeira and Stephanie Wagner as well as the network of Siemens Business Leaders, Siemens Country CEOs, Compliance Officers, Controlling and Finance and legal and tax experts all around the world.

Under the terms of the agreement between Siemens and the World Bank, the World Bank has audit rights over the use of funds (USD 100 million dollars over 15 years beginning in 2009) and veto rights over Siemens' selection of projects and organizations to be supported. Furthermore, the agreement between Siemens and the European Investment Bank (EUR 13.5 million over 5 years) gives the EIB the right to reject proposed projects.

The projects were chosen according to defined selection criteria and focus areas and underwent a detailed cross-functional due diligence. More information is available on our dedicated website www.siemens.com/integrity-initiative.

The Siemens Integrity Initiative is managed by a global project organization with in-country presence and support where relevant, and is subject to project management rules as detailed in Part A of this report.

The Project Office regularly updates the Siemens Steering Committee, the World Bank Group and the European Investment Bank on the status and progress of the Siemens Integrity Initiative.



Introduction

The main objective of the Siemens Integrity Initiative is to create fair market conditions for all market participants by fighting corruption and fraud through Collective Action as well as education and training.

The Initiative focuses on supporting projects that have a clear impact on the business environment, can demonstrate objective and measurable results, and have the potential to be scaled up and replicated.

The Siemens Integrity Initiative aims to:

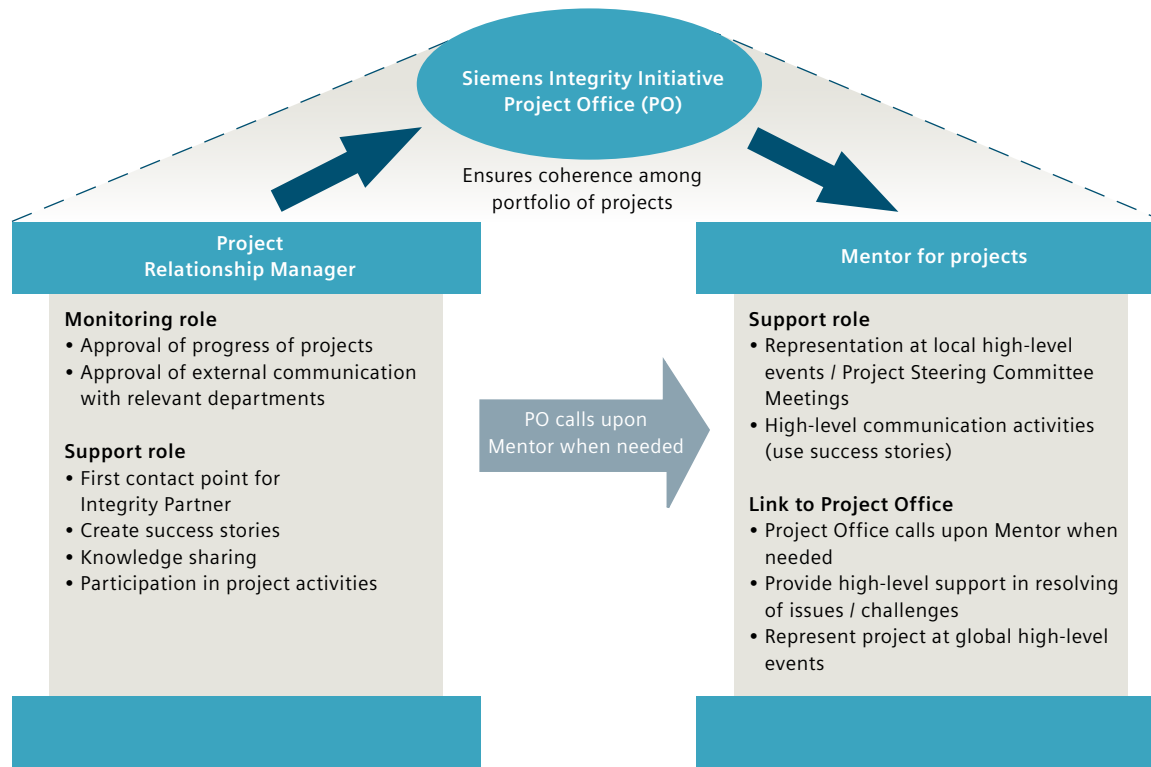
- Raise standards and create awareness of compliance and business integrity
- Create a common platform for dialog with the private and public sectors
- Strengthen the rule of law

Under the umbrella of the Siemens Integrity Initiative, Siemens will disburse funds to support non-profit organizations worldwide that promote business integrity and the fight against corruption.

Project management and reporting

- Responsibility for managing the projects funded under the Siemens Integrity Initiative lies with the respective Integrity Partner; Siemens supports projects financially, monitors the use of funds in a biannual reporting process, and participates in activities where appropriate and requested by the Integrity Partner
- The main points relating to the management of projects are regulated in a Funding Agreement between Siemens and the Integrity Partners and its Project Partners
- Funds are paid out subject to the achievement of milestones and on a biannual basis
- Integrity Partners report annually on progress, funds used and work plans for the next year. All Annual Reports must be accompanied by a financial report that has been audited by an external audit company. Regular Interim Reports help to review progress throughout the year. All Interim and Annual Reports must be reviewed and approved by the local Siemens Project Relationship Manager, the Siemens Integrity Initiative Project Office and the Siemens Finance Department
- Siemens has set up an internal project structure for selecting projects and for supporting and monitoring projects during the implementation phase, as well as a system for capturing and evaluating impact
- Siemens supports all projects with a designated Project Relationship Manager and a Mentor from senior management
- Country-specific projects, for example, can draw on the CEO of the local Siemens company as their Mentor. All Project Relationship Managers (PRMs) are coordinated by the Siemens Integrity Initiative Project Office (see also Project Organization)
- A project completion process is in place which includes the submission of a Final Report, consisting of a Final Progress Report and an Audit Report with project financials prepared by an independent auditor, as well as the submission of an End of Project External Evaluation and a Final Payment Request

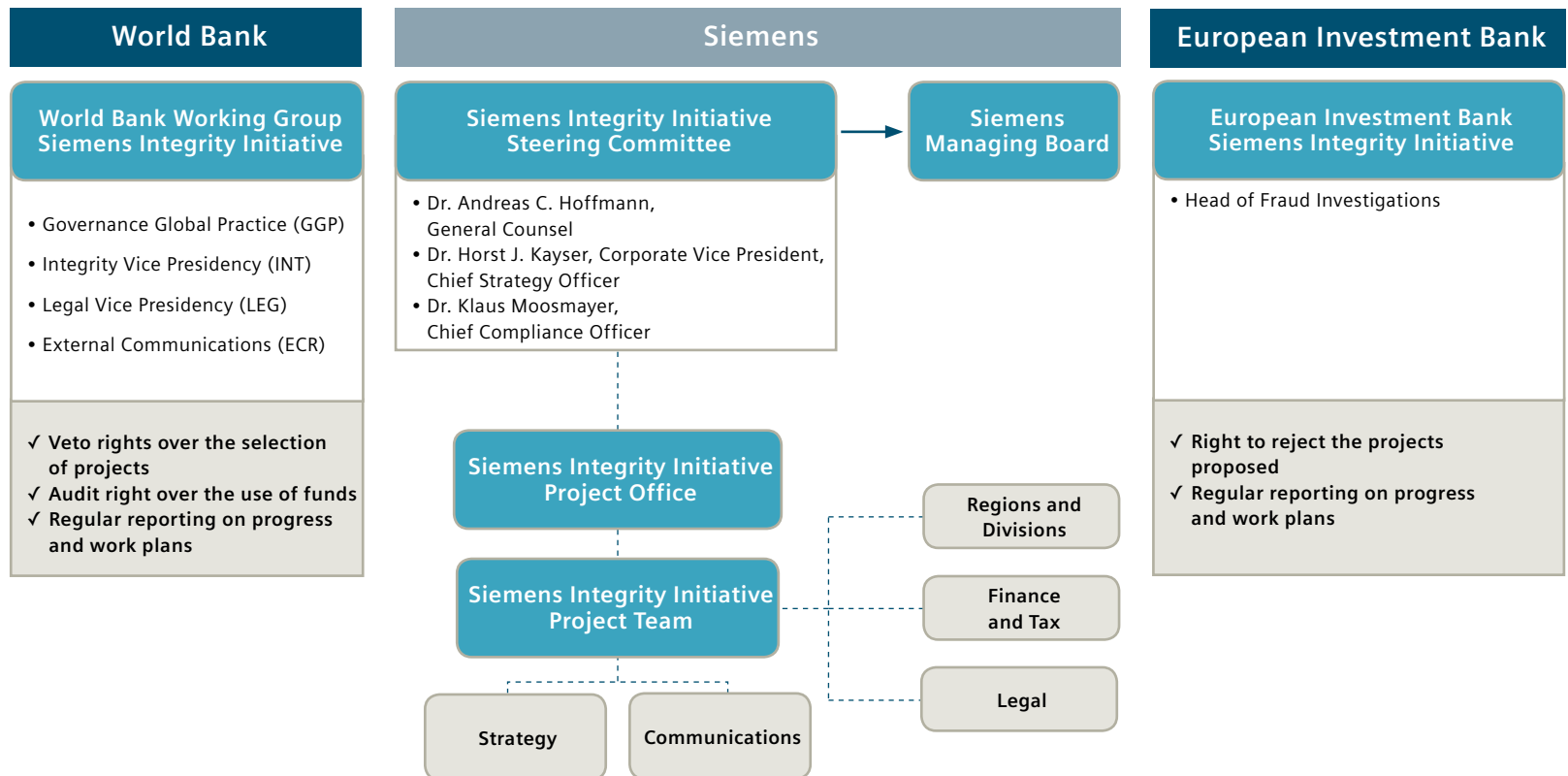
Roles and responsibilities of Project Relationship Managers and Mentors:



Project organization

- The internal Siemens project management structure of the Initiative consists of several dedicated teams that provide overall supervision and guidance (such as the Steering Committee) and deal with daily operations of the Initiative (Siemens Project Office, Project Team and Project Relationship Managers)
- To make this Initiative a company-wide effort and ensure engagement and representation, all relevant business fields of Siemens have been integrated into the structure of the Initiative
- The main operational contact for this Initiative is the Siemens Project Office in Munich, which comprises four people, and is supported by an extended Project Team from various Siemens departments (Legal and Compliance, Finance, Tax, Strategy, Communications and Compliance colleagues in all relevant countries)
- The Project Office is the main link to the World Bank Group with regard to the audit and veto rights as well as reporting obligations. It is also the main link to the European Investment Bank (EIB) with regard to their rights to reject projects proposed as well as reporting obligations
- The work of the Project Office and Project Team is overseen by the Siemens Integrity Initiative Steering Committee, which consists of Dr. Andreas Christian Hoffmann, General Counsel, Siemens AG; Dr. Klaus Moosmayer, Chief Compliance Officer, Siemens AG; and Dr. Horst J. Kayser, Corporate Vice President, Chief Strategy Officer, Siemens AG
- As the World Bank Group has veto and audit rights, and the European Investment Bank has the right to reject proposed projects, they have set up a team of experts to liaise with Siemens regarding the Siemens Integrity Initiative, as shown in the chart

Siemens Integrity Initiative project structure with settlement parties:





• Siemens Integrity Initiative

Siemens Integrity Initiative

On July 2, 2009, the World Bank Group announced a comprehensive settlement with Siemens. As part of the settlement, Siemens agreed to cooperate to change industry practices, clean up procurement practices and engage in Collective Action with the World Bank Group to fight fraud and corruption.

Siemens subsequently set up the Siemens Integrity Initiative to support projects and organizations fighting corruption and fraud with funding worth more than USD 100 million over the next 15 years.

This funding was complemented on March 15, 2013 by a separate settlement with the European Investment Bank (EIB), worth EUR 13.5 million over five years.



Status of the First Funding Round

In the First Funding Round, thirty-one projects from over twenty countries were selected to receive a total funding of up to USD 40 million.

As reported in our Annual Report 2016, as at **March 3, 2017**, all 31 projects had completed their scheduled activities.

The final overviews of activities for the entire project period were reported on for 4 of the 31 projects in our Annual Report 2016. These projects are marked in the table on page 24 and 26 and further information on the projects is available on www.siemens.com/integrity-initiative.

For information on Collective Action, the Siemens Integrity Initiative, the selection process and criteria, and funded projects, please visit www.siemens.com/collective-action.

A detailed description of activities implemented during the first to the sixth year (2011 to 2016) was provided in the Siemens Integrity Initiative Annual Report 2011, 2012, 2013, 2014, 2015 and 2016. (www.siemens.com/integrity-initiative/Report2011; www.siemens.com/integrity-initiative/Report2012; www.siemens.com/integrity-initiative/Report2013; www.siemens.com/integrity-initiative/Report2014; www.siemens.com/integrity-initiative/Report2015; www.siemens.com/integrity-initiative/Report2016)

Key data First Funding Round	
Funds committed in the First Funding Round	USD 37.7 M
Disbursements in year 1 to year 8 (2010 - March 2, 2018) (release of provision)	USD 34.8 M ¹⁾
Disbursement for Mid-term Review of the Siemens Integrity Initiative performed by Universal Management Group finalized and presented to the World Bank on December 6, 2017 covering the First and Second Funding Rounds	USD 0.18 M
Funds currently unspent	USD ~2.7 M
Planned disbursement in year 8 (2018)	USD ~0.0 M
Number of projects First Funding Round	31
Thereof projects that have completed their activities	31
Thereof ongoing	0
Countries covered in the First Funding Round	22

Note: Siemens fiscal year (October 1 – September 30) Due to rounding, numbers presented may not add up precisely to the totals provided.

¹⁾ The information provided in this table is based on approved Final Reports and Annual Reports as at March 2, 2018

Status of the Second Funding Round

The Second Funding Round applies the same selection criteria and focus areas as the First Round. As the Second Round is also based on the settlement agreements with the World Bank Group and the European Investment Bank, the World Bank Group has audit rights over the use of funds (USD 100 million over a period of 15 years beginning in 2009) and veto rights over the selection of projects by Siemens. The agreement between Siemens and the European Investment Bank (EUR 13.5 million over five years) gives the EIB the right to reject the projects proposed.

The Second Funding Round, with a funding volume of approximately USD 30 million for up to 25 projects plus additional projects funded on the basis of the settlement with the European Investment Bank, was launched on June 27, 2013 with a deadline for submission of proposals in August 2013.

The gradual announcement of the selected projects from the Second Funding Round started in fall 2014 and stretched until spring 2015. With 24 projects funded and USD 35.554 million committed the Second Funding Round is now closed.

The selection was made on a competitive basis in two stages (initial Expression of Interest phase and the later Full Proposal phase) with a focus on project applications that can demonstrate a clear impact on the business environment and results in sectors and countries of where Siemens is present. Projects that already submitted an Expression of Interest for the First Funding Round as well as projects that have already been funded were eligible to submit another proposal in the Second Funding Round.

The announcement, application process and selection criteria were made available transparently on the Siemens Integrity Initiative website. The initial first projects were announced in a joint press release published by Siemens, the World Bank Group and the European Investment Bank on December 10, 2014 (see www.siemens.com/integrity-initiative or Part D of the Annual Report 2014).

More information on the settlements between Siemens and the World Bank Group and Siemens and the European Investment Bank (EIB) is available online as well as on the Siemens Integrity Initiative website: www.siemens.com/integrity-initiative

Key data Second Funding Round	
Funds committed in the Second Funding Round	USD 35.554 M
Disbursements in year 1 to year 4 (2015 to March 2, 2018) - release of provision	USD 28.2 M ¹⁾
Funds currently unspent	USD ~ 7.4 M
Planned disbursement in year 4 (2018) ²⁾	USD ~ 5.8 M
Number of projects	24
Countries covered Second Funding Round	More than 20

Note: Siemens fiscal year (October 1 – September 30) Due to rounding, numbers presented may not add up precisely to the totals provided.

¹⁾ The information provided in this table is based on approved Annual Reports as at March 2, 2018

²⁾ Includes payments of USD ~ 1.6 M by March 2, 2018, USD ~ 4.2 M is still scheduled to be paid in the remaining year

List of projects funded under the First Funding Round:

Integrity Partner
Basel Institute on Governance, Switzerland
Beijing New Century Academy on Transnational Corporations, China
Central European University (CEU), Hungary in cooperation with Integrity Action, United Kingdom
COCIR (European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry), Belgium
The Convention on Business Integrity, Nigeria
The Ethics Institute, South Africa
Federation of Korean Industries-International Management Institute in cooperation with Global Competitiveness Empowerment Forum (FKI-IMI), South Korea
Foundation for the Global Compact, USA in cooperation with the UN Global Compact and PRME (Principles for Responsible Management Education), USA
Foundation for the Global Compact, USA in cooperation with the UN Global Compact and its local networks
Fundación Universidad de San Andrés (FUdeSA), Argentina
Humboldt Viadrina School of Governance, Germany
International Anti-Corruption Academy (IACA), Austria
International Business Leaders Forum (IBLF), United Kingdom in cooperation with the School of Public Administration of Renmin University, China
Instituto Ethos – Ethos Institute for Business and Social Responsibility, Brazil
Maala Business for Social Responsibility, Israel
Makati Business Club (MBC), Philippines in cooperation with the European Chamber of Commerce, Philippines
Organisation for Economic Co-operation and Development (OECD), MENA-OECD Investment Programme, France

¹⁾ Summary of Project Activities was reported in Annual Report 2017 (1) = University of Cairo

²⁾ Summary of Project Activities was reported in Annual Report 2016 (4) = Ethics Angola, IACA, Ethos, Maala

³⁾ Summary of Project Activities was reported in Annual Report 2015 (9) = Basel, CEU, COCIR, CBI, PRME, UNGC, San Andres, Makati, UNDP

⁴⁾ Summary of Project Activities was reported in Annual Report 2014 (14)

⁵⁾ Summary of Project Activities was reported in Annual Report 2013 (2)

⁶⁾ Summary of Project Activities was reported in Annual Report 2012 (1)

= Total number of all summaries 31

	Country of Implementation	Total Funding Volume under the World Bank Group settlement in USD	Total Funding Volume under the European Investment Bank settlement in USD	Project Status
	Global	1.86 M	–	completed as of September 2015 ³⁾
	China	0.89 M	–	completed as of March 2014 ⁴⁾
	Central and Eastern Europe	3.09 M	–	completed as of December 2015 ³⁾
	Europe, Asia, Russia, South America	0.96 M	–	completed as of September 2014 ³⁾
	Nigeria	1.1 M	–	completed as of December 2014 ³⁾
	Angola, South Africa	1.5 M	–	completed as of September 2016 (Angola) ²⁾ ; completed as of September 2015 (South Africa)
	South Korea	0.81 M	–	completed as of March 2014 ⁴⁾
	Global	1.48 M	–	completed as of January 2015 ³⁾
	Brazil, Egypt, India, Nigeria, South Africa	2.87 M	–	completed as of January 2015 ³⁾
	Argentina	0.73 M	–	completed as of September 2014 ³⁾
	Global	1.3 M	–	completed as of May 2014 ⁴⁾
	Global	2.02 M	–	completed as of December 2015 ²⁾
	China, Russia	1.5 M	–	completed as of December 2013 ⁵⁾
	Brazil	3.11 M	–	completed as of June 2016 ²⁾
	Israel	0.48 M	–	completed as of September 2015 ²⁾
	Philippines	1.04 M	–	completed as of March 2015 ³⁾
	Middle East and North Africa	0.75 M	–	completed as of September 2013 ⁵⁾

Integrity Partner

Oživení, Czech Republic in cooperation with Transparency International Slovakia and the Economics Institute of the Academy of Sciences of the Czech Republic

Partnership for Governance Reform (PGR) – Kemitraan, Indonesia

POLMED (The Polish Chamber of Commerce of Medical Devices), Poland

Sequa gGmbH, Germany in cooperation with the German Agency for International Cooperation (GIZ), Chengdu General Chamber of Commerce (Province of Sichuan), China, and Hunan Provincial Chamber, China

Transparency International Bulgaria

Transparency International Italy

Transparency International Mexico

Transparency International USA in cooperation with Social Accountability International, USA

United Nations Development Programme Regional Bureau for Arab States, USA

United Nations Office on Drugs and Crime (UNODC), Austria in cooperation with the International Anti-Corruption Academy (IACA), Austria – Incentives to Corporate Integrity

United Nations Office on Drugs and Crime (UNODC), Austria – UNCAC Outreach and Communication

United Nations Office on Drugs and Crime (UNODC), Austria in cooperation with the International Anti-Corruption Academy (IACA), Austria – The 6P's

University of Cairo, Center for Economic and Financial Research and Studies (CEFRS), Egypt

Vietnam Chamber of Commerce and Industry (VCCI) in cooperation with the International Business Leaders Forum (IBLF), United Kingdom

Total funding volume in USD

¹⁾ Summary of Project Activities was reported in Annual Report 2017 (1) = University of Cairo

²⁾ Summary of Project Activities was reported in Annual Report 2016 (4) = Ethics Angola, IACA, Ethos, Maala

³⁾ Summary of Project Activities was reported in Annual Report 2015 (9) = Basel, CEU, COCIR, CBI, PRME, UNGC, San Andres, Makati, UNDP

⁴⁾ Summary of Project Activities was reported in Annual Report 2014 (14)

⁵⁾ Summary of Project Activities was reported in Annual Report 2013 (2)

⁶⁾ Summary of Project Activities was reported in Annual Report 2012 (1)

= Total number of all summaries 31

	Country of Implementation	Funding Volume under the World Bank Group settlement in USD	Total Funding Volume under the European Investment Bank settlement in USD	Project Status
	Czech Republic, Slovakia	0.6 M	–	completed as of March 2014 ⁴⁾
	Indonesia	1.5 M	–	completed as of December 2014 ⁴⁾
	Poland	0.46 M	–	completed as of September 2014 ⁴⁾
	China	1.49 M	–	completed as of March 2014 ⁴⁾
	Bulgaria	0.45 M	–	completed as of February 2014 ⁴⁾
	Italy	0.6 M	–	completed as of March 2014 ⁴⁾
	Mexico	0.23 M	–	completed as of May 2014 ⁴⁾
	USA, Global	0.66 M	–	completed as of September 2014 ⁴⁾
	Arab States Region	1.78 M	–	completed as of December 2014 ³⁾
	India, Mexico	1.12 M	–	completed as of September 2014 ⁴⁾
	Global	0.75 M	–	completed as of September 2014 ⁴⁾
	India, Mexico	1.22 M	–	completed as of September 2014 ⁴⁾
	Egypt	0.85 M	–	completed as of February 2017 ¹⁾
	Vietnam	0.5 M	–	completed as of September 2012 ⁶⁾
		37.7 M	0 M	

List of projects funded under the Second Funding Round:

Integrity Partner
Al Akhawayn University in Ifrane (AUI), Morocco
Basel Institute on Governance, Switzerland, in cooperation with the Organisation for Economic Co-operation and Development (OECD), France, and the Foundation for the Global Compact, USA
Beijing New Century Academy on Transnational Corporations (NATC), China
Confederation of Indian Industry (CII), India
Ethics and Reputation Society / Etik ve İtibar Derneği (TEID), Turkey
The Ethics Institute, South Africa, in cooperation with the Institute of Directors Mozambique (IoDMZ), Mozambique
The Ethics Institute, South Africa
European Medical Technology Industry Association (Eucomed), Belgium
Foundation for the Global Compact, USA, in cooperation with the Egyptian Junior Business Association (EJB), Egypt
Global Compact Network India (GCNI), India
Global Compact Network Korea (GCNK), Korea, in cooperation with the Global Competitiveness Empowerment Forum (GCEF), South Korea
International Anti-Corruption Academy (IACA), Austria
Organisation for Economic Co-operation and Development (OECD), France
Organisation for Economic Co-operation and Development (OECD), France

¹⁾ completion process ongoing; Annual Report shows activities of Year 3 or summary for entire project period depending on information available = NATC, PALU (2)

	Country of Implementation	Total Funding Volume under the World Bank Group settlement in USD	Total Funding Volume under the European Investment Bank settlement in USD	Project Status
	Morocco	0.55 M	–	ongoing
	Global	4.00 M	–	ongoing
	China	1.50 M	–	completed as of September 2017 ¹⁾
	India	0.70 M	–	ongoing
	Turkey	1.76 M	–	ongoing
	Mozambique	0.55 M	–	ongoing
	South Africa	0.80 M	–	ongoing
	Middle East and North Africa	0.85 M	–	ongoing
	Egypt	1.40 M	–	ongoing
	India	0.73 M	–	ongoing
	Republic of Korea (South Korea)	0.90 M	–	ongoing
	Global	–	4.98 M	ongoing
	Morocco	–	0.70 M	ongoing
	Russia	1.55 M	–	ongoing

Integrity Partner

Pan African Lawyers Union (PALU), Tanzania

Pearl Initiative, United Arab Emirates

The Polish Chamber of Commerce of Medical Devices (POLMED), Poland

Transparency International Secretariat (TI-S), Germany

Transparency International España (TI-España), Spain

Transparency International Italia (TI-It), Italy, in cooperation with the Centro Ricerche e Studi su Sicurezza e Criminalità (RiSSC), Fondazione Centro Studi Investimenti Sociali (CENSIS), Istituto per la Promozione dell'Etica in Sanità (ISPE-Sanità), Italy

United Nations Office on Drugs and Crime (UNODC), Austria

United Nations Development Programme (UNDP), USA

United Nations Development Programme (UNDP), USA

Wirtschaftsuniversität WU, Vienna University of Economics and Business Administration, Austria

Total Funding Volume in USD

¹⁾ completion process ongoing; Annual Report shows activities of Year 3 or summary for entire project period depending on information available = NATC, PALU (2)

	Country of Implementation	Total Funding Volume under the World Bank Group settlement in USD	Total Funding Volume under the European Investment Bank settlement in USD	Project Status
	Africa	0.93 M	–	completed as of September 2017 ¹⁾
	GCC countries (United Arab Emirates, Kingdom of Saudi Arabia, Bahrain, Qatar, Kuwait, Oman)	0.88 M	–	ongoing
	Poland	0.65 M	–	ongoing
	Global	3.06 M	–	ongoing
	Spain	1.27 M	–	ongoing
	Italy	1.12 M	–	ongoing
	Colombia	1.20 M	–	ongoing
	Arab Region including Egypt, Morocco and Tunisia	–	2.27 M	ongoing
	Arab Region including Iraq and Libya	1.52 M	–	ongoing
	Africa	1.70 M	–	ongoing
		27.62 M	7.95 M	

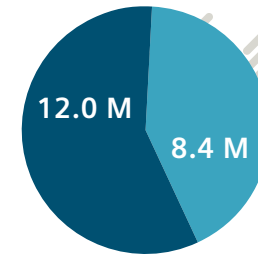
Due to rounding differences, the figures as presented in the table above may not add up exactly to the total Funding Amount of USD 35.554 M for the Second Funding Round.

B.

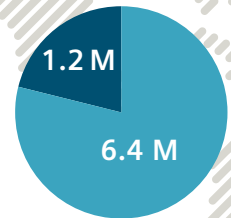
Siemens Integrity Initiative

Siemens Integrity Initiative covers all major growth regions and high-risk countries: around 55 projects with more than USD 70 M

The chart illustrates the regional spread and balance of the First Funding portfolio and the portfolio of the Second Funding Round






Global Projects
(9 Projects, 20.4 M)



Americas
(5 Projects and 3 Sub-Projects, 7.6 M)

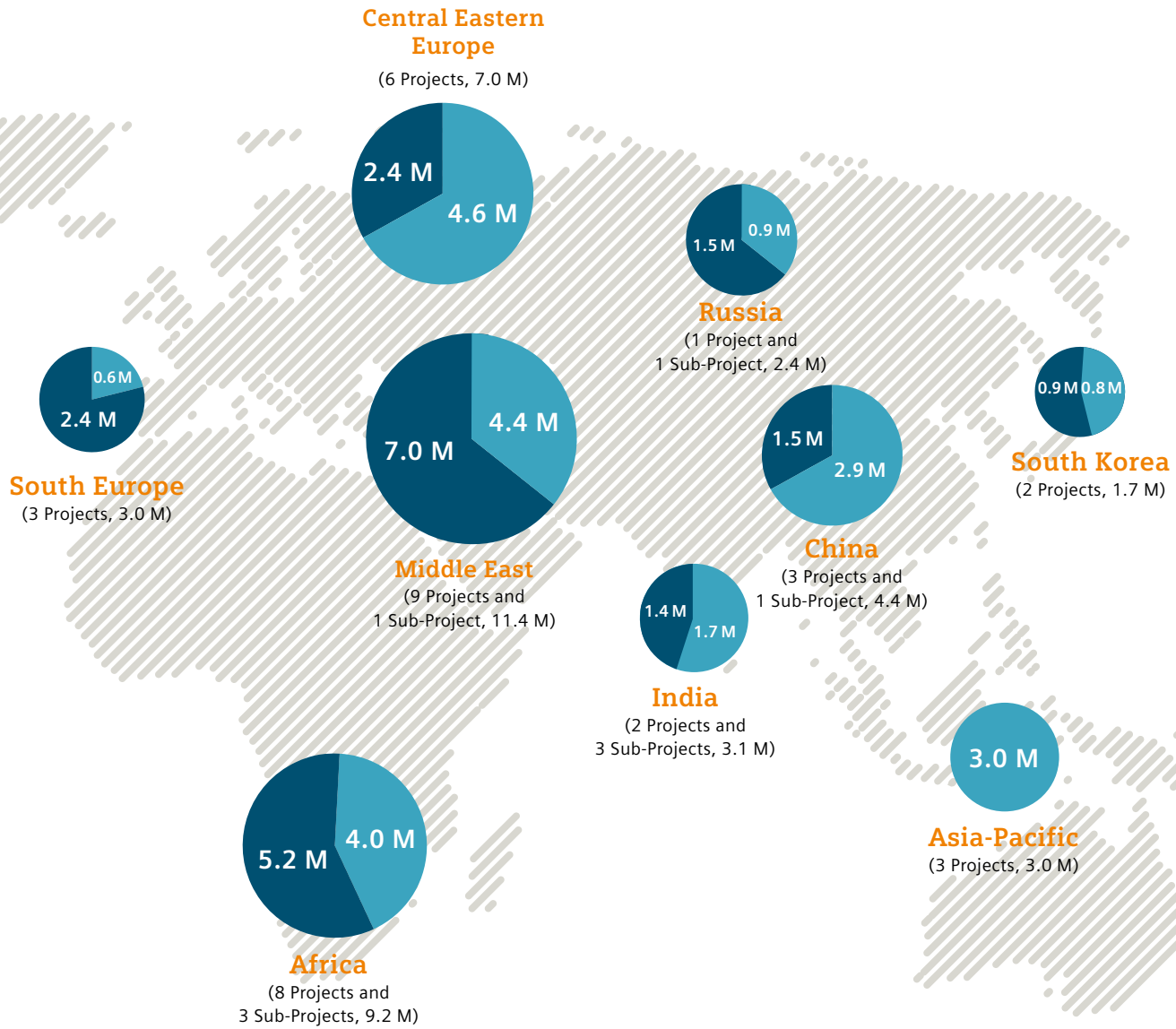
+ 4 Projects are divided into local Sub-Projects

Region / Country of implementation (number of project proposals)

-  First Funding Round
-  Second Funding Round
-  Bubble size = Approximate value of funding

Note: Schematic illustration.

Due to rounding, numbers presented may not add up precisely to the totals provided; Status: September 10, 2015 (unchanged as at March 2, 2018)





Project profiles and highlights of activities in 2017

The following pages contain project objectives and funding volumes as agreed with Integrity Partners in the respective Funding Agreements.


For projects under the First and Second Funding Round the descriptions of activities undertaken in this year (2017) were provided by the Integrity Partners in their respective Annual Progress Report or Final Report, as the case may be, and approved by the relevant Integrity Partners for external use.

Integrity Partners submitted the following documentation, which was the basis for the review of progress:

- Annual Progress Report, which provides an overview of activities undertaken and an assessment of progress made
- Annual Financial Report, which shows the utilization of funds per activity and in comparison to the original budget set in the Funding Agreement
- Audit Statement by an external audit company, which verifies the financial report and provides an unqualified audit opinion on the use of funds
- Updated Work Plan and Updated Budget for 2018

For Integrity Partners that completed their activities, a Final Report including the following information was provided and used as the basis for review:

- Final Progress Report, which provides an overview of activities undertaken and an assessment of progress made
- Final Financial Report, which shows the utilization of funds per activity and in comparison to the original budget set in the Funding Agreement
- Audit Statement by an external audit company, which verifies the financial report and provides an unqualified audit opinion on the use of funds
- Payment and Expense Overview
- External evaluation of impact



For Integrity Partners that have completed their activities but have not yet submitted a Final Report, an executive summary on activities undertaken in 2017 was provided (e.g. PALU).

Siemens Integrity Initiative **First Funding Round** projects that were completed before 2017 and / or for which key activities over the entire project period were reported on in one of our previous Annual Reports are not included in this Annual Report 2017.

To obtain information on these thirty (30) fully completed projects (Basel Institute on Governance, Beijing New Century Academy on Transnational Corporations (NATC) I, Central European University (CEU), COCIR, Convention on Business Integrity (CBI), Federation of Korean

Industries-International Management Institute (FKI-IMI), Foundation for the Global Compact (UN PRME), Foundation for the Global Compact (UNGC / 5 countries), Fundación Universidad de San Andrés (FUdeSA), Humboldt Viadrina School of Governance, International Anti-Corruption Academy (IACA), Austria, International Business Leaders Forum (IBLF), Instituto Ethos – Ethos Institute for Business and Social Responsibility, Brazil, Maala Business for Social Responsibility, Israel, Makati Business Club (MBC), Organisation for Economic Co-operation and Development (OECD) – MENA, Oživení, Partnership for Governance Reform (PGR) – Kemitraan, The Polish Chamber of Commerce of Medical Devices (Polmed) I, Sequa, Transparency International Bulgaria, Transparency International Italy, The Ethics

Institute, South Africa, Transparency International Mexico, Transparency International USA, United Nations Development Programme (UNDP), three UNODC I projects, VCCI) please refer to the previous Annual Reports 2012, 2013, 2014, 2015 and 2016 of the Siemens Integrity Initiative.

Further information is provided on www.siemens.com/integrity-initiative

For all projects the Project Profiles in Section C were provided by the Integrity Partners and approved by them for external use.

C1.

First Funding Round Projects: Project profiles and highlights of activities in 2017

For projects under the First Funding Round the descriptions of activities undertaken in year 7 (2017) were provided by the Integrity Partners in their respective Final Progress Reports and approved by the relevant Integrity Partners for external use.

Of the 31 First Funding Round projects, 30 have been fully completed and reported on in the Annual Reports of 2012, 2013, 2014, 2015 and 2016. 1 remaining project (University of Cairo) is covered in this Section C1.



DESCRIPTION OF INTEGRITY PARTNER

The Center for Economic and Financial Research and Studies is affiliated with the Faculty of Economics and Political Science of Cairo University. The faculty of Economics and Political Science is among the most reputable and distinguished faculties of the Cairo University, well known for its initiatives to raise awareness and enhance extra curricular activities among students. The Center for Economic and Financial Research and Studies is one of the oldest and most active research centers, with multi-dimensional activities, including developing the skills of students.

Name of Integrity Partner:

University of Cairo, Center for Economic and Financial Research and Studies (CEFRS)

PROJECT:

Fighting Corruption and Fraud through Collective Action, Education and Training (Towards a Transparent Economy)

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Egypt	5 years	0.85 M	Egypt

Main activities:

- Raise public awareness of indicators for measuring transparency, and the importance and means of combating corruption (target audience is the general public with a special focus on faculty students and the youth)
- Educate faculty students on the benefits of disclosing and sharing information, and the best means of doing this, in light of international best practices; conduct student research competitions (target audience are faculty and students but may expand to include junior candidates in relevant governmental entities and major economic sectors such as the financial sector, small and medium enterprises, and the corporate sector)
- Integrate knowledge about corruption and transparency in academic curricula; train academic professionals on how to teach these new concepts (target audience are academic professors who are in charge of disseminating acquired knowledge to future generations of students)

PROJECT AT A GLANCE:

The aim of this project is to raise awareness, organize extracurricular activities and create curricula for enhancing the knowledge on transparency and combating corruption among faculty students

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (FEBRUARY 2011 – FEBRUARY 2017):

- 43 Training Workshops, 26 Discussion Forums, 8 Annual Conferences, 5 Student Conferences, 12 Competitions and 5 Simulations were held with a total of over 7 000 participants in attendance
- A first ever Student Model against corruption in Egypt 'Students against corruption CU SAC' was formed. Since 2011 to date, this Student Model has facilitated and enabled annual activities and simulations

- The project facilitated the inclusion of financial integrity in two undergraduate and one postgraduate program
- A 'Meet the Investor - Meet the Regulator and Supervisor' lecture series was created, with prominent speakers invited to facilitate discussions on anti-corruption from the perspective of investors and regulators
- A code of ethics and a code of conduct for faculty and staff of the Faculty of Economics and Political Science were introduced. The code of ethics placed emphasis on 'Integrity & Rejecting Corruption'
- All faculties and faculty members of Cairo University were included in training sessions on anti-corruption
- Overall, the University of Cairo Center for Economic and Financial Research and Studies established a reputation for credible activities and know-how in the field of anti-corruption

Impact

- With the fight against corruption on the political agenda in Egypt since 2014, and with the engagement of the faculty in the Siemens Integrity Initiative project, Cairo University now plays an important contributing role in the Egyptian National Anti-Corruption Strategy in Egypt 2014 - 2018
- There has been a growing interest among students in the fight against corruption. This is evident in the increased number of participants in anti-corruption activities, the increased number of participants in the Student Model against corruption in Egypt 'Students against corruption CU SAC', and the increase in anti-corruption related topics in graduation projects

C2.

Second Funding Round Projects: Project Profiles and highlights of activities in 2017

For projects under the Second Funding Round the descriptions of activities undertaken in year 3 (2017) were provided by the Integrity Partners in their respective Annual Progress Report or Final Report, as the case may be, and approved by the relevant Integrity Partners for external use.



DESCRIPTION OF INTEGRITY PARTNER

Al Akhawayn University in Ifrane is an independent, public, not-for-profit, coeducational Moroccan university committed to educating future citizen-leaders of Morocco and the world through a globally oriented, English-language, liberal-arts curriculum based on the American system. The university enhances Morocco and engages the world through leading-edge educational and research programs, including continuing and executive education, upholds the highest academic and ethical standards, and promotes equity and social responsibility. The university is composed of three schools: School of Business Administration, School of Science and Engineering and School of Social Sciences and Humanities. Al Akhawayn University has approximately 2 100 undergraduate and graduate level students in a residential campus environment.

Name of Integrity Partner:

Al Akhawayn University in Ifrane

PROJECT:

Center for Business Ethics (CBE)

COUNTRY OF IMPLEMENTATION:

Morocco

DURATION:

3 years

USD (MILLION):

0.55 M

REGISTERED IN:

Morocco

The main objective of this project is to enhance integrity in the Moroccan business environment through the creation of a center for business ethics. The mission of the center is to raise awareness and promote clean business in different sectors, namely energy, healthcare, industry and infrastructure and cities. The Center for Business Ethics will constitute a major player in the fight against corruption through training of professionals, students, and educators as well as conducting research projects and developing teaching case studies.

The Center's activities will revolve around the following objectives:

- Good Governance Practices: Help businesses to implement anti-corruption initiatives and

adopt good governance practices through seminars and training courses for executives

- Curricula Development and Seminars: Integrate business ethics into undergraduate and graduate programs. Offer training dedicated to how to integrate business ethics in different disciplines
- Research: Conduct relevant applied research in the areas of business ethics. The goal of these research projects is to advance knowledge and best practices
- Auditors training: Develop and deliver training dedicated to auditors and compliance officers

PROJECT AT A GLANCE:

The project aims to create a center for business ethics to enhance Moroccan business environment (Energy, Industry, Healthcare, Infrastructure and Cities sectors) through training, executive education and research

**KEY ACTIVITIES
 (OCTOBER 2016 – SEPTEMBER 2017):**

Year 3 activities generated numerous achievements:

- 170 future managers attended the Awareness Talks held at four institutions in four different cities
- 19 faculties representing 18 Business Schools based in 6 different cities, from both the public and the private sectors, completed the Faculty Development Workshop on Integrating Ethics in Business Curriculum
- 19 Executive Managers completed the training on Code of Conduct

- Over 80 Business Professionals registered for the Business Ethics conference
- The first Master Thesis was completed on December 9, 2016. A paper from the thesis was accepted at the International Business Information Management Association (IBIMA) conference in Madrid on November 8 - 9, 2017. Two new Master Students have been enrolled to conduct their thesis research on business ethics related topics
- The call for case studies is ready for dissemination in three languages: English, French and Arabic

Impact

Increased awareness and change of perception:

- Students have become more tuned into ethical issues. They used to think of ethics as a philosophical concept far removed from practice. The approach we used in our awareness lectures was to draw the interest of students through a very practical perspective of ethics, which we hoped would change their own perception of ethics

- Faculty training revealed an interesting trend in that most faculty think of ethics as a non-business related concept and given the text book emphasis on ethical theories, most faculties either avoid it or give little thought to it. Through the training, we offered them a new approach to teaching ethics from a practical perspective. The knowledge shared and interest generated in the workshop led to the commitment of several faculties to adopt this good practice by including a practical perspective in their courses
- Professionals learned the importance of having a code of conduct in their organizations and how to effectively develop one and use it

Through the various project activities, the Center for Business Ethics is approached by several organizations that have an interest in organizing joint events and promoting clean business on a wider scale

DESCRIPTION OF INTEGRITY PARTNER

The Basel Institute on Governance is an independent not-for-profit competence center working worldwide with the public and private sectors to counter corruption and other financial crimes and to improve the quality of governance.

Through its International Centre for Collective Action (ICCA), the Institute works with companies and other stakeholders to develop and facilitate anti-corruption Collective Action initiatives in a variety of industry sectors. The ICCA also supports research and analysis on Collective Action. In 2014, the B20 awarded the ICCA with the mandate, together with the UN Global Compact, to establish the B20 Collective Action Hub as a knowledge platform and advisory center on anti-corruption Collective Action in the G20 countries and beyond. The ICCA, together with OECD, further leads the global promotion and implementation of High Level Reporting Mechanisms (HLRMs).

Name of Integrity Partner:

Basel Institute on Governance in cooperation with the United Nations Global Compact (UNGC) and the Organisation for Economic Co-operation and Development (OECD)

PROJECT:

Scaling up the B20 Collective Action Hub

COUNTRY OF IMPLEMENTATION:

Global

DURATION:

3 years

USD (MILLION):

4.00 M

REGISTERED IN:

Switzerland

In support of the mandate of the Basel Institute on Governance and the UN Global Compact to develop and maintain the B20 Collective Action Hub, this project aims to assist interested stakeholders in employing the Collective Action methodology to reduce corruption risks and to consistently and coherently apply anti-corruption compliance programs throughout their global operations. A three-pronged strategy is employed:

- The project will document existing initiatives on the B20 Hub website and analyze these to gain information about factors that may influence the effectiveness of Collective Action initiatives. The website will also enable moderated interactive discussions (e.g. webinars, blogs) to allow interested

parties to take stock of current policy and research and discussions surrounding Collective Action

- The project will continue to develop and provide guidance for new Collective Action initiatives, and expand the scope and remit of existing initiatives moderated by the B20 Hub. This also includes enhanced promotion of the High Level Reporting Mechanism (HLRM) in collaboration with the OECD
- The project will address the dissemination of Collective Action research, best practices and initiatives globally by enhancing the capacity of selected UN Global Compact Local Networks to support Collective Action initiatives, with the aim of reaching substantive regional coverage

PROJECT AT A GLANCE:

The goal of the project is to improve the business environment by enabling companies to engage proactively and jointly tackle bribery and corruption by initiating, promoting and supporting Collective Action Initiatives

**KEY ACTIVITIES
(OCTOBER 2016 – SEPTEMBER 2017):**

Engaging Companies in Collective Action

- In addition to the Metals Technology Initiative, the Basel Institute has begun facilitation of 3 new industry-specific initiatives

Promoting Collective Action Research and Peer-Learning

- The [Collective Action Hub](#) remains a dynamic information platform on developments in Anti-Corruption Collective Action through the addition of blogs, publications and a database of Initiatives

- The Basel Institute's [October 2016 Integrity Conference](#) convened 200 participants from over 30 countries, representing the private and public sectors, civil society and academia

Supporting the Global Policy Agenda

- The Basel Institute contributed to the [recommendations](#) of the B20 Thematic Group on Responsible Business Conduct & Anti-Corruption under the German B20 Presidency

High-Level Reporting Mechanism

- The Basel Institute and OECD have undertaken in-depth research and high-level consultations on designing pilot High Level Reporting Mechanisms in Peru and Argentina, supported the conceptualization of a broadening of the HLRM in Colombia, and provided punctual advice and analysis of the HLRM model in other contexts

Promoting Collective Action through the UN Global Compact (UNGC)

- UNGC Networks in Brazil, Japan, Kenya, and Nigeria have pursued intensive efforts at raising awareness of Collective Action among their business members, holding workshops and convening Collaboration and Incubation Labs to identify industry areas ripe for Collective Action

Impact

- Three new industry groups have committed to Collective Action against corruption facilitated by the Basel Institute
- The B20 endorsed recommendations on beneficial ownership transparency and the use of the HLRM in infrastructure projects
- The World Customs Organization adopted a [recommendation](#) calling upon Member States to deploy Collective Action to counter corruption in customs
- Four UNGC Networks are designing concrete proposals for Collective Action Initiatives

DESCRIPTION OF INTEGRITY PARTNER

NATC is a non-profit organization, duly formed in 2005. Prior to this, it was part of the Chinese Ministry of Commerce. In January 2005, the Ministry of Commerce's Chinese Academy of International Trade and Economic Cooperation and the Beijing Fazheng Group co-founded the newly structured NATC. Its employees consist of researchers, retired government department heads, and other professionals and consultants. In general, NATC's research is focused on new trends in the areas of corporate governance, management structures and corporate philosophy / social responsibility of foreign and Chinese transnational corporations (TNCs). NATC has gained recognition from government agencies and from foreign and domestic companies for its research work in areas such as the objective assessment of the role of TNCs in China and for promoting sustainable socio-economic developments in China.

Drawing upon its research capability, NATC submits policy recommendations to government agencies on the one hand and offers consulting advice to Chinese and foreign TNCs on the other. In addition, NATC also runs a full line of complementary services such as consulting, publishing, conference and training. All these services support and reinforce one another.

Name of Integrity Partner:

Beijing New Century Academy on Transnational Corporations (NATC)

PROJECT:

Strengthen compliance capacity building of all market participants in China

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
China	3 years	1.50 M	China

The project will focus on developing the compliance capacity in Chinese companies. NATC's in-house research shows that while Chinese companies are highly motivated to comply with corporate rules on ethics, there is still a diverse range of Chinese companies which lack the ability to establish and implement such a compliance system.

In concrete terms, the project will focus on attaining the following objectives to contribute to building a clean and fair business environment in China:

- Undertaking in-depth compliance-related research which will help Chinese companies to establish a workable compliance system

- Continuing to advocate and engage policy makers through the submission of ethics-related policy recommendations to the public sector
- Operating the Compliance Club which will be expanded to involve more market participants and include more compliance-related activities
- Implementing the Compliance Knowledge Sharing project and enhancing the Chinese Compliance Website to reach a wider audience
- Convening Semi-Annual Forums to exchange ideas, disseminate examples of best practice that have been identified and create synergies

PROJECT AT A GLANCE:

The project aims to create fair and clean business environment in China by submitting policy recommendations and building compliance capacities of all market participants

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (DECEMBER 2014 – SEPTEMBER 2017):

The project has reached its intended objective to build compliance capacity of all market participants in China

- Dialogue with various governmental institutions together with NATC policy recommendations has facilitated increased government focus on corporate compliance
- Work with departments like the State-owned Assets Supervision and Administration Commission of the State Council has helped to strengthen the compliance management of SOEs

- A China Enterprise Compliance Promotion Alliance will be established soon together with several major associations to reach and influence more market participants
- A [3-book compliance series](#) was published, research findings made available to guide enterprises in establishing compliance systems, and [three practical compliance manuals](#) were published and distributed
- The Compliance Club has grown, a Compliance Management Advisory Committee was established, and 17 club meetings and other club events served as a platform for enterprises to share compliance practices
- 5 compliance seminars were hosted for the automotive, healthcare, and petroleum and petrochemical industries
- Several industry associations were supported in driving compliance Collective Action in their respective sectors
- Over 340 participants attended 7 three-day training sessions, and over 600 participants attended 6 semi-annual compliance forums in Beijing, Shenzhen and Shanghai

Impact

- The Chinese government has increased its emphasis on corporate compliance and issued some corporate compliance regulations
- Efforts to reach more market participants will continue with the support of various major associations and through the planned establishment of the China Enterprise Compliance Promotion Alliance
- Publications, manuals, training, seminars and club meetings have contributed to increased awareness, knowledge and skills for compliance officers and participating enterprises in various sectors and has promoted Collective Action in many regions in China

DESCRIPTION OF INTEGRITY PARTNER

Confederation of Indian Industry (CII),

founded over 123 years ago, is India's premier business association and has played a proactive role in the country's developmental process. CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages.

CII set up the Environmental Division in the year 1992, which was renamed CII-ITC Centre of Excellence for Sustainable Development (CESD) in 2006. CESD is a not-for-profit, industry-led institution that helps business become sustainable organizations. It is on a mission to catalyze innovative ideas and solutions, in India, and globally, to enable business, and its stakeholders, in sustainable value creation.

Name of Integrity Partner:

Confederation of Indian Industry (CII)

PROJECT:

Promotion and Adoption of Responsible Business Practices by Corporates in India

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
India	4 years	0.70 M	India

The abundant potential of the Indian domestic market, driven by its emerging middle class, cost-competitiveness and large talent pool, continues to make the country one of the most preferred destinations for investments and businesses. Nevertheless, instances involving multibillion dollar irregularities have tarnished India's public image in the international business community.

A comprehensive framework is required to help curtail corruption at higher levels. Promotion and Adoption of Responsible Business Practices by Corporates in India will aid understanding of how corruption and unethical business practices are corroding not only the economy but also the corporate environment.

The project is aimed at increasing awareness of current anti-corruption laws and regulations and promoting healthy business practices that are sustainable and replicable. Also, increasing the scope of the effective implementation of existing legislations may prevent problems for the payer and businessmen.

Strong law enforcement and a zero tolerance approach toward unethical business practices is the most effective way to combat corruption. Since the global environment is rapidly changing, it will only be a matter of time before Indian regulations align themselves with internationally acceptable ethical business practices and anti-corruption laws and practices.



PROJECT AT A GLANCE:

The goal of the project is to sensitize, capacitate and help large companies to adopt responsible business practices and influence their supply chains as well as involve local stakeholders and governmental agencies to create awareness

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

- 4 E-newsletters were distributed ([Issue III](#), [Issue IV](#), [Issue V](#), [Issue VI](#))
- Over 200 participants attended a [National Conference](#) in New Delhi organized in collaboration with the International Anti-Corruption Academy
- 5 [E-modules](#) under the “Promotion and Adoption of Responsible Business Practices” course were released covering “Anti-corruption Mechanism in India, Code of Conduct, Companies Act 2013, Transparency in Public Procurement and Whistle Blowing in India”
- Over 75 industrial sector personnel in various areas of business operations were trained
- 8 knowledge cafe sessions with focused group discussions were held with each session attracting over 20 participants
- An [article](#) on the business case for anti-corruption was published in the press
- Over 300 companies have signed the [CII Code of Conduct](#)
- 5 Training Programs covering topics such as Risk Management, Anti-Bribery Management System, Anti-Corruption Mechanism in India, Electronic Audit Tools, and Procurement were held in collaboration with the [Food Corporation of India](#), International Anti-Corruption Academy and the World Bank
- Over 100 participants attended the [Annual Awareness Conference](#) held in September 2017 in New Delhi
- A background paper on [Integrating Ethical Business Practices](#) and articles on the topics of [Integrity Pacts in India](#) and [Standardizing Anti-Bribery Management: 37001:2016](#) were published

Impact

Through the project’s webinars, e-modules, training, conferences, articles, publications, and topical focus, and through its access to a broad stakeholder community, well over 500 individuals and over 300 member organizations have benefitted from increased awareness and skills in the area of responsible business practices. In addition, several companies have collaborated in the development of case-studies on good governance in India.

DESCRIPTION OF INTEGRITY PARTNER

The Ethics Institute is a not-for-profit, public benefit organization, which has been active since August 2000. The vision of The Ethics Institute is to 'build an ethically responsible society' in South Africa and other African countries, such as Mozambique, within the scope of this project. The organization achieves its mission by forming partnerships with the public and private sectors, and serving as a resource through:

- Thought leadership when setting ethical standards
- Research in the field of organizational ethics management
- Assessment of organizations' ethics programs
- Training of ethics skills, including certification of Ethics Officers
- Support and advisory services to clients
- Project management on ethics / anti-corruption for the public and private sectors

Name of Integrity Partner:

The Ethics Institute in cooperation with the Institute of Directors Mozambique (IoDMZ)

PROJECT:

Collective Action for fighting corruption in Mozambique

COUNTRY OF IMPLEMENTATION:

Mozambique

DURATION:

5 years

USD (MILLION):

0.55 M

REGISTERED IN:

South Africa

The project aims to reduce corruption and facilitate clean business and fair market conditions in Mozambique.

In an initial phase, the project focused on the provision of technical assistance in the implementation of corporate ethics standards within the private sector in Mozambique. Initial activities built upon and extend the scope of the good governance standards already in existence, for example, the Code of Corporate Governance and the Code of Ethics for Business.

Based on the anti-corruption training experience gained during the work carried out in South Africa, The Ethics Institute will create a similar local ethics, anti-corruption training and advisory capacity for the public sector, as

well as the private sector in Mozambique. The capacity-building approach of The Ethics Institute vis-à-vis its partner organization IoDMZ in Mozambique will enhance the sustainability of this Initiative even once the project has come to an end.

Ultimately, a Collective Action approach is most suitable when addressing corruption problems which cannot be tackled by one party alone as there are always two or more parties involved when corrupt practices occur. This is why The Ethics Institute will engage with a number of companies who are concerned about cross-border corruption when entering the Mozambique market, as well as with companies deterred from conducting further business in Mozambique.



PROJECT AT A GLANCE:

The main aim of the project is to reduce corruption and facilitate the ease of doing business in Mozambique by building ethics management capacity in both the public and private sectors

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

- Trained and certified 7 Ethics Officers in Mozambique
- Engaged with the Confederation of Business Associations of Mozambique (CTA) thereby increasing the business network reach to over 10 000
- Hosted a cross-border round table in Maputo on November 2, 2016, identifying critical corruption related issues
- 145 Mozambican business leaders attended an 'ethics awareness' networking event in Maputo on November 3, 2016
- Conducted a Monitoring and Evaluation Framework work session on November 3, 2016
- Four Mozambican delegates attended The Ethics Institute's 7th Annual Ethics Conference in Johannesburg on May 15, 2017
- Engagement with the Maputo Corridor Logistics Initiative (MCLI) provided access to key stakeholders within the cross-border arena and facilitated collaboration on corruption prevention efforts
- One Mozambican delegate (from CTA) attended the Ethics Officer Certification Program in South Africa in August 2017
- One Mozambican delegate attended The Ethics Officer Learning Forum in Pretoria on September 16, 2017
- TEI's CEO conducted a [values-driven leadership](#) workshop with 28 business leaders in attendance
- Ordem dos Contabilistas e Auditores de Moçambique (OCAM) delivered two ethics management training sessions
- Institute of Directors Mozambique (IoDMZ) delivered three ethics related training sessions
- Associação de Comércio e Indústria (ACIS) committed to a half-day ethics management workshop in Beira
- A prominent Southern African leader shared verbal support of the project

Impact

- Engagement requests received by The Ethics Institute is noticeably on the rise
- MCLI provided access to key stakeholders within the cross-border network
- The cross-border business environment requested discussions to address anti-corruption issues
- OCAM included an Ethics Management module in their nationwide compulsory member training in 2017

The project is gaining momentum and Mozambican media is frequently covering ethics related events offered by TEI and the local partners.

DESCRIPTION OF INTEGRITY PARTNER

The Ethics Institute is a not-for-profit, public benefit organization, which has been active since August 2000. The vision of The Ethics Institute is to “build an ethically responsible society” in South Africa and other African countries, such as Mozambique, within the scope of this project. The organization achieves its mission by forming partnerships with the public and private sectors, and serving as a resource through:

- Thought leadership when setting ethical standards
- Research in the field of organizational ethics management
- Assessment of organizations' ethics programs
- Training of ethics skills, including certification of Ethics Officers
- Support and advisory services to clients
- Project management on ethics / anti-corruption for the public and private sectors

Name of Integrity Partner:

The Ethics Institute

PROJECT:

Collective Action for fighting corruption in Gauteng Province (South Africa)

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
South Africa	5 years	0.80 M	South Africa

The project aims to address corruption in the Gauteng Province of South Africa in three ways:

Firstly, The Ethics Institute will provide ongoing thought leadership to the Gauteng Anti-Corruption Forum – a newly launched Collective Action anti-corruption initiative involving government, business, civil society and labor. Its purpose is to explore synergies to consolidate anti-corruption efforts across the various sectors, focusing on specific risk areas.

Secondly, The Ethics Institute will collaborate with nine municipalities in the province to strengthen their ethics and anti-corruption management capacity. This will include setting up necessary governance structures and assist-

ing the municipalities during the first few years of implementation of their ethics management programs. Various projects will be undertaken, from the development of leadership involvement to the setting up of an ethics-based policy environment and the institutionalizing of ethics programs. A key outcome is the development of a technically competent and dedicated cadre of Ethics Officers to drive these programs forward.

Lastly, The Ethics Institute will create information and training resources to address “ethics and anti-corruption issues in supply chain management” in the South African procurement environment. The resources will be aimed at SME suppliers of large companies in South Africa.

PROJECT AT A GLANCE:

The project aims to fight corruption in Gauteng Province by providing thought leadership to the existing provincial Collective Action initiative, capacitating municipalities to fight corruption, and developing an anti-corruption training platform for small and medium-sized enterprises (SMEs) in supply chains

KEY ACTIVITIES

(OCTOBER 2016 – SEPTEMBER 2017):

- Forged stronger relationships with ethics champions and ethics officers in the municipalities, ensuring sustained traction
- Trained 194 municipal councillors and 253 officials in 18 ethics training and ethics management workshops. In total 447 people participated in workshops, including 16 officials who attended a 5-day Ethics Officer Certification Programme, 11 officials who attended a

3-day train the trainer programme and 16 Internal Audit staff who attended a programme on assessing the ethics and anti-corruption performance of their municipalities

- Completed the data gathering for the Ethics and Anti-Corruption Management Maturity Assessment of 7 municipalities
- Completed the fieldwork and analysis of the ethics risk assessment for 4 municipalities
- Launched discussions with relevant role-players to facilitate a national discussion on Ethical Leadership in Local Government, with the purpose of developing an Ethical Leadership Code for the sector
- Agreed with the [Coalition for Ethical Operations](#) on the development of a Supply Chain Ethics and Anti-Corruption certification programme (including an online training module) for service providers to large organisations
- TEI's CEO has been invited to serve on the [Gauteng Premier's Ethics and Anti-Corruption Advisory Committee](#)

Impact

- The project has raised significant awareness about the importance of ethics in local governance through the work that has been done, especially with councillors
- At the same time the governance structures and capacity for the management of ethics and anti-corruption in municipalities have been further developed
- There is a committed cadre of ethics practitioners developing with 53 people from various governance functions having been trained on the [Ethics Officer Certification Programme](#). In a number of municipalities the ethics programme is no longer the interest of only a few individuals. This has created momentum which will hopefully grow as the programmes mature

DESCRIPTION OF INTEGRITY PARTNER

The Ethics and Reputation Society

"TEID" is a non-profit organization which was founded in May 2010, and which aims to develop and encourage adherence to universally recognized business ethics principles in the Turkish business environment.

TEID acts as a point of reference for the private sector companies, assisting them in incorporating the principles of business ethics. It also works closely with the legislator in the pursuit of a more ethical socio-economic environment in which companies are enabled to act in compliance with those ethical principles, without losing their competitiveness, and instead thereby gaining advantages.

TEID acts as a platform for sharing knowledge, experience and best practices. It also assists its members in preparing training courses for their local partners and suppliers to ensure that they share a common understanding and language as far as compliance with codes of ethics, integrity risk management and reputation risk management systems are concerned.

Name of Integrity Partner:

Ethics and Reputation Society/ Etik ve İtibar Derneği (TEID)

PROJECT:

Leveling the playing field with Turkish Integrity Center of Excellence – TICE

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Turkey	3 years	1.76 M	Turkey

The project addresses the needs and possible actions required to effectively manage integrity risks in Turkey, and to fight corruption in the private sector, while enhancing the country's potential to implement the existing international ethics standards.

Within the scope of the project, the Turkish Integrity Center of Excellence (TICE) will be created to conduct regular sectoral and cross-sectoral surveys relating to the effects of corruption on the economy on the basis of coherent data. The Center will serve as body to certify and train compliance officers and to facilitate and lead Collective Action initiatives. It will also serve as a knowledge-sharing platform for professionals working in integrity risk management-related areas.

Much of the existing research material shows that companies often lack expertise to implement internationally developed anti-corruption and good governance guidelines and standards. It is currently almost impossible to conduct an objective assessment of improvements in this area since there is a lack of coherent data regarding the socio-economic effects of corruption on leading sectors of the local economy in Turkey.

Many companies have ethical standards but no compliance program for integrating these standards into their corporate culture or guidelines on how to manage integrity risks efficiently. Consequently, particularly for family-owned companies and SMEs in Turkey, business ethics remain a soft skill rather than a value and an asset to be measured, reported, communicated and effectively managed.

PROJECT AT A GLANCE:

The project aims at leveling the playing field, by inclusion of the private sector into combating corruption through actions set forth by the “Turkish Integrity Center of Excellence”

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

- Preparation of [standards](#) for the Ethics and Compliance Manager profession with [the Turkish Republic’s Profession Standardization Institution](#). Once the [draft standard](#) is ratified, the Ethics and Compliance Manager will be recognized as a profession by the Turkish authorities, and the national reputation of and participation in TICE’s certification program will be enhanced
- [INsummit 2017](#) held in June 2017 carried the theme “As Waters Recede”, and attracted renowned international speakers, over 400 delegates and over 3 000 live broadcast followers
- 40 Ethics and Compliance Managers were certified in Turkey’s first ever Ethics and Compliance Certification Program ([INscuola](#)) in association with the Istanbul Bilgi University
- The Integrity Game ([INgame](#)), derived from the [UN Global Compact game](#), was developed as an online compliance game suitable for individual and corporate players, and is used as an e-learning tool by companies and a networking platform for Ethics and Compliance professionals
- 135 TEID corporate members have signed the [Declaration of Integrity](#) to date
- A Collective Action initiative in association with the [Turkish Investor Relations Society](#) facilitated the preparation of [ethics standards for Investors Relations Professionals](#) which were [launched](#) on May 23, 2017 in Istanbul
- Increased participation in 4 compliance officer roundtables ([INplatform](#)) which were held for networking, professional development and information on new trends and issues
- Ethics awareness activities were facilitated such as [The Compliance Officers’ Day](#) on September 26, 2017 and publications such as [INmagazine](#), [INbooks](#), [INguide](#) and [EtikBlog](#)
- [Data collection](#) for the Turkish private sector annual corruption perception surveys in [2016](#) and [2017](#)

Impact

TICE has become a real Centre of Excellence on Ethics and Compliance with the capacity to raise awareness, create learning platforms, advocate certification mechanisms, drive innovations, promote Collective Action initiatives and share cumulative experiences through its local and international sphere of influence. This is demonstrated by the recognition of the Ethics and Compliance Manager a professional post in the private sector, and TICE’s contribution to and representation in the B20 and OECD.

DESCRIPTION OF INTEGRITY PARTNER

MedTech Europe is the European trade association representing the medical technology industries, from diagnosis to cure. It represents Diagnostics and Medical Devices manufacturers operating in Europe. MedTech Europe started as an alliance in October 2012 of Eucomed, representing the European medical devices industry and EDMA, the European in vitro Diagnostic Manufacturers Association. Its mission is to make innovative medical technology available to more people, while helping healthcare systems move towards a sustainable path.

Name of Integrity Partner:

MedTech Europe The European Medical Technology Industry Association

PROJECT:

Extension of the Conference Vetting System to Middle East

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Middle East and North Africa Region	3 years	0.85 M	Belgium

The project's goal is to adapt and replicate the Conference Vetting System, which was initiated in Europe, within the Middle East and North Africa region and to promote this system as a gold standard among internal and external stakeholders.

After its inception in Europe in 2012, the Conference Vetting System is recognized as a compliance standard for the industry and a quality label for third-party conferences in Europe.

The Conference Vetting System is an independently managed system which reviews the compliance of third-party educational events with [MedTech Europe Code of Ethical Business Practice](#) and [Mecomed Code of Business](#)

[Practice](#) (the "Codes") to determine the appropriateness for companies which are members of MedTech Europe and Mecomed to provide financial support to such events in the form of educational grants or commercial activities (booths, advertising, satellite symposium). The decision is binding on MedTech and Mecomed corporate and national association members.

Through this initiative, Eucomed expects to reinforce general understanding of compliance and associated competences in the Middle East & North Africa region. Furthermore, it will contribute to harmonization across and beyond its membership as well as to greater knowledge and adoption of ethical and compliance-oriented behaviors and standards.

PROJECT AT A GLANCE:

The project's aim is to create a level playing field in the healthcare sector with an ethical gold standard for medical technology companies' sponsorship of Healthcare Professionals to third-party educational conferences in the Middle East

**KEY ACTIVITIES
(OCTOBER 2016 – SEPTEMBER 2017):**

- The [Conference Vetting System](#) (CVS) success is measured by the number of submissions in the system which average 30 per month, the diversity of users with 50% of submissions now made by external parties such as professional conference organizers and Healthcare organizations, and an increased scope which, unlike the European System, now covers international, regional and national events to which industry provides financial support
- Activities focused on educating stakeholders on the industry's future strategy on sustaining support to medical education, and includes

the total ban of direct financial support for attendance of healthcare professionals at third-party educational events, more scrutiny on how grants are allocated to healthcare organizations, the extension of the Code provision application to third-party intermediaries, and public disclosure of financial support of industry to healthcare organizations. These principles feature in the new [Mecomed Code of Business Practice](#), which effectively institutionalizes the CVS in the Code, changes the nature of the assessment it conducts, and extends its scope of events reviewed under CVS

- The project results are directly linked to the extensive education, communication and outreach campaign lead by the Middle-East Compliance Officer, including discussions with scientific societies, conference organizers, and government officials such as the Ministry of Health in UAE and Saudi Arabia

Impact

- The Project has resulted in a higher level of collaboration and awareness among different stakeholders who hold the CVS decision in high regard and even urge event organizers

to secure upfront CVS event assessment decisions, and have them published on the EthicalMedTech website before sponsorships, grants, or other support is confirmed

- Event organizers are more willing to collaborate with CVS Middle East Compliance Officer in order to comply with the [Mecomed Code of Business Practice](#)
- In November 2017, the UAE Ministry of Health adopted their own Code of conduct that regulates the relationship between healthcare professionals and Healthcare industries. The UAE authorities confirmed they will refer to the CVS decision in their approval process. The Kingdom of Saudi Arabia and Pakistan adopted their own guidelines on transparency and the industry Code of Conduct
- Such achievements confirm that the project has built a multi-regional standard on conferences which drives ethical business conduct, fair competition, and compliance assurance for many stakeholders, and which also confirms the potential to promote the development of similar codes and regulations in other countries in the region

DESCRIPTION OF INTEGRITY PARTNER

The [Foundation for the Global Compact](#) was established in 2006 and registered as a 501(c) (3) non-profit organization under New York State law. The Foundation is based on the principle that transparency, integrity and public-private collaboration is essential to finding lasting solutions to pressing global problems.

The Foundation supports the activities of the United Nations Global Compact (www.unglobalcompact.org) including fundraising, outreach and engagement with business stakeholders. This is a policy and engagement platform for businesses that are committed to aligning their operations and strategies with the Global Compact's ten universally accepted principles in the areas of human rights, labor, environment and [anti-corruption](#).

Name of Integrity Partner:

Foundation for the Global compact in cooperation with the United Nations Global Compact and the Egyptian Junior Business Association (EJB)

PROJECT:

Developing a corporate anti-corruption ecosystem in Egypt

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Egypt	3 years	1.40 M	USA

The goal of the project is threefold:

- Establish a sustainable multi-stakeholder and business-led Integrity Network in Egypt. The Integrity Network will engage in multi-stakeholder dialog and provide public policy recommendations on major anti-corruption issues in Egypt. Information about the Integrity Network in Egypt will be disseminated and global outreach will be undertaken by means of a well-designed communications strategy
- Encourage Egyptian small and medium-sized enterprises (SME) to commit to advancing their anti-corruption practices and sign an Integrity Pledge which takes into account their needs and challenges. Signatories will be provided with capacity-building training on anti-corruption. This will be carried out through

awareness raising, tailored training for senior management and the Ethics & Compliance officers, as well as the provision of a central support function with regard to the implementation of the Integrity Pledge. An independent assessment process will also be developed for participating SMEs to assess their performance in connection with anti-corruption programs

- Provide tangible business advantages and incentives to SMEs in Egypt which demonstrate ethical leadership and to motivate them to join the fight against corruption. Efforts will be made to convince SMEs that fighting corruption has business value. This will not only motivate individual enterprises to establish anti-corruption practices within their operations, but also increase the relevance of the Integrity Network

PROJECT AT A GLANCE:

The aim of the project is to establish a sustainable multi-stakeholder, business-led Integrity Network in Egypt, build capacity of SMEs to implement anti-corruption compliance programs and link their efforts with tangible business incentives

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

- 7 [Introductory Sessions](#) were held to introduce Egyptian Small and Medium Enterprises (SMEs) and other relevant stakeholders to the Integrity Network Initiative. Over 25 bilateral meetings with large corporations and public sector stakeholders were held. 20 new stakeholders joined the Initiative in the reporting period
- 42 participants from 36 companies were trained in 6 [Senior Management Training Sessions](#), and 28 participants from 24 companies were trained in 3 [Ethics and Compliance Manager Training Sessions](#)
- Stakeholder engagement was intensified and resulted in a first multi-stakeholder roundtable in cooperation with the governmental regulatory body, the Administrative Controls Authority (ACA) on the development of a Code of Conduct for the private sector
- Additional capacity building material was developed by the Project: [An Anti-Corruption Policy Guideline for SMEs](#), an Internal Controls Brief, and a [Guideline for developing a Code of Conduct](#) (in cooperation with the ACA)
- To grow the Integrity Network outside of Cairo, additional workshops were held in Port Said, Alexandria, and Sohag (Upper Egypt)
- A [press conference](#) and [Signing Ceremony](#) was held on June 15, 2017 to commemorate the joining of new members and partners, and it included key notes by the Minister of Trade and Industry and some of the Initiative's Supporting Partners
- A first Networking event for Members and Supporting Partners of the Initiative was held to share experiences and strengthen the [Integrity Network Initiative](#)

Impact

The Project has increased its cooperation with public sector stakeholders such as the Administrative Controls Authority, the Ministry of Trade and Industry, and the General Authority for Investment. It has also created substantial media attention, held more workshops and training sessions, increased its online and social media, and extended its reach to Upper Egypt, all contributing to better project leverage, more awareness, increased Integrity Network membership, and good potential for future cooperation

DESCRIPTION OF INTEGRITY PARTNER

Global Compact Network India is the Local Network of United Nations Global Compact (UNGC) operating in India.

The UNGC is a global policy and engagement platform for businesses that are committed to aligning their operations and strategies with the 'ten universally accepted principles' in the areas of human rights, labor, environment and anti-corruption.

At present, the Local Network in India ranks among the top three out of the 102 Global Compact Local Networks in the world, and has emerged as the largest corporate citizenship and social responsibility organization in the country with a pan-Indian membership.

Comprising 182 member organizations and 338 signatories, including some of the most prominent industries in the country, GCN India provides a forum to support the 'ten principles' of the UNGC and promote these among its various members in India. It also aims to build strong interconnected networks to foster sustainable and positive corporate citizenship within its own milieu.

Name of Integrity Partner:

Global Compact Network India (GC Network India)

PROJECT:

Center of Excellence for Strengthening Transparency and Ethics in Business: Scaling Up the Collective Action Agenda in India

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
India	3 years	0.73 M	India

The Indian business community practices a multitude of anti-corruption initiatives in silos. The Center of Excellence would encourage a shared focus among the business stakeholders in India and provide a platform for greater coordination, thereby increasing the reach and impact of business transparency initiatives.

Essentially, the Center aims to:

- Develop pragmatic approaches around UNGC Principle 10 to challenging business decisions
- Provide enabling platform to businesses, policy makers, civil society, industry associations, UN agencies and academia

- Improve organizational decision making through a stakeholder management framework that integrates transparency and integrity

The Center of Excellence will be developed on a collaborative model and develop new approaches and techniques by engaging a diverse range of stakeholders, focusing on both the supply and the demand side of corruption.

PROJECT AT A GLANCE:

The aim of the project is to establish a premier knowledge repository that conducts innovative research and training, provides a platform for dialogue, and facilitates policy initiatives for strengthening transparency and ethics in business

**KEY ACTIVITIES
(OCTOBER 2016 – SEPTEMBER 2017):**

Transparency in Procurement

- Following the Global Compact Network India's (GCNI) successful advocacy with relevant Ministries, focus shifted to media advocacy on the necessity of promoting transparency in public procurement
- The learning and recommendations from GCNI's 'White Paper – Business Recommendations for Public Policy Procurement in India' were reported by [Hindu Business Line](#)
- These multi-tiered rounds of advocacy ensured that project interventions reached the policy makers, implementers and monitors

Smart City Mission

- Under the Smart Cities Mission at the national level, GCNI developed a Framework for Governance of Smart Cities, which was shared at national and international platforms as a tool for planning, implementing and monitoring smart city projects
- Beyond the Framework, GCNI focused on [Sustainable Development Goal 11](#): Sustainable Cities and Communities, and worked on a Public Private Partnership Handbook and Risk Assessment and Mitigation Toolkit for business and government stakeholders of Smart Cities
- Pune city municipality appreciated GCNI's completion of [the first year of implementation](#) of its memorandum of understanding with the smart city

Exchange of Good Practices

- GCNI has continued to keep its stakeholders updated of project developments at regular intervals through internal newsletters. See the [December 2016](#), [April 2017](#) and [September 2017](#) newsletter editions as examples

- GCNI also explored and engaged in knowledge partnerships with global organizations such as the [World Bank Group](#), UN Habitat and the Global Compact Cities Program

Impact

The Project has made four major contributions to clean business:

- Technical support given by Global Compact Network India to Pune Smart City Development Corporation Ltd. has facilitated transparent processes and enabled a level playing field. Tender bidding processes are improved and allow for increased participation of deserving parties in the bidding process
- Seven out of eight of Global Compact Network India's recommendations on Public Procurement Policy are now part of India's policy framework
- The Framework for Governance of Smart Cities has the potential to streamline governance structures in the Smart Cities Mission of Government of India
- Knowledge sharing partnerships aim to enhance synergies in collective interventions and ensure sustainable solutions for cities

DESCRIPTION OF INTEGRITY PARTNER

The **Global Compact Network Korea** (GCNK), affiliated organization of the United Nations Global Compact (UNGC) in New York, aims to promote the UNGC Ten Principles in the areas of human rights, labor, environment and anti-corruption. The GCNK has played a key role in disseminating those values to the UN Global Compact participants in Korea from the public, private and non-profit sectors by holding various workshops, symposiums and conferences, conducting CSR projects, translating UN Global Compact & CSR related materials, and promoting social dialogue since 2007.

The GCNK specializes in developing cooperative partnership among various stakeholders, especially companies, industry associations, embassies and local and foreign chambers of commerce. One of the key activities of GCNK is to gather, shape and develop collective voices of private and public sector organizations for further collaborative dialog to advance corporate responsibility in the areas of human rights, labor, environment and anti-corruption.

The Project Partner Global Competitiveness Empowerment Forum (GCEF) is a non-profit organization to promote corporate social responsibility, creating shared value, sustainability and business integrity of public, private and social enterprises, specialized in research, education, seminar, policy analysis and multi-stakeholder dialogs by nurturing Collective Action and cross sector cooperation.

Name of Integrity Partner:

Global Compact Network Korea (GC Network Korea) in cooperation with the Global Competitiveness Empowerment Forum (GCEF)

PROJECT:

Fair Player Club			
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
South Korea	3 years	0.90 M	South Korea

The Fair Player Club endeavors to provide business participants and stakeholders with knowledge, skills, strategies, and resources to promote anti-corruption dialogue and Collective Action as well as to advance ethical practices and transparency in business operations within their industry, region, and country by engaging with industry associations, local and foreign chambers of commerce, central and metropolitan city governments, and foreign embassies in South Korea throughout the three-year project.

The project also raises awareness and competence of companies on business integrity, ethics, and compliance system through the various activities on workshops, Fair Play Pledge, Fair Play Competence Assessment as well as dissemination of the unified codes of conduct, Fair Play guidelines and case studies.

PROJECT AT A GLANCE:

The project aims to create fair and clean market conditions in South Korea as a public-private platform for anti-corruption by mobilizing the commitments of all market players

**KEY ACTIVITIES
(OCTOBER 2016 – SEPTEMBER 2017):**

Developing a public-private sector platform for collaboration building – Council

- With endorsement from government ministries such as the Office for Government Policy Coordination, the Ministry of Trade, Industry and Energy, the Anti-Corruption and Civil Rights Commission, the Ministry of Interior and Safety, and the Ministry of Foreign Affairs, the Fair Player Club (FPC) Team engaged with Korea In-house Counsel Association, 7 metropolitan cities and chambers of commerce and industry, and 5 foreign embassies and chambers of commerce to foster anti-corruption Collective Action

Empowering companies for capacity building – Research, Workshop, Assessment

- Research work on anti-corruption policies of the European Union resulted in the publication of the [Compliance Package EU edition](#)
- 1 industry workshop was hosted with the [Korea In-house Counsel Association](#), 4 metropolitan city workshops were hosted in [Daegu](#), [Ulsan](#), [Daejeon](#), and [Incheon](#), and 2 embassy workshops were hosted in Seoul with [Sweden](#) and the [United Kingdom](#)
- An online assessment survey of anti-corruption programs and compliance systems was developed, and an in-depth analysis report was published and distributed to Fair Player pledge companies who participated in the survey

Commitment to creating fair playing business environment and consensus building – Pledge and Summit

- 69 new companies signed the Fair Play Pledge at the Signing Ceremony convened in Seoul in February 2017, with a total of 129 companies having now signed the pledge

Reaching out to various stakeholders in Korea and abroad – Outreach

- The FPC Team participated in several domestic and international events to promote the project's anti-corruption activities, and encouraged participants to join the FPC's Collective Action initiative in Korea and overseas

Impact

- Engaging with the Ministry of Interior and Safety facilitated the endorsement of the project by 7 municipal governments and their chambers of commerce and industry. The clear willingness of municipal councils to promote anti-corruption policy and culture resulted in the establishment of public-private integrity committees and 34 local businesses and public companies who signed the Fair Player pledge
- The FPC project featured in the [policy paper](#) of the B20 Cross-Thematic Group Responsible Business Conduct & Anti-Corruption as one of the best Collective Action practices

DESCRIPTION OF INTEGRITY PARTNER

The **International Anti-Corruption Academy** (IACA), an international organization based in Laxenburg, Austria, is a pioneering institution that aims to overcome current shortcomings in knowledge and practice in the field of anti-corruption and compliance. The organization intends to empower and enable professionals for the challenges of tomorrow.

The Academy provides a new, holistic and collective approach to anti-corruption education and research, delivers and facilitates anti-corruption training courses for practitioners from all sectors of society, and provides technical support and assistance to a wide variety of stakeholders.

IACA became an international organization on March 8, 2011. To date, it comprises a constituency of 70 parties, including 67 states and three international organizations. In addition, IACA seeks broad partnerships with private sector institutions, international and non-governmental organizations, as well as civil society.

Name of Integrity Partner:

International Anti-Corruption Academy (IACA)

PROJECT:

Professorship on Collective Action, Compliance and (Private Sector) Anti-Corruption & grants for IACA participants from Least Developed Countries and Emerging Markets

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Global	4 years	4.98 M	International Organizational, Austria

The IACA is dedicated to overcoming current shortcomings in knowledge and practice in the field of compliance and anti-corruption. The organization's holistic and collective research and training programs for the private and public sectors as well as civil society strive to enhance the understanding of each other's approaches, intentions, and methodologies, while also providing the opportunity to explore common problems from different angles with joint academic rigor.

Compliance, private sector anti-corruption programs, and especially Collective Action are relatively new areas in the fight against corruption. The "Professorship on Collective Action, Compliance and (Private Sector) Anti-Corruption" will contribute to meeting the demand for in-depth analysis in these fields. It will develop

and offer an academic two-year Master's degree program, seminars and conferences focusing on the needs of the private sector, and also develop benchmarks for anti-corruption activities in the private sector in order to promote fair market conditions.

Grants for students and participants from least developed countries and emerging markets:

In accordance with the inter-regional approach of IACA, students and participants from all over the world should have the opportunity to study and work at the Academy. In order to be able to provide training to those participants who would otherwise not be able to afford it and enable them to attend courses, grants and tuition fees will be provided.

PROJECT AT A GLANCE:

IACA's "Professorship on Collective Action, Compliance and (Private Sector) Anti-Corruption" will research, lecture, train, and provide technical assistance in these fields in order to promote fair market conditions

KEY ACTIVITIES

(OCTOBER 2016 – SEPTEMBER 2017):

- The [International Master in Anti-Corruption, Compliance and Collective Action \(IMACC\)](#), a new international, interdisciplinary master's program was launched in November 2017
- The Professorship on Collective Action Compliance and (Private Sector) Anti-Corruption (PCAC) team provided lecturing and training to over 150 participants through various training IACA programs and project activities

- Contributions were made at various conferences to over 3 000 participants in total. The preliminary findings of empirical research on Collective Action initiatives were particularly useful for these activities
- A Collective Action approach was presented to 100 anti-corruption professionals at a Collective Action workshop held in Bolivia on June 20, 2017, and received very positive feedback
- The PCAC team published 5 articles on various Collective Action and anti-corruption themes, with a further 3 articles in preparation for future publication
- Existing relevant compliance benchmarking studies were collected and reviewed, with pilot benchmarking research started and in progress
- A new [Research Fellowship Program](#) was introduced, with 8 out of 35 applications accepted and 2 fellows having started their research at IACA

- 43 scholarships and 13 fee waivers were awarded to students and participants in IACA's various academic and training programs

Impact

- The lecturing, supervision, workshop, and conference contributions of the PCAC team have raised awareness and provided practical assistance in the area of Collective Action and has reached over 3 000 people in total
- Research Fellowships and scholarships have stimulated new intellectual and professional interest in Collective Action, compliance and private sector anti-corruption

DESCRIPTION OF INTEGRITY PARTNER

The Organisation for Economic Co-operation and Development (OECD) is an inter-governmental organization bringing together 35 countries that seek to promote economic growth, prosperity and employment through co-operation and policy dialogue. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. The Organisation benchmarks best practice and develops binding and non-binding standards promoting common rules in areas where multilateral agreement is necessary to ensure the correct functioning of markets. The OECD has considerable experience in business integrity and gives high priority to the issue, ensuring for example the effective implementation and enforcement of the OECD Principles of Corporate Governance, Guidelines for Multinational Enterprises and the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Name of Integrity Partner:

Organisation for Economic Co-operation and Development (OECD)

PROJECT:

Business Integrity in Morocco: Creating an alliance between private sector and government

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Morocco	3 years	0.70 M	International Organization, France

To fight corruption in Morocco, government and business associations declared their will to implement obligations under the United Nations Convention against Corruption (UNCAC).

The project will assist government, business partners and civil society in Morocco in enabling change and promoting business integrity in selected sectors by:

- Building policy and institutional framework for promoting integrity
- Strengthening government processes by introducing anti-corruption measures in procurement
- Facilitating the development of Collective Action initiatives against corruption

The project will bring together senior government and business representatives to identify sources of and measures against integrity risks in selected sectors and to adhere to a policy

statement committing both sides to designing and implementing integrity measures, including pilot Collective Action projects.

Capacity-building through training for Moroccan officials, will be key to implementing the commitments initially endorsed. This training will focus on public procurement.

Round tables will be organized to identify proposals for pilot Collective Action projects. Individual coaching, tailor-made advice and support from consultants will be provided.

The project will build political support for the implementation of practical business integrity measures and influence the practice of decision-makers in procurement in both the public and private sector. The gained practical experience will enable reform-oriented experts in government, the private sector and civil society to replicate this experience in other sectors.

PROJECT AT A GLANCE:

The project aims to promote clean business and fair market conditions in Morocco through supporting an anti-corruption policy framework, Collective Action and integrity training in public procurement

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

National Anti-Corruption Strategy:

- In March 2017, the OECD team participated in the second meeting of the committee leading the implementation of the [Moroccan Anti-Corruption Strategy](#) adopted in 2015, and presented and discussed the OECD project activities in Morocco

Domestic ownership:

- The Confédération Générale des Entreprises Du Maroc (CGEM) ethics commission representatives have increased their support for

the integrity project and Collective Action through local meetings and exposure to international experts, including the Conference on 'Collective Action: Evidence, Experience and Impact' in Basel in October 2016, the 2017 OECD Integrity Week, and Collective Action Workshops held in April 2017

Integrity Survey:

- Integrity risks and possible preventive measures in the energy, transportation and health sectors in Morocco were submitted to both government representatives in the relevant ministries as well as to all the participants in the Collective Action sessions organised jointly with the CGEM
- A local consultant, with extensive high-level experience in integrity and anti-corruption policies, conducted in-depth discussions with public and private sector representatives in Morocco, and made further contributions to the draft report prepared in 2016

Business round-tables:

- In November 2016 and April 2017, separate sector specific workshops were held with the CGEM and representatives of the three target sectors to inform and identify possible Collective Action measures and to engage in knowledge sharing and transfer

Impact

- Extensive consultations with government representatives, including the office of the Head of Government, as well as the private sector led to the inclusion of the project in the [Moroccan National Anti-Corruption Strategy](#) and to the participation of the OECD in the committee leading the implementation of this strategy
- During the capacity building workshops, business representatives from the three sectors gained knowledge on how to establish an integrity framework for businesses in Morocco

DESCRIPTION OF INTEGRITY PARTNER

The **Organisation for Economic Co-operation and Development** (OECD) is an inter-governmental organization bringing together 35 countries that seek to promote economic growth, prosperity and employment through co-operation and policy dialogue. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. The Organisation benchmarks best practice and develops binding and non-binding standards promoting common rules in areas where multilateral agreement is necessary to ensure the correct functioning of markets. The OECD has considerable experience in business integrity and gives high priority to the issue, ensuring for example the effective implementation and enforcement of the OECD Principles of Corporate Governance, Guidelines for Multinational Enterprises and the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Name of Integrity Partner:

Organisation for Economic Co-operation and Development (OECD)

PROJECT:

OECD Russia Corporate Governance Roundtable

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Russia	3 years	1.55 M	International Organization, France

The project aims to strengthen the corporate governance framework of Russian companies in line with international compliance standards in order to promote good practices of corporate governance and business integrity.

A robust and accountable corporate governance system with sound risk management, transparency requirements and control mechanisms helps to prevent corrupt behavior by and within corporations.

Good corporate governance and cleaner business will contribute to economic efficiency through risk reduction and increased investor confidence, promoting value creation, jobs and growth.

The objectives of the project are threefold:

- To promote international standards and good practices of corporate governance and business

integrity within large companies in Russia, thereby underpinning the accountability and transparency needed for enhanced business integrity. This is achieved mainly through OECD-driven policy dialogue and sharing of good practices, culminating in large annual meetings involving Russian and international high-level policy makers, experts and representatives from key companies in Russia

- To build the capacity of managers and board members of large Russian companies to foster the implementation of good corporate ethics practices
- To enrich the corporate governance and business integrity debate through the production of high-quality reports and training materials developed for this project and disseminated to a wide audience

PROJECT AT A GLANCE:

The aim of the project is to work with businesses, policy makers and stakeholders to sustainably improve Russian corporate governance practices so as to promote business integrity and prevent misconduct

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

Involving a wide stakeholder group:

- [3 public seminars on corporate governance and business integrity](#) were held in collaboration with Deloitte CIS. The Russian Federal Antimonopoly Service also collaborated in one workshop, and the Bank of Russia in another. The seminars provided a forum for exchange with international and Russian experts and corporate representatives on business integrity, and contributed to the promotion of international standards and good practices in Russia

Expanding geographical reach:

- Seminars were scheduled for October 2017 in Saint Petersburg and Kazan, with more following in other regions, to increase the capacity building of responsible business practice and integrity beyond Moscow, especially into other economically dynamic regions in Russia

Including state-owned enterprises:

- At the annual [Russia Corporate Governance Roundtable](#) in November 2016, which was organised with the Moscow Exchange and the bank of Russia and attended by 400 participants, several panel discussions focused on accountability and disclosure of corporate practices, particularly in state-owned enterprises (SOEs), which allowed the OECD to share [knowledge](#) and showcase its work on [SOEs](#) such as the [OECD Guidelines on Corporate Governance of State-owned Enterprises](#). A fruitful discussion on well-functioning business integrity policies within corporations and anti-corruption compliance measures in Russian companies also took place at the meeting

Impact

- The project offers a forum in Russia for information sharing and dialogue on business integrity, good international practices and OECD tools, it helps move business integrity higher up on the agendas of Russian firms and authorities, and it promotes the adoption of best practice governance frameworks in Russian firms
- The project has reached a wide audience in raising awareness and fostering business integrity through corporate governance in Russia
- The project has enabled constructive interactions with firms and relevant regulators, with many Russian companies eager to present their practices at seminars, and regulators seeing these events as an opportunity to break down siloes between compliance and governance officers in their firms

DESCRIPTION OF INTEGRITY PARTNER

The **Pan African Lawyers Union** (PALU) is a continental membership forum for African lawyers and lawyers' associations. PALU was founded in 2002, by African Bar leaders and eminent lawyers, to reflect the aspirations and concerns of the African people and to promote and defend their shared interests. It brings together the continent's five Regional and 54 National Lawyers Associations, whose Presidents constitute the PALU Council. It is the vision of PALU to see a united, just and prosperous Africa, built on the rule of law and good governance. Its mission is to advance the law and the legal profession, rule of law, good governance, human and peoples' rights and socio-economic development of the African continent.

Name of Integrity Partner:

Pan African Lawyers Union, PALU

PROJECT:

African Lawyers Initiative on compliance in business relations

COUNTRY OF IMPLEMENTATION:

Africa

DURATION:

3 years

USD (MILLION):

0.93 M

REGISTERED IN:

Tanzania

This project intends to enhance the level of transparency and accountability in business transactions in the energy sector in Africa. The goal of the project is two-fold:

- Strengthen the rule of law and good governance through the development and use of an Africa-wide Code of Ethics on anti-corruption efforts and compliance standards which is developed, implemented and championed by African lawyers in the public and private sectors for the benefit of local and international business, in particular in the energy sector in Africa
- Training of private and public sector lawyers across Africa, primarily those employed in the energy sector, in the systematic application of the anti-corruption and compliance standards and the new Code of Ethics in business transactions

Initially, it is planned to conduct comprehensive research and mapping to create a knowledge base for the development of a comprehensive list of anti-corruption and compliance instruments, as well as actors working in this field. This research, together with the support of experts and the establishment of an African Lawyers Anti-Corruption Steering Committee, will lead to the development of anti-corruption and compliance standards for African lawyers, as well as a curriculum for a series of training courses on international, African regional and sub-regional anti-corruption instruments and methods of ensuring compliance. Through the Pan African Lawyers Initiative's interactive website, African lawyers will be able to pledge their adherence to the above-mentioned and new anti-corruption standards.

PROJECT AT A GLANCE:

The project aims to strengthen the rule of law and good governance through the use of a continental Code of Ethics on anti-corruption and compliance standards for business and public sector African lawyers

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (JANUARY 2015 – SEPTEMBER 2017):

The main project activity was the development of the [Code of Ethics](#) on Anti-Corruption and Professional Compliance Standards for Lawyers Working in Africa ('the Code'). To successfully finalize this, activities such as researching, hiring consultants and setting up experts committees were carried out. These ensured that the content of the Code was relevant and met the needs of lawyers. An interactive website was also developed and various continental meetings and training sessions were held to popularize and disseminate the Code, whereby comments on the Code were also submitted. These

key activities all involved a continental drive to get as many lawyers as possible to sign the Code. In all, PALU has trained 220 lawyers coming from 39 different Lawyers' Associations.

The adoption of the Code has been the biggest achievement of the project. Individual lawyers have already signed the Code and pledged their commitment to fighting corruption. The strategy to develop an ancillary document to the Code, the Memorandum of Understanding between Lawyers' associations and PALU ('the MoU'), further ensured that the Code would be disseminated and implemented more effectively and efficiently. Three Lawyers' Associations, the Western Sahara Bar Association, the Law Society of Seychelles, and the Law Society of South Africa were the first to sign the MoU and committed to fully implement the provisions of the Code in their respective jurisdictions, with the SADC Lawyers' Association promising to disseminate it in the sub-region and ensure its adherence.

Impact

Lawyers in Africa have taken a more active role in advocating for the inclusion of anti-corruption standards in Africa's business environment. They also got an opportunity to network and discuss on lawyer-led anti-corruption strategies which has enhanced their individual and institutional capacity. Lawyers' Associations also vouched to remain seized of the matter. At an organizational level, PALU has gained considerable experience and capacity to not only drive Africa's anti-corruption agenda, but also promote good economic governance in the continent.

DESCRIPTION OF INTEGRITY PARTNER

The **Pearl Initiative** is the leading, independent, not-for-profit, by-business for-business organization working across the Gulf Region of the Middle East to improve corporate accountability, governance and transparency.

The Pearl Initiative, with its growing network of Partner Companies, is committed to positively influencing the entire regional business and student community towards implementing higher standards in corporate governance, anti-corruption, ethical business, leadership, gender diversity and reporting.

Founded in 2010, the Pearl Initiative carries out its objectives through:

- Regional Insights, Case Studies and Research-based Reports
- Task Force Initiatives and Interactive Roundtable Forums
- University Collaborations to enhance the capabilities of future business leaders

Name of Integrity Partner:

Pearl Initiative

PROJECT:

Implementing integrity practices in GCC private and public businesses

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
United Arab Emirates, Kingdom of Saudi Arabia, Bahrain, Qatar, Kuwait, Oman	3 years	0.88 M	United Arab Emirates

The aim of the project is to influence the behavior of business leaders, government representatives and students across the Gulf Region through education and incentivization, and by building a local community that is sharing good integrity practices, leading the way in the implementation of better standards, and actively encouraging others to do so.

To facilitate higher levels of integrity and transparency in businesses in the Gulf Region, the project is developing practical tools to help companies, and particularly first-time adopters of such higher levels of integrity and transparency, to implement better practices.

The project has three key objectives:

- Develop a GCC Integrity Measure and publish it widely to provide businesses with a tool to measure integrity and thereby foster integrity and transparency within businesses in the region
- Facilitate the creation of a Collective Action community, and enhance dialogue between the business community, civil society and government, highlighting the business benefits to align interests and incentives in implementing higher standards
- Reach out to future business leaders by encouraging universities in the region to include practical experience of integrity practices in their curricula and by actively engaging students with activities such as projects and case study competitions



PROJECT AT A GLANCE:

The project will incentivize and help Gulf Cooperation Council (GCC) business leaders (and future leaders) to implement more rigorous integrity practices, with direct business benefits for doing so

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

- The assessment methodology of the Gulf Integrity Indicator (GII) was updated to ensure that it is scalable for and applicable to different organizations operating within diverse sectors and industries with multiple operating models
- The pilot phase of the GII was conducted across the United Arab Emirates and the Kingdom of Saudi Arabia and obtained valuable input and feedback on potential areas of improvement and key incentives to on-board companies
- The program's overall media presence was increased through dedicated print press releases, online press releases, op-eds and social media posts
- 3 roundtable events were held in Dubai, Bahrain and Kuwait with over 100 business professionals and media agencies in attendance. The real impact of corporate anti-corruption strategies was explored through panel discussions and audience participations to further examine best practices related to the development, maintenance and continuous monitoring of integrity practices
- The GII was published as a report that highlights the assessment methodology and the six linked pillars of integrity best practices with an emphasis on the criteria used in the assessment process for individual organizations
- An awards ceremony was held for the GCC-wide student case study competition in Prince Sultan University in the Kingdom of Saudi Arabia with over 200 students and faculty members in attendance
- The Bahrain Student Case Study Competition report was published on our website and resource center
- A second GCC-wide student case study competition was launched

Impact

- During the pilot, one participant, a gulf based regional and global organization, established a task force to address identified areas of weakness. Another participant plans to expand the integrity indicator to its 30 subsidiaries to act as a benchmark
- Through the engagement with universities, positive praise has been received from professors and students on the impact the case study competition had on their understanding of integrity and the real-life application of integrity practices

DESCRIPTION OF INTEGRITY PARTNER

POLMED is one of the largest and most highly recognized chambers of commerce in Poland which represents manufacturers and distributors of medical devices in Poland. It acts as a source of information for members, protects their interests and conveys their views to decision-makers in the industry and the government. POLMED aims to ensure that members operate in a business-friendly, ethical and fair market environment.

POLMED provides training courses and consultations necessary for their members' business operations. It focuses on promoting the rules and advantages of professional ethics and honesty in business practices among its members. The 'Code of Business Practice' has led to a significant improvement in the quality of its members' interactions within the medical environment.

Up until September 2014, POLMED was successfully implementing the forerunner project MedKompas I, which aimed to promote ethical cooperation between representatives of the medical devices market and healthcare professionals.

Name of Integrity Partner:

The Polish Chamber of Commerce of Medical Devices (POLMED)

PROJECT:

MedKompas Poland II

COUNTRY OF IMPLEMENTATION:

Poland

DURATION:

4 years

USD (MILLION):

0.65 M

REGISTERED IN:

Poland

In the framework of the MedKompas II project, the anti-corruption activities of the previous MedKompas I project toward clean business and fair market conditions in the medical device market will continue in addition to the introduction of new and more advanced activities which will enhance the impact achieved so far.

During the MedKompas II project, POLMED intends to:

- Educate the Polish healthcare system participants (e.g. medical doctors, hospital directors and management staff, etc.) about ethical business conduct and how to set up transparent relations between doctors and medical companies, combined with awareness raising

activities among the medical device system participants (e.g. decision makers, doctors, hospital directors, representatives of medical device companies)

- Build the first model compliance system for public healthcare institutions in Poland and implement this in three selected Polish hospitals

POLMED believes that if the gap between the legislation and people's values and social norms is too large, then even the most restrictive legal regulations will not help to fight corruption. This is why the activities are geared towards shaping ethical values in the public and private healthcare sectors.

PROJECT AT A GLANCE:

The project concentrates on reducing corruption risk in the Polish healthcare sector through education, promotion of compliance policy, development and popularization of anti-corruption tools tailored to the needs of Polish health-care facilities

**KEY ACTIVITIES
(OCTOBER 2016 – SEPTEMBER 2017):**

- The MedKompas team organized 18 training sessions on ethical issues associated with the healthcare sector and medical industry (MedKompas training map available [here](#))
- 572 healthcare employees such as hospital directors, hospital management, public procurement department staff, medical doctors, and nurses participated in the training sessions
- 15 new healthcare facilities decided to participate in the Project with two facilities receiving more training sessions at the request of the hospital management

- Project activities and achievements were communicated in several press [articles](#) and webpage [posts](#)
- Since the start of the MedKompas II project, the [webpage](#) has seen an increase of 25 639 visits by 12 292 individuals
- MedKompas experts finalized implementation of the compliance system in a third hospital, the Independent Public Healthcare Centre in Parczew, on June 21, 2017
- MedKompas experts gave training on the new code of ethics and the new ethical rules to hospital employees in Parczew on June 28, 2017
- Two public debates on ethical issues were organized - one in Warsaw on October 26, 2016 and the other in Katowice on February 3, 2017

Impact

Project activities have resulted in:

- More healthcare institutions realizing the need to train employees on the risks of corrupt behavior and the benefits of ethical conduct
- More public healthcare institutions approaching MedKompas to organize training for their employees
- A growing interest in and a higher demand for the implementation of compliance systems by healthcare institutions beyond the 3 healthcare facilities planned for and implemented in the Project
- Model documents that can be used by healthcare institutions as a basis to implement compliance systems at their own initiative

DESCRIPTION OF INTEGRITY PARTNER

As part of the global [Transparency International](#) movement leading the fight against corruption, the Transparency International Secretariat tackles corruption on a regional and global stage.

Based in Berlin, the Secretariat provides leadership for the movement's international initiatives, supports national chapters and coordinates the regional work through knowledge sharing, advocacy and building coalitions.

In collaboration with the more than 100 national chapters and national contact groups, the Secretariat produces numerous research tools and policy positions. It serves as a knowledge centre, offering valuable insight into the dynamics of corruption and new approaches to tackling this.

Name of Integrity Partner:

Transparency International Secretariat (TI-S)

PROJECT:

Collective Action for Clean Business

COUNTRY OF IMPLEMENTATION:

Global

DURATION:

3 years

USD (MILLION):

3.06 M

REGISTERED IN:

Germany

The Transparency International Secretariat promotes business integrity at three levels (individual businesses, groups of businesses, and the business environment), all of which are underpinned by Collective Action.

In order to achieve the objective of facilitating change at scale, the project aims to improve the capacity of Transparency International to work as a catalyst for Collective Action at national level in multiple countries and advocate improved standards, norms and practices within international fora and initiatives.

This involves:

- Developing evidence bases for Collective Action at national level through 'Transparency in Corporate Reporting Assessments' and 'Business Integrity Country Assessments'
- Evaluating the effectiveness of and providing support for the replication of Integrity Pacts for procurement at a new scale
- Disseminating learning and expertise within the Transparency International Movement on Collective Action for clean business
- Increasing international advocacy to help strengthen the development, promotion and enforcement of global standards in existing and new areas relating to business integrity

PROJECT AT A GLANCE:

The overall goal is reduced corruption through improved transparency, integrity and accountability in business practices around the world

**KEY ACTIVITIES
(OCTOBER 2016 – SEPTEMBER 2017):**

60 companies in Ukraine, Russia, Lithuania and Brazil improved their public reporting practices on anti-corruption

As part of an assessment of transparency in public reporting on anti-corruption accompanied by exchanges between Transparency International chapters and companies, and public awareness raising about the importance of transparent reporting and accountability, two companies in Ukraine, 8 companies in Russia, 17 companies in Lithuania and a record of 35 companies in Brazil improved their practices. Transparent reporting in local languages is key for accountability to local stakeholders, including citizens.

A record of 51 representatives from 45 chapters participated in Transparency International's third annual workshop on business integrity

The three-day cross-regional workshop helped to:

- facilitate knowledge sharing and the exchange of good practices between chapters from all regions of the world
- increase Transparency International's impact by identifying which approaches have been most effective and how existing initiatives can be strengthened
- identify key business integrity issues to shape the strategic direction of Transparency International's work in the coming years

Beneficial ownership transparency features high on the B20 agenda

Transparency International provided substantial input into the B20 policy process under the German G20 Presidency, particularly on beneficial ownership transparency and responsible business conduct in infrastructure projects.

The final B20 Responsible Business Conduct and Anti-Corruption Task Force policy paper mentions, for example, a global public register of beneficial ownership information, referring to openownership.org, an initiative led by Transparency International and partners. It also mentions Transparency International's [Clean Contracting](#) project, currently undertaken in 11 EU countries, in addition to Integrity Pacts such as in Hungary and the electronic procurement system [ProZorro](#), developed with support from TI Ukraine.

Impact

- A total of 60 companies in four countries improved their public reporting practices on anti-corruption, some of them considerably, from no disclosure to good practice
- 51 chapter representatives improved their knowledge on business integrity and developed new ideas for activities on the ground
- Beneficial ownership transparency features high on the global anti-corruption agenda thanks to Transparency International's and other partner's activities in international fora such as the B20

DESCRIPTION OF INTEGRITY PARTNER

Transparency International España

is the Spanish national chapter of the global Transparency International movement of non-governmental organizations devoted to combating corruption. The movement brings civil society, private sector and governments together and forms a global coalition against corruption.

The work of Transparency International España is in line with the overall Transparency International strategy and is based on the assumption that transparency constitutes a major goal of modern society. It is a powerful tool for fighting both political and corporate corruption and thereby also inherently linked to the 'Right to know' of citizens in Spain.

Transparency International España is an organization committed to promoting and increasing the level of information and openness of information of the various Spanish public institutions, fighting all types of corruption, generating knowledge and promoting good practices in the public and private sectors.

Name of Integrity Partner:

Transparency International España (TI-España)

PROJECT:

Implementing and evaluating corporate integrity policies in the Spanish private sector: A holistic approach

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Spain	4 years	1.27 M	Spain

The project aims to prevent corruption and create fair market conditions in Spain by improving corporate governance in the private sector and enhancing transparency in public services and procurement. The expected impact of this project is an improvement in quality of the corporate governance system. Throughout implementation, the project will look at:

- Improving corporate governance in target companies, through the design and implementation of a Compliance and Ethics Program, including a model report, based on the obligations and recommendations set out in Spanish and international legislation and best practices

- Promoting integrity in public contracting through 'integrity pacts' as a way to prevent corruption and increase transparency in public procurement, starting with a pilot project relating to certain public tenders
- Fostering transparency in the delivery and management of contracted public services through the promotion and monitoring of the new Transparency Law

PROJECT AT A GLANCE:

The project aims to improve corporate governance in the private sector and enhance transparency in public services and procurement, to prevent corruption and create fair market conditions

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

Tools and Publications:

- The 'Guide for self-assessment and reporting on compliance' and the report on 'The Transparency Law and large listed companies in Spain' were published

First Integrity Pact:

- A pilot [Integrity Pact](#) for a high-profile public contract with the City Council of Madrid was initiated
- 4 experts commissioned by TI Spain will monitor the contract award and the first year of contract implementation

Courses and Training:

- 42 students participated in the 2nd edition of TI Spain's Expert Diploma
- A workshop on whistleblowing channels, a special conference with the former State Attorney General, and training for local governments on tools for transparency and open government were held
- The monitors and officials from the City Council of Madrid involved in the pilot Integrity Pact were trained

Alliances:

- Collaboration was established with the European Commission representation in Spain, the Observatory on Public Procurement, Fundación para la Investigación sobre el Derecho y la Empresa (FIDE), the Research Group on Government, Public Administration and Public Policies (GIGAPP), the United Nations Human Settlements Programme (UN-Habitat), the Spanish Federation of Municipalities and Provinces (FEMP), the National Commission on Markets and Competition (CNMC), the Madrid City Council, and the Department of Arts of the Madrid City Council (Medialab-Prado)

Impact and Outreach:

- Over 500 people participated in project activities through events such as the launch of the Compliance Guide (120 participants), the Seminar with Farmaindustria (200 participants), the closing ceremony of the Expert Diploma (74 participants), the presentation of the report on the Transparency Law and Spanish companies and the Seminar on Integrity Pacts with the EU Representation

Communications:

- In addition to media coverage, project activities are communicated on [TI Spain's webpage](#), the [Integrity Project's webpage](#), [YouTube](#), [LinkedIn](#), [Twitter](#), and [Facebook](#)

Impact

- The Compliance Guide has received positive feedback with further presentations scheduled for Madrid, Barcelona and Bilbao in Autumn 2017
- The Integrity Pact pilot has facilitated further work with the Madrid City Council on transparency and public procurement policies
- [TI Spain has increased its accessibility to the private sector](#) and has improved its engagement with civil society, business organizations and public institutions

DESCRIPTION OF INTEGRITY PARTNER

Transparency International Italia (TI-It), the Italian chapter of Transparency International, founded in Milan in 1996, promotes transparency, integrity, accountability and the fight against corruption.

TI-It interacts with the public and private sectors, academia, and researchers. Its main activities are:

- Promotion of improved laws and practices for preventing corruption and misuse of resources
- Raising awareness in public opinion on the urgency of fighting corruption and related crimes
- Increased focus on ethics in schools and universities, encouraging the public and private sectors to fix and implement ethics principles and codes
- Support of Italian whistleblowers through the specific 'ALAC' online platform

Name of Integrity Partner:

Transparency International Italia (TI-It)

in cooperation with the Centro Ricerche e Studi su Sicurezza e Criminalità (RiSSC), Fondazione Centro Studi Investimenti Sociali (CENSIS), Istituto per la Promozione dell'Etica in Sanità (ISPE-Sanità), Italy

PROJECT:

Healthcare Integrity Action

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Italy	3 years	1.12 M	Italy

The project aims to enforce a "Healthcare Integrity System" in the Italian healthcare sector to improve the national healthcare sector's efficiency and to reduce the risk of corruption through transparency, integrity and accountability. The project will increase the awareness of corruption, educate and train, and implement and test innovative anti-corruption tools and organizational models through Collective Action initiatives with hospitals, Local Health Authorities (LHA), civil society and companies.

The main objectives of the project are:

- To develop specific and innovative measurement, monitoring and assessment tools to identify structural and geographical vulnerabilities
- To improve the legal and cultural framework through Collective Action and engagement of all relevant stakeholders in the healthcare sector, to promote good practices of transparency, accountability, integrity and to raise awareness in order to increase civil society's understanding of the phenomenon of corruption
- To enhance competences and skills in the field of anti-corruption through specific training courses and coaching for executives and other staff
- To test and implement tools, practices, procedures and organizational models designed for the Italian healthcare sector in five selected Local Health Authorities in order to reduce the risk of corruption

PROJECT AT A GLANCE:

The project aims to strengthen fair market rules in the Italian healthcare sector through enforcing a healthcare integrity system

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

- The results of the [second research on corruption in the health sector](#) were presented at the second National Healthcare Anti-corruption Day in Rome's Adriano Templum on April 6, 2017 with around 300 people in attendance
- A further 5 [whistleblowing platforms](#) were implemented by local health authorities in Catania, Catanzaro, Ragusa, Salerno and Sardegna in addition to the platforms already implemented last year in Bari, Melegnano, Siracusa and Trento
- An [online access to the information tool](#) was made available to the 3 local health authorities of Bari, Melegnano and Siracusa
- Tools such as [communication posters](#), conflict of interest detection mechanisms, and [Integrity Pacts](#) were developed for use by local health authorities
- 2 focus groups with healthcare anti-corruption managers in Verona and Lombardia were held in November 2016 and September 2017 respectively
- Around 100 people were trained in a new training module implemented in the local health authorities of Siracusa and Toscana, with sessions in Bari, Melegnano and Trento to follow
- 16 public and private sector actors were involved in drafting [Policy Statements and a Policy Paper](#) on integrity in the health sector
- Communication activities took place through an online campaign and petition, 6 press releases, 65 posts on [Facebook](#), 85 tweets on [Twitter](#), and project team speaker engagement at several events

Impact

- At least 40 irregularities have been reported through the whistleblowing platforms in the local health authorities
- 9 local health authorities are implementing anti-corruption tools
- The quality of anti-corruption plans has increased significantly, with only 13.7% of Healthcare Units receiving negative assessment scores in 2017 compared to 39.9% in 2016. High ranking units have increased from 25,5% in 2016 to 49,8% in 2017

DESCRIPTION OF INTEGRITY PARTNER

UNDP is the UN's global development network. It operates in 170 countries and territories, helping to develop policies, leadership skills, partnering abilities and institutional capabilities and build resilience in order to sustain development results. UNDP is the lead agency on democratic governance in the UN system supporting efforts to advance related results in four main areas:

- Expanding people's opportunities to participate in political decision-making, particularly those of women and the poor
- Making democratic institutions more accountable and responsive to citizens, supporting national parliaments, public administrations and rule of law
- Promoting the principles of democratic governance – in particular, anti-corruption, human rights, women's empowerment and equal opportunity
- Supporting country-led democratic governance assessments that help countries to assess their needs, monitor their progress and achieve their goals

UNDP's activities in the Arab States region build on UNDP's five thematic priorities, with additional emphasis placed on addressing the main impediments to human development in the region as identified by the Arab Human Development Report series, namely freedom and good governance, knowledge, and women's empowerment.

Name of Integrity Partner:

United Nations Development Programme (UNDP)

PROJECT:

Anti-Corruption and Integrity in the Arab Countries - Phase II - Egypt, Morocco and Tunisia

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Arab Region including Egypt, Morocco, Tunisia	3 years	2.27 M	International Organization, USA

The project will support non-governmental parties, including businesses, in Egypt, Morocco and Tunisia to participate in formulating and monitoring national anti-corruption reforms by providing them with specialized training programs and specific tools to:

- Advance concrete action to reduce corruption risks in healthcare and customs
- Integrate Collective Action concepts and practices into programs of national anti-corruption authorities

The objective is to facilitate the generation of actionable knowledge and the transfer of new skills that will help stakeholders to foster innovative anti-corruption solutions. Ultimately,

the impact would be increased levels of transparency and accountability in the two targeted sectors and enhanced effectiveness of anti-corruption authorities. As such, the project will strengthen the capacity of 60 non-governmental stakeholders in Egypt, Morocco and Tunisia to disseminate information and monitor anti-corruption in healthcare and customs by June 2018 and support the development of related actionable regional declarations, enabling these to be incorporated in the national action plans of at least two of the three project countries by March 2019. It will also seek to integrate Collective Action tools in programs of national anti-corruption authorities in at least two of the three project countries by December 2018.



PROJECT AT A GLANCE:

The project aims to support non-governmental actors including businesses to integrate their perspectives in national anti-corruption strategies emphasizing action on healthcare and customs

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

- New cutting-edge training materials were developed and used in 8 training sessions to enhance the capacities of more than 140 governmental and non-governmental stakeholders in Egypt, Morocco and Tunisia to prevent corruption in the [health](#) and [customs](#) sectors
- Multi-stakeholder platforms were formally established in Tunisia and action plans were adopted to reduce corruption risks in the health and customs sector as part of the implementation of the [National Good Governance and Anti-Corruption Strategy \(2016-2020\)](#)

- Recommendations were developed and adopted to enable the Administrative Control Authority in [Egypt](#) to become more independent and more effective in fostering Collective Action and preventing corruption in key vulnerable sectors
- Capacity of the representatives of Egypt, Morocco and Tunisia in the Arab Anti-Corruption and Integrity Network (ACINET), including its Non-Governmental Group, enhanced to promote Collective Action for integrity and to monitor and advocate corruption risk mitigation measures in key vulnerable sectors for the achievement of the 2030 Global Agenda for Sustainable Development
- The Government of Tunisia supported with the selection of 3 public hospitals and 3 custom sites for [pilot anti-corruption action](#), leading to the introduction of specific measures that reduce corruption risks in the interface with service users in both sectors and projected to save up to 15 percent of the medical budget in the hospitals

Impact

The Project provided new tools and established multi-stakeholder platforms that are visibly transforming the anti-corruption dialogue in Egypt and Tunisia, leading to increased openness of national authorities and the introduction of new policy recommendations and changes, namely in health and customs, including new strategies and regulatory reforms that are conducive to competitiveness, while prompting concrete action to improve service delivery and reduce wasteful public spending.

DESCRIPTION OF INTEGRITY PARTNER

UNDP is the UN's global development network. It operates in 170 countries and territories, helping to develop policies, leadership skills, partnering abilities and institutional capabilities and build resilience in order to sustain development results. UNDP is the lead agency on democratic governance in the UN system supporting efforts to advance related results in four main areas:

- Expanding people's opportunities to participate in political decision-making, particularly those of women and the poor
- Making democratic institutions more accountable and responsive to citizens, supporting national parliaments, public administrations and rule of law
- Promoting the principles of democratic governance — in particular, anti-corruption, human rights, women's empowerment and equal opportunity
- Supporting country-led democratic governance assessments that help countries to assess their needs, monitor their progress and achieve their goals

UNDP's activities in the Arab States region build on UNDP's five thematic priorities, with additional emphasis placed on addressing the main impediments to human development in the region as identified by the Arab Human Development Report series, namely freedom and good governance, knowledge, and women's empowerment.

Name of Integrity Partner:

United Nations Development Programme (UNDP)

PROJECT:

Anti-Corruption and Integrity in the Arab Countries - Phase II - Iraq and Libya

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Arab Region including Iraq, Libya	3 years	1.52 M	International Organization, USA

The project will support non-governmental parties, including businesses, in Iraq and Libya to participate in formulating and monitoring national anti-corruption reforms by providing them with specialized training programs and specific tools to:

- Advance concrete action to reduce corruption risks in healthcare and customs
- Integrate Collective Action concepts and practices into programs of national anti-corruption authorities

The objective is to facilitate the generation of actionable knowledge and the transfer of new skills that will help stakeholders to foster innovative anti-corruption solutions. Ultimately,

the impact would be increased levels of transparency and accountability in the two targeted sectors and enhanced effectiveness of anti-corruption authorities. As such, the project will strengthen the capacity of 40 non-governmental stakeholders in Iraq and Libya to disseminate information and monitor anti-corruption in healthcare and customs by June 2018 and support the development of related actionable regional declarations, enabling these to be incorporated in the national action plans of at least one of the two project countries by March 2019. It will also seek to integrate Collective Action tools in programs of national anti-corruption authorities in at least one of the two project countries by December 2018.



PROJECT AT A GLANCE:

The project aims to support non-governmental actors including businesses to integrate their perspectives in national anti-corruption strategies emphasizing action on healthcare and customs

KEY ACTIVITIES (OCTOBER 2016 – SEPTEMBER 2017):

- New cutting-edge training materials were developed and used in 6 training sessions to enhance the capacities of more than 100 governmental and non-governmental stakeholders in Iraq and Libya to prevent corruption in the [health](#) and customs sectors
- Multi-stakeholder platforms were formally established in Iraq and [recommendations](#) were adopted to reduce corruption risks in the health and customs sector
- The Monitoring Unit at Iraq's Prime Minister's Office was trained to implement actions to increase customs revenue, with various recorded successes so far, including the

recovery of more than USD 245 million and the introduction of Collective Action initiatives that reduce the vulnerability of perishable goods traders to extortion

- Iraqi authorities were supported to introduce key measures in the health sector, resulting in improved pharmaceutical procurement procedures and related savings that are projected to be up to 13% of the related budget
- The capacity of Iraq's and Libya's representatives in the Arab Anti-Corruption and Integrity Network (ACINET), including its Non-Governmental Group, was enhanced to promote Collective Action for integrity and to monitor and advocate corruption risk mitigation measures in key vulnerable sectors for achieving the 2030 Global Agenda for Sustainable Development
- Collective Action was enabled in Libya to compel legal and judicial action to end division in national anti-corruption authorities, resulting in the formal recognition of national agency in Tripoli and launching an effort to get its board appointed

Impact

- The Project provided new tools and established multi-stakeholder platforms that are informing anti-corruption dialogues in Iraq and Libya, leading to increased openness of national authorities and the introduction of new policy recommendations and changes, namely in health and customs, including new strategies and regulatory reforms that are conducive to restoring stability on the one hand and preparing grounds for cleaner business and improved service delivery and reduced wasteful public spending

DESCRIPTION OF INTEGRITY PARTNER

UNODC is mandated to assist Member States in their efforts to fight illicit drugs, crime and terrorism through:

- Field-based technical cooperation projects to enhance the capacity of Member States
- Research and analytical work to increase knowledge and understanding of drugs and crime issues and expand the evidence base for policy and operational decisions
- Normative work to assist States in the ratification and implementation of the relevant international treaties, the development of domestic legislation on drugs, crime and terrorism, and the provision of secretariat and substantive services to the treaty-based and governing bodies

In its resolution 58/4 of October 31, 2003, the UN General Assembly adopted the UN Convention against Corruption. The Convention entered into force on December 14, 2005 and to date has been ratified by 183 Member States and the European Union. A Conference of the States Parties has been established by the Convention to promote and review its implementation. UNODC is the guardian of the Convention and the Secretariat of the Conference of the States Parties. The Convention is the legal instrument underlying the UN Global Compact's 10th Principle against Corruption.

Name of Integrity Partner:

United Nations Office on Drugs and Crime (UNODC)

PROJECT:

On the level: Business and Government against Corruption in Colombia

COUNTRY OF IMPLEMENTATION: DURATION:

Colombia

3 years

USD (MILLION):

1.20 M

REGISTERED IN:

Austria

This project aims to increase public and private sector dialogue and knowledge sharing, with a view to strengthening the development and implementation of corruption prevention, criminalization and enforcement measures in line with the United Nations Convention against Corruption (UNCAC).

The project seeks to strengthen the legal framework for the prevention of and fight against corruption in Colombia, with particular emphasis on corporate liability and corruption in the private sector, and to enhance public and private sector dialogue in preventing corruption and promoting transparency. The project also seeks to strengthen the ability of companies to identify processes susceptible to corruption and implement actions to protect themselves.

This will be achieved by:

- Improving public-private sector dialogue and introducing a more coordinated approach to anti-corruption issues in Colombia through the establishment of a working group consisting of public and private sector stakeholders as an ongoing forum for anti-corruption issues
- Strengthening the legal regime relating to private sector corruption by providing input from relevant private and public sector stakeholders to the new legislation on corporate liability and supporting its implementation
- Providing capacity building for stakeholders from the public and private sectors, based on concrete cases of corruption; and establishing a network of trainers to interact with small and medium sized companies and promote the use of the tools developed by the project and the UN Global Compact in Colombia



PROJECT AT A GLANCE:

The project aims to reduce opportunities for corruption by enhancing public-private sector dialogue, improving government's anti-corruption frameworks and legislation, and creating a culture of integrity in the private sector

KEY ACTIVITIES

(OCTOBER 2016 – SEPTEMBER 2017):

- On December 6, 2016, during International Anti-Corruption Day celebrations in Colombia, the project organized a [high-level meeting](#) which brought together senior government officials and prominent business leaders and provided them with information about the project
- In November 2016, the project conducted a one-week multi-stakeholder anti-corruption training in Bogota, involving 133 participants – 88 from the private sector and 45 from the

public sector. The training was supported by the Expert Committee of [national](#) and [international experts](#) that was established by the project in June 2016 to review and provide feedback on Colombia's new transnational bribery act

- 10 [training sessions](#) on transparency, procurement and integrity were held in 10 different cities: [Medellín](#), Bucaramanga, Bogota, Cali, Cúcuta, Barranquilla, Santa Marta, [Cartagena](#), Neiva and Villavicencio
- A total of 740 participants, affiliated with 305 companies and 96 public agencies (national and local), were trained through theoretical presentations and practical exercises
- 56 participants affiliated with 21 companies and 13 public agencies were [trained](#) in the cities of [Yopal](#) and [Buenaventura](#) on Colombia's new transnational bribery act (Law 1778/2016)

Impact

- Increased awareness of the private sector's vital role in preventing and fighting corruption and the significant impact that corruption has on the private sector and society as a whole
- Enhanced public-private sector dialogue and the prioritization of anti-corruption on the Colombian Government Agenda
- Increased knowledge of anti-corruption laws and standards designed to combat unfair competition, reduce market distortions and promote integrity at the local level, even in some of the poorest areas in Colombia

DESCRIPTION OF INTEGRITY PARTNER

The **Wirtschaftsuniversität** (WU) in Vienna, Austria (Vienna University of Economics and Business) is Europe's largest Business and Economics University offering degree programs, organization and administration as well as a wide range of specialization areas and research opportunities. The Institute for Austrian and International Tax Law will bear responsibility for this project. This Institute is one of the world's largest academic institutions engaged in the research and teaching of tax law. The Institute has a long-standing tradition in organizing international conferences and training courses for tax administration practitioners and professionals alike.

Name of Integrity Partner:

WU Vienna University of Economics and Business Administration

PROJECT:

Tax and Good Governance

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Focus on Nigeria, Ghana, South Africa (and other African countries)	3 years	1.70 M	Austria

The project aims to identify links between corruption, the lack of business and political integrity and tax crimes. In this context, it will also try to explore the reasons why the relationship between tax administrations and multinationals is often confrontational.

The project will promote the concepts of good tax governance and the importance of a corrupt-free and transparent tax system in achieving economic development. It will also cover how law enforcement agencies and tax authorities can cooperate to counter corruption and bribery.

In particular, the project aims to:

- Identify and mobilize stakeholders in national tax administrations and the private sector
- Draft model national tax legislation and international tax agreements to improve

the effectiveness of tax administrations in undertaking controls and audits, and to foster better cross-border cooperation between tax authorities

- Build up institutional capacity in the three focus countries and other African countries and ensure sustainability by creating a network of "ambassadors" of key institutions in Africa apt to disseminate and promote the acquired knowledge on the role of tax authorities in detecting corrupt practices

To achieve these objectives, a research and training agenda is planned which, together with high level conferences, will raise awareness of the crucial role of tax administrations in countering corruption. While the geographical focus of the project is on Ghana, Nigeria and South Africa, the material developed during the project could be replicated throughout the entire African continent.

PROJECT AT A GLANCE:

The project aims at improving law enforcement and cooperation between law enforcement agencies and tax administrations in Ghana, Nigeria and South Africa to counter corruption, bribery, money laundering and tax crimes

KEY ACTIVITIES

(OCTOBER 2016 – SEPTEMBER 2017):

The main activities organized were:

- The second Training of Officials, November 2016 in Pretoria, South Africa
- The third Training of Officials, April 2017 in Abuja, Nigeria
- The meeting on cooperative compliance, July 2017 in Accra, Ghana
- The fourth Training of Officials, July 2017 in Accra, Ghana
- More information on activities and events can be found [here](#)

Achievements include:

- Equipping key officials with the knowledge and skills required to combat corruption and illicit financial outflows
- A noticeable impact in influencing recent policy, legislative and operational reforms in the focus countries in particular and in other African participating countries in general in the area of combating money laundering and financial crimes
- A commitment by the Ghana Revenue Authority to launch a pilot program on cooperative compliance, and an expression of interest from other African tax administrations like Kenya and Uganda to establish similar programs
- Pursuing Collective Action by deepening strategic partnerships with key international organizations, such as the United Nations Office on Drugs and Crime (UNODC), the World Bank and the International Monetary Fund (IMF), to enable them to incorporate the insights gained from the project into their own programs for African countries

Impact

The project has helped change attitudes towards corruption, money laundering and tax evasion and influenced policy, legal and operational reforms in participating countries, including the renegotiation of treaties. It has promoted the concept of a beneficial ownership register, viewed as an effective tool for combatting corruption and illicit outflows, and enhanced cooperation between key government departments towards more effective outcomes in creating a more transparent business climate.

D1.

Annex –
Summary Report of the Mid-term
Review of the Siemens Integrity
Initiative

This is a direct extract of the Summary Report of the Mid-term Review of the Siemens Integrity Initiative as independently prepared by the Universalia Management Group, and as approved by Universalia for inclusion and publication in this Annual Report 2017.





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This report summarizes the results of the independent external Mid-term Review of the Siemens Integrity Initiative and reflects the findings and recommendations of the external evaluation team from Universalialia Management Group.

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Executive Summary

Introduction

On July 2, 2009, the World Bank Group (WB) announced a comprehensive settlement with Siemens AG. The settlement arose out of a World Bank investigation and Siemens' acknowledgement of past misconduct in its global business, including on a World Bank-financed transportation project in Moscow. As part of the settlement, Siemens agreed to cooperate to change industry practices, clean up procurement practices and engage in Collective Action with the World Bank Group to fight fraud and corruption.

As part of this commitment, Siemens has set up the Siemens Integrity Initiative to support projects and organizations fighting corruption

and fraud with funding worth USD 100 million over a period of 15 years. This funding was complemented in 2013 by a separate settlement with the European Investment Bank (EIB), worth EUR 13.5 million over five years.

The main objective of the Siemens Integrity Initiative is to create fair market conditions for all market participants by fighting corruption and fraud through Collective Action as well as through Education and Training. The Integrity Initiative focuses on supporting projects that have a clear impact on the business environment, can demonstrate objective and measurable results, and have the potential to be scaled up and replicated.



55 projects selected and funded through the Integrity Initiative to date.

31 under the First Funding Round and 24 under the Second Funding Round.



~30 countries covered by funded projects.



USD 73.254 million of funding committed to date.

USD 37.7 million under the First Funding Round, and USD 35.554 million under the Second Funding Round.



100% of projects under the First Funding Round have been completed to date.

All Second Funding Round projects are still in progress.

¹⁾ This report summarizes key findings deriving from the Mid-term Review. The full review report submitted to Siemens provides further details on the evidence underlying individual findings

In 2017, in view of the planned launch of a Third Funding Round in early 2018, the World Bank and Siemens agreed to commission a Mid-term Review of the Siemens Integrity Initiative¹⁾. The review aimed to serve the double purpose of learning and accountability, and addressed the following three key Review Questions (RQs):

RQ 1. Project Portfolio.

What was the geographical and thematic spread of activities compared to stated eligibility and selection criteria for funding?

RQ 2. Project Results.

Were the projects effective at delivering their intended outcomes and results, individually and collectively?

RQ 3. Integrity Initiative Collective Contribution.

To date, how has the Siemens Integrity Initiative contributed to the global fight against fraud and corruption?

The overall findings of the Mid-term Review are positive. Key messages deriving in relation to the five main dimensions assessed are summarized on the following page.

“[The Integrity Initiative] is an inspiring program led by people with passion and knowledge and we are honored to be part of the initiative” –

Integrity Partner

“The enormous accomplishment you and your team have achieved over the past years are among the most interesting and impactful of modern corporate history. No doubt, the lessons learned are today even more important than they were a few years ago.” –

Georg Kell, Founder, UN Global Compact

Main Messages of the Mid-term Review

RELEVANCE

The Integrity Initiative is very relevant in its function as a **significant funding source** for anti-corruption actors and as a business investment into fairer markets for all.

Individual projects funded under the Integrity Initiative are generally **relevant to needs and priorities** in their external contexts.

Consulted stakeholders appreciated the settlement model underlying the Integrity Initiative as a **constructive model of restorative justice**.

INTEGRITY INITIATIVE MANAGEMENT

Siemens' management approach made **effective use of the company's global presence** and ensured **high levels of accountability**, which allowed the Integrity Initiative to trace every dollar spent. There **is some room for further strengthening** the quality and utility of project baseline assessments, as well as of progress and evaluation reports.

RELEVANCE

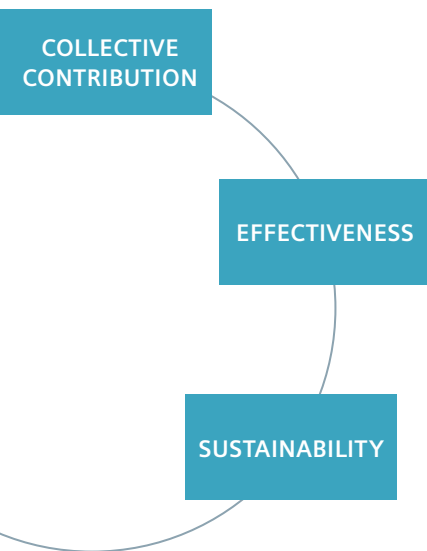
INTEGRITY
INITIATIVE
MANAGEMENT

COLLECTIVE CONTRIBUTION

The Siemens Integrity Initiative has **positively pushed ahead the agendas** on Collective Action and the role of the private sector in fighting corruption and fraud and **demonstrates the business case** for investing in Collective Action.

It has contributed to **strengthening the organizational capacities** of several Integrity Partners.

It has made some contributions to fostering the **generation and exchange of knowledge** among anti-corruption actors.



EFFECTIVENESS

Most projects funded under the Integrity Initiative have achieved, or are on track to achieve, their intended outputs.

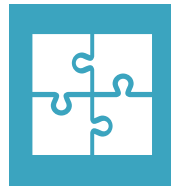
There are numerous examples of projects that have made **significant contributions to outcome-level changes**, such as to creating or expanding existing anti-corruption alliances, strengthening the Rule of Law, strengthening voluntary standards, and creating incentives for good performers.

SUSTAINABILITY

Projects vary considerably in the extent to which they have put in place measures to enhance the likelihood of results being sustainable. Nevertheless, to date there are **some examples of achievements** deriving from the First Funding Round that have been sustained beyond Siemens funding.

Conclusions

The findings of the Mid-term Review of the Siemens Integrity Initiative are, overall, positive.



Integrity Initiative Relevance and Reputation

The Integrity Initiative is relevant to the global anti-corruption field in its function as a significant funding source

for anti-corruption actors, and in its resulting contributions to enabling the implementation of 'hands-on' interventions to prevent, detect, or address corruption in a variety of contexts. The settlement model underlying the Integrity Initiative is widely appreciated as a constructive model of restorative, rather than merely punitive justice.

Since its establishment in 2009, the Integrity Initiative has gained the respect of many anti-corruption actors around the world. The diversity of actors funded under the Integrity Initiative and the fact that there have been no significant failures linked to funded projects have contributed to this. Siemens' approach to managing the Integrity Initiative was effective and has enabled the Siemens Project Office to trace 'every dollar spent'.



Project Effectiveness

There is strong evidence of projects achieving their intended short-term results. While evidence of progress towards higher-level results

is considerably weaker, there are several examples of projects having made significant contributions to change within their respective contexts. This includes contributions to creating or expanding existing anti-corruption alliances, strengthening the Rule of Law, strengthening voluntary standards, and creating incentives for good performers.

For almost all projects it is too early to expect visible contributions to impact-level changes. Nevertheless, the review identified at least two projects that either have made, or have the strong potential to make, a difference on the business environment. Due to their inherent focus on influencing social norms and behaviours, projects focusing on Collective Action are more likely to visibly contribute to higher level changes than those focused on Education and Training.

Differences in the type of Integrity Partner did not significantly affect project performance. The quality of project design, however, did. In general, projects with stronger designs were better able to demonstrate more and/or higher-level results, take into account and adapt to evolving external contexts, and develop more deliberate strategies to enhance the likelihood of results being sustainable.



Collective Contribution and Integrity Initiative Management

The Integrity Initiative has made valuable contributions to the global fight against

corruption. It has helped promote, enhance the visibility of, and contribute to learning on Collective Action, including demonstrating to the private sector that there is a business case for investing in Collective Action. The financial and management support provided through the Integrity Initiative has contributed to strengthening the organizational capacities of Integrity Partners. Within Siemens, the Integrity Initiative has not only benefited from, but

has also positively affected the corporation's internal transformation, as well as its growing reputation as a global champion for clean business. There is some untapped potential as regards facilitating cross-project learning based on the rich experiences deriving from their implementation.

Siemens' approach to managing the Integrity Initiative was effective. Its strong focus on accountability was appropriate during the start-up of the Integrity Initiative, and understandable considering its settlement nature. However, it has resulted in activity-, rather than results-focused, reporting on project progress.

Recommendations

The recommendations of the Mid-term Review of the Siemens Integrity Initiative are as follows:



Project Selection and Design

Recommendation 1:

Siemens should proactively manage reputational risks by being more explicit about the rationale underlying sectoral

and/or geographic priorities as part of project selection criteria.

Recommendation 2:

To facilitate stronger project designs and subsequent monitoring of achievements, Siemens should place more emphasis on ensuring that project proposals explicitly outline how planned activities are envisaged to contribute to higher level change processes.



Monitoring, Reporting and Evaluation

Recommendation 3:

Siemens should modify project reporting templates to facilitate more results-oriented

reporting especially in annual and final reports. This can alleviate some of the burden that writing and reviewing current reports place on Integrity Partners and the Project Office team, while still maintaining high levels of accountability.

Recommendation 4:

Siemens should provide Integrity Partners with clear guidance on the expected format, content, and timing of baseline assessments, and facilitate the use of baseline data in project progress reports.

Recommendation 5:

Siemens should take action to improve the quality and utility of mid-term and final project evaluations conducted by external parties.



Fostering Learning

Recommendation 6:

The Siemens Project Office should clarify whether, to what extent, and how it wants to facilitate more systematic

learning from, and exchange on the experiences deriving from Integrity Initiative-funded projects.



Exit Strategy

Recommendation 7:

Siemens should actively manage the upcoming end of the Integrity Initiative (from 2024 onwards), independently of

whether or not Siemens will continue to fund anti-corruption work beyond the current settlement agreement.

Purpose of the Mid-term Review

The Siemens Integrity Initiative is now in its seventh year of implementation. In view of the planned launch of the Third Funding Round in early 2018, the World Bank and Siemens agreed to commission a Mid-term Review (MTR) of the Integrity Initiative. Following a competitive process, Universal Management Group Ltd. (UMG) was selected to perform the Mid-term Review.²⁾

To approach the three main review questions, Universal Management Group Ltd. drew on the evaluation criteria of Relevance, Effectiveness, and Sustainability of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD).

Data collection and analysis were drawing on several, mutually **complementary data sources and lines of enquiry**.

Three Main Review Questions

Review Question 1. Project Portfolio.

What was the geographical and thematic spread of activities compared to stated eligibility and selection criteria for funding?

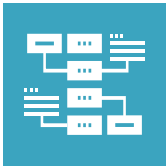
Review Question 2. Project Results.

Were the projects effective at delivering their intended outcomes and results, individually and collectively?

Review Question 3. Initiative Collective Contribution.

To date, how has the Siemens Integrity Initiative contributed to the global fight against fraud and corruption?

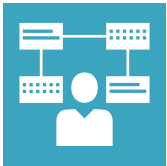
²⁾ This report summarizes key findings deriving from the Mid-term Review. The full review report submitted to Siemens provides further details on the evidence underlying individual findings.



55 projects systematically reviewed through a document-based portfolio review



39% response rate (above average) of an electronic survey sent to 149 persons (109 Integrity Partners, 40 Project Relationship Managers)



10 projects explored in more depth by conducting key informant interviews in addition to document review



>350 documents reviewed



63 stakeholders in total consulted in person or via telephone

D1.

Summary Report

THE EXISTENCE AND OBJECTIVES OF THE SIEMENS INTEGRITY INITIATIVE ARE HIGHLY RELEVANT TO THE GLOBAL ANTI-CORRUPTION FIELD.

Relevance

Consulted stakeholders consistently described the Integrity Initiative as constituting a **significant push of the anti-corruption agenda** in terms of promoting and increasing the visibility of Collective Action approaches, and in relation to focusing efforts on the constructive role that the private sector can play in fighting corruption.

With USD 100 million and EUR 13.5 million over 15 years, the Siemens Integrity Initiative provides a **significant and unparalleled amount of funding** in a field with limited dedicated resources. To date, there has been no similar single source of funding neither for anti-corruption efforts implemented by non-government actors nor for efforts highlighting the role of the private sector.

If you/the Integrity Partner had not received funding through the Integrity Initiative, would you/the Integrity Partner have carried out the same or similar project(s) nevertheless?

40%

of survey respondents (Integrity Partners and Project Relationship Managers) said No

50%

said 'possibly, but conditional on other external funding'

10%

said Yes, 'but on a smaller scale'

0%

said Yes

In 2009, when the Integrity Initiative came into being, there had been only few concrete examples of how to apply the notion of Collective Action in an anti-corruption context, and even less evidence of related successes. By funding Collective Action initiatives in a broad variety of contexts, the Integrity Initiative created **opportunities for learning**, and for showcasing potential successes of the approach.

After initial apprehension, **support for the Siemens Integrity Initiative has grown**, and most consulted global experts expressed appreciation for the settlement model underlying the Integrity Initiative's creation.

“There has been a continued focus on corruption at the global stage, for example in all G20/B20 meetings except the one in China. But my frustration is that in the end it’s just talk. That’s why the Integrity Initiative is so important, because it supports action on the ground, not just global talk.”

– Global anti-corruption expert (interview)

“I love the Siemens settlement model – it should have been used much more. It actually aims to address the root cause of why the transgression for which the company was punished came about”

– Georg Kell - Founder UN Global Compact (interview)

“The settlement model is much better than just punishing a company. It was an innovative way to invest money into actually addressing the issue.”

– Global anti-corruption expert (interview)

D1.

Summary Report

THE PROJECT PORTFOLIO IS ALIGNED WITH THE INTEGRITY INITIATIVE'S SELECTION CRITERIA.

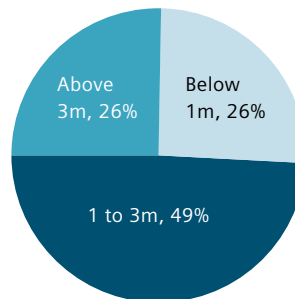
The size, duration, as well as the geographic and thematic spread of funded projects has been aligned with the Integrity Initiative's publicly stated selection criteria.

Approved project funding ranged from **USD 227,000 to USD 5 million**

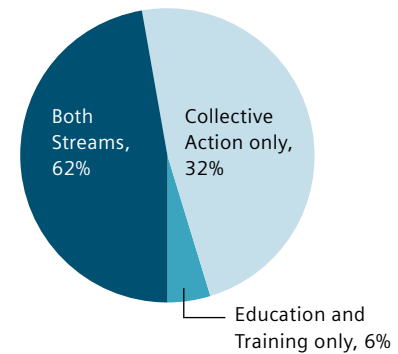
Average project funding: **USD 1.3 million each**

Project proposals envisaged timelines: **3 - 5 years**

Project size both Funding Rounds



Total funding distribution per funding stream



³⁾ Out of the remaining 8 projects, 4 were global/regional in scope and thus of potential relevance also to the 20 focus countries.

The current project portfolio aligns with Siemens' intent to allocate at least 2/3 of funding to Collective Action efforts.



16 out of 24 (67%) Second Funding Round projects implemented activities in one or more of the 20 designated focus countries.³⁾



8 out of 31 (26%) First Funding Round projects operated with a designated sectoral focus that clearly matched Siemens' markets.

There is a perception among some external stakeholders, however, that the Integrity Initiatives' current geographic and thematic selection criteria are inappropriately focused on furthering Siemens' business interests. This constitutes a reputational risk to the Integrity Initiative.

“My impression is that under the Second Funding Round, Siemens changed its priorities and selection criteria so as to benefit Siemens' business interests. This Implied that the altruism that had characterized the Initiative in the beginning had evaporated.”

– Global anti-corruption expert (interview)

“The geographic selection of projects seems to be solely driven by Siemens' business interests, rather than by deliberations about what makes sense in terms of fighting corruption. While it is understandable that Siemens takes its own interests into account, that should not be the only criterion, and maybe they should also work in countries less relevant to them, but relevant to the issue.”

– Global anti-corruption expert (interview)

D1.

Summary Report

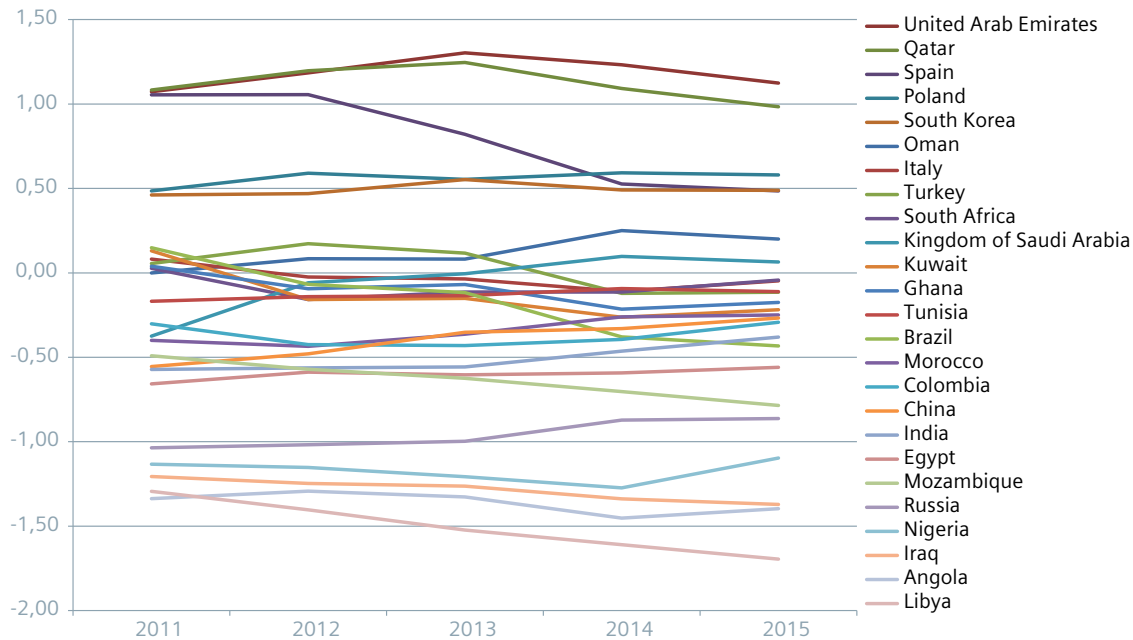
THE INTEGRITY INITIATIVE'S PORTFOLIO OF PROJECTS IS HIGHLY DIVERSE. THIS IS APPROPRIATE IN VIEW OF THE LOCALIZED NATURE OF CORRUPTION AND FRAUD.

The Integrity Initiative supported a diverse portfolio of projects across **at least 30 countries**, at different geographic levels, and with different kinds of Integrity Partners drawn from non-governmental, multilateral, and academic or research organizations.

The Integrity Initiative's diverse portfolio, is spanning from some of the most corrupt environments on earth to environments with less corruption than the global average. The majority of projects operate in environments with levels of corruption just above the global average.

⁴⁾ Source: World Bank Governance "Control of Corruption" Index for 2011-2015.
<http://databank.worldbank.org/data/databases/control-of-corruption>

Levels of corruption in Integrity Initiative project countries, Ratings based on the World Bank Governance "Control of Corruption" Index for 2011-2015.⁴⁾ "0" represents the global average



*“Corruption is a localized issue that **needs tailored, local responses**. As such, doing ‘a little here and a little there’ is appropriate and can do a lot. **Collective Action can’t be done in broad geographic coverage, but only in specific cases**. If discussions and actions are too broad, then they tend to be not relevant for specific problems faced in a country or sector.”*

– Global anti-corruption Expert (interview)

*“Globally, the Initiative is not just a drop in the ocean. (...) **Corruption is a localized issue**. As such, success doesn’t have to be felt at the global level. At that level they often only talk, but **action happens at the local level.**”*

– Global anti-corruption Expert (interview)

D1.

Summary Report

**INDIVIDUAL PROJECTS
ARE RELEVANT TO THE
INTEGRITY INITIATIVE,
AND IN THEIR CONTEXTS.**

All 55 projects demonstrated close alignment with the objectives and thematic priorities of the Integrity Initiative. With few exceptions, projects also appear to be relevant to needs

and opportunities within their respective contexts. However, project proposals and reports considerably vary in the extent to which they discuss this relevance explicitly.

3.3 out of 4

average rating deriving from the portfolio review for “project fit with the needs of stakeholders”.

74.5%

of projects (41/55) were rated ‘excellent’ in the portfolio review in relation to their thematic fit with the objectives of the Integrity Initiative objectives’. Those projects rated lower than ‘excellent’ either did not focus on engaging the private sector, or implemented activities not entirely in line with their designated funding stream.

As required by the proposal template, all project proposals included at least some justification for project activities and envisaged results. Projects varied, however, in the specificity of their descriptions of the local context, and in the extent to which they explicitly explained why the proposed intervention was relevant. Projects that were rated strong in this regard tended to:

- Describe the local/regional context of corruption and how the specific issues that the project intends to address fit into and address this context.
- Demonstrate demand from targeted beneficiaries (e.g. corporations, governments) and/or support from key external stakeholders/partners.
- Make reference to relevant national or international conventions, laws, systems or other frameworks, and explained how the project links to/supports these.
- Reference to activities of other relevant national/global actors that complement envisaged project (or explicit mention that a gap was identified through research).

The overall strong project ratings in relation to 'relevance' may reflect the fact that the selected Integrity Partners typically had a **good understanding of the respective national and/or thematic contexts** that they operated in. In this regard, review data do not indicate significant differences between different types of Integrity Partners. Similarly, there were no significant differences in project relevance between the First and Second Funding Round, or between global, regional and country level projects.

D1.

Summary Report

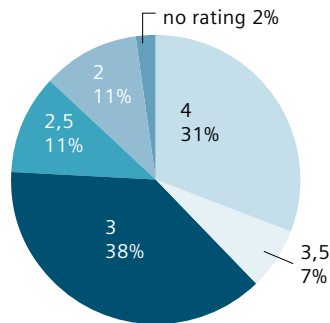
Effectiveness

PROJECTS OVERWHELMINGLY DELIVERED ON THEIR PROMISED ACTIVITIES AND OUTPUTS.

3.2 out of 4

average rating for project's progress towards their mandated outputs.

Distribution of project ratings for "progress towards intended outputs" on a scale from 1 (poor) to 4 (excellent).



Projects generally delivered mandated outputs, or are, for Second Funding Round projects, on track to deliver them. Several projects not only achieved their intended outputs but did so within the agreed time span or ahead of schedule, and some surpassed their initial targets by producing more outputs than initially targeted.

Although some projects deviated from initially planned activities to respond to changes in the enabling environment (either opportunities or threats), this did not necessarily undermine their performance. Various projects demonstrated an ability to adjust to changing circumstances and/or to feedback on their activities.

22%

of projects (12 out of 55) received ratings lower than 3 out of 4 with regard to output achievement. This was due to significant delays in the implementation of activities or because of a lack of information on outputs in some project reports and evaluations.

Zero

projects completely failed to deliver on any of their intended outputs, although one project under the First Funding Round was halted half-way, and obtained no further funds.

TYPES AND NUMBER OF OUTPUTS ACHIEVED.

Key Collective Action Outputs



54 Platforms/hubs/centres for **dialogue between public and private sector** established through 28 projects (51% of all projects) active in this area



56 Voluntary **standards/codes of conduct** created, strengthened or broadened to include new actors through 19 projects (35%) active in this area



20 Domestic **laws created and/or strengthened** and/or better coordinated through 14 projects (25%) active in this area



1,233 Actors signing up to **pacts** and voluntary standards/codes of conduct through 11 projects (20%) active in this area



9 Strengthened **public sector procurement rules, procedures, and systems** through 7 projects (13%) active in this area



729 Companies and organizations supported/encouraged to establish/strengthen anti-corruption and compliance systems through 11 projects (22%) active in this area

Key Education and Training Outputs



167 Curricula/training courses developed or substantially enhanced through 28 projects (51%) active in this area



460 Events (conferences, debates, fairs) organized or co-organized through 46 projects (84%) active in this area



17,756 Individuals educated/trained through 31 projects (56%) active in this area



19,559 Persons/organizations attending said events through 31 projects (56%) active in this area



217 Organizations educated/trained (as organizations; this does not count organizations of the individuals trained, listed one line above) through 13 projects (24%) active in this area



430 Publications (research, data, books, articles, toolkits, chapters, etc.) produced and publicly available or shared with relevant stakeholders through 38 projects (69%) active in this area

D1.

Summary Report

**SEVERAL PROJECTS
HAVE CONTRIBUTED
TO OUTCOME-LEVEL
ACHIEVEMENTS.**

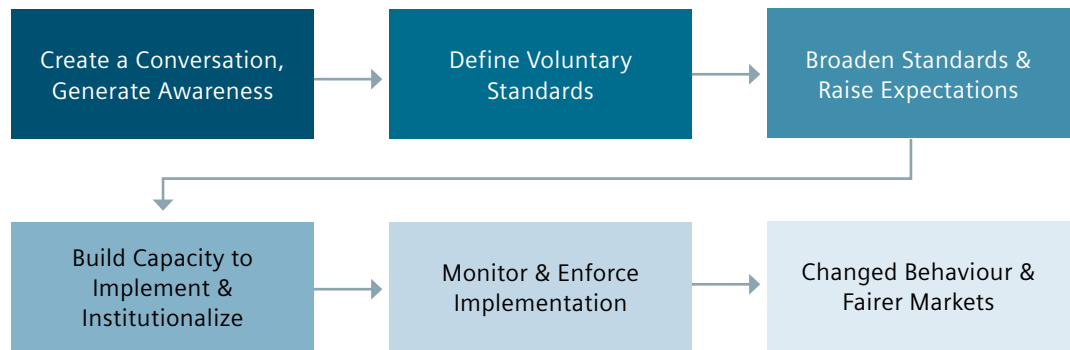
69%

projects rated "3" (good) or above on their respective progress towards outcomes.⁵⁾

Projects solely or primarily focused on Collective Action

Illustrated below is a simplified theory of change for a typical Collective Action project. Evidence for results was usually strongest at

the beginning of the chain, and increasingly weaker for changes further along the envisaged path of change.



⁵⁾ This criterion was scored differently for the First Funding Round and the Second Funding Round, since projects in the latter are ongoing. In this case, reviewers took into consideration existing progress on objectives, and the likelihood of future outcome-level results.

~ 50%

of projects that solely or significantly focused on Collective Action that were rated as having made 'significant' contributions, i.e. notable changes that have the potential to contribute to transformational improvements within the respective context suited to 'changing the rules of the game' as regards clean business and level playing fields.

> 80%

of Collective Action projects rated as having made at least 'positive' contributions, that is contributions that constitute notable improvements in a particular area, but that are less clearly suited to lead to 'game changing' higher-level results.

**COLLECTIVE ACTION
RESULTS OF INTEGRITY
INITIATIVE PROJECTS.**

COLLECTIVE ACTION	SIGNIFICANT		POSITIVE		MODEST		# OF FIRST FUNDING ROUND PROJECTS OPERATING IN THIS AREA (OUT OF 31) ⁶⁾
	Count	Percentage	Count	Percentage	Count	Percentage	
Creating Alliances	12	48%	9	36%	4	16%	25
Strengthening the Rule of Law	8	62%	2	15%	3	23%	13
Strengthening Voluntary Standards	9	64%	5	36%	0	0%	14
Creating Incentives for Good Performers	5	50%	4	40%	1	10%	10

Projects solely or primarily focused on Education and Training

Like for Collective Action projects, evidence for results achieved by projects focused on Education and Training was usually strongest

at the beginning of the (simplified) theory of change, and weaker towards its end.

⁶⁾ This Table only counts projects from the First Funding Round as all Second Funding Round projects were ongoing during the evaluation.



Education and Training projects tended to concentrate on outputs or relatively low-level outcomes. This is also reflected in the Integrity

Initiative's sub-categories for selecting Education and Training projects.

60%

of 30 Education and Training projects worked on establishing relevant platforms for dialogue among stakeholders were found to have made 'significant' contributions in this regard.

52%

of 21 Education and Training projects made significant contributions to capacity building of targeted clients/ stakeholders.

36%

of 22 Education and Training projects made significant and innovative contributions to developing, using, and institutionalizing training curricula on fighting corruption and fraud.

EDUCATION AND TRAINING RESULTS OF INTEGRITY INITIATIVE PROJECTS.

EDUCATION & TRAINING	SIGNIFICANT		POSITIVE		MODEST		# OF FIRST FUNDING ROUND PROJECTS OPERATING IN THIS AREA (OUT OF 31) ⁷⁾
	Count	Percentage	Count	Percentage	Count	Percentage	
Curricula Development	8	36%	10	45%	4	18%	22
Capacity Building	11	52%	9	43%	1	5%	21
Platform for Dialogue	18	60%	9	30%	3	10%	30
Knowledge Sharing	13	46%	11	39%	4	14%	28

Three factors affected the extent to which evidence of results beyond outputs was available for Education and Training projects.



How projects reported on outcomes: Weaker rated projects tended to focus on counting numbers of participants or course approval ratings, but provided no evidence of contributions to, for example, changed individual, organizational, and systemic behaviours.



Whether projects institutionalized training/research capacity: Projects that focused on delivering one-off trainings and/or research products struggled to demonstrate results beyond outputs.



Whether projects built a community of practice: Select strong projects took a 'community of practice' lens, in which trainees remained connected after the training had ended, or they targeted organizational rather than individual capacities.

⁷⁾ This Table only counts projects from the First Funding Round as all Second Funding Round projects were ongoing during the evaluation.

For almost all projects, it is too early to demonstrate clear contributions to changes in market fairness.

This is due to at least three factors:



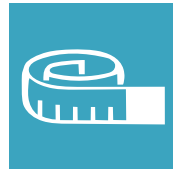
Time: Impact is, by its definition, the long-term product of a development intervention, and market conditions are 'sticky', i.e. move slowly and take time to change. Second

Funding Round projects are still ongoing and First Funding Round projects have been completed only recently.



Complexity: Changing or affecting market fairness, competition and transparency, is a non-linear, complex process that hinges on many factors beyond the control of

Siemens projects (e.g. political cycles, global and local economic dynamics, peace and security). Consequently, few projects could be expected to directly, causally and linearly affect market fairness.



Measurement: existing indicators for measuring levels of corruption, integrity, or market fairness tend to be high-level, often perception-based, and rarely disaggregated by

sector or region. This makes it difficult to capture specific changes in market fairness, and even harder to convincingly link them to specific project contributions.

D1.

Summary Report

THERE ARE, HOWEVER, SELECT EXCEPTIONS WHICH DEMONSTRATE THE CAPACITY OF THE INTEGRITY INITIATIVE TO MAKE A CLEAR DIFFERENCE IN THE BUSINESS ENVIRONMENT.

These ‘best-case scenarios’ managed to initiate reforms in national systems which changed ‘how things are done’ and raised market transparency and fairness, or at least showed considerable potential to contribute to such high-level changes.

Global Compact Network India (GCNI)

To date, this project constitutes the clearest demonstration of how Integrity funded projects can contribute to significant change in the respective market(s) that they target.

The project put forth a set of Collective Action initiatives, creating venues for companies to come together and share what they consider best practices in terms of their relationship with government. GCNI compiled these insights into a set of recommendations geared to change the existing procurement system in India (regulated by laws that dated back to the 1970s).

Taking advantage of the government’s receptivity in terms of anti-corruption policy (an explicit priority at this point in time), GCNI was able to push these recommendations forward, and a new procurement system was enacted and implemented, thanks explicitly to the work of GCNI. Evidence suggests that this new

system has changed how the government interacts with the private sector in terms of contracting, and has directly impacted market conditions by increasing transparency and fostering competition based on the merits of offerings.

Basel Institute on Governance/OECD: High Level Reporting Mechanisms

A second strong example – a little less clear in its impact yet, but with great potential – is the series of High Level Reporting Mechanisms (HLRM) developed since around 2013 by the Basel Institute on Governance’s International Centre for Collective Action (ICCA), and the OECD. Together, the partners have offered support to governments to develop HLRMs, initially in Colombia and Ukraine. HLRMs aim at providing companies with a timely and effective means to address solicitation and extortion in the context of public procurement. They involve a process that allows companies to report bribery solicitation to a dedicated and high-level institution which is tasked with responding swiftly and in a non-bureaucratic manner, at a fraction of the cost a traditional court case may involve.

In 2016, with funding from the Siemens Integrity Initiative and the UK Foreign & Commonwealth Office (Panama), the Basel Institute and OECD engaged with the Government of Panama to develop the country's first HLRM for the health sector.

The mechanism aims at allowing businesses that are bidding to provide medical equipment and undertake constructions of the Social Insurance Fund to file a grievance or complaint with the Corruption Prevention Secretariat when faced with potential unfair practices and bribery.

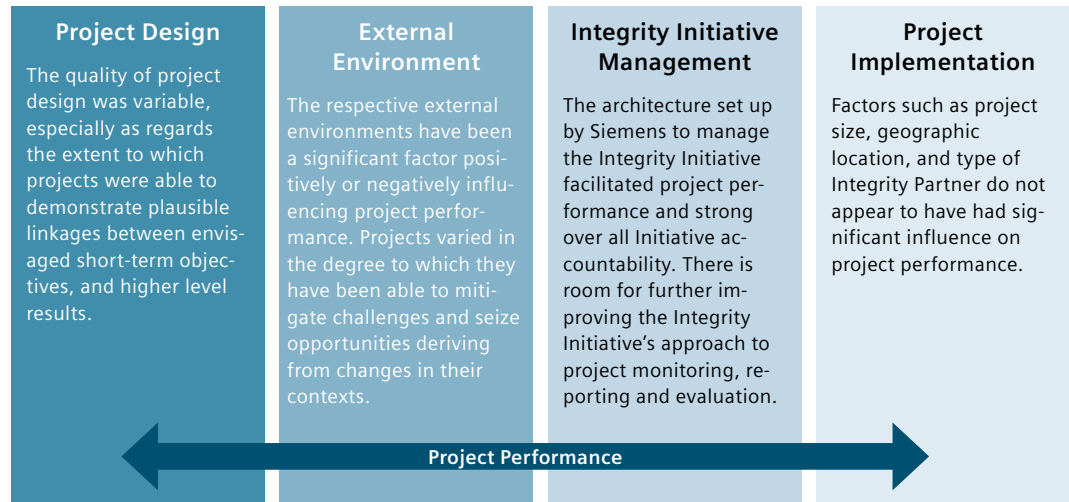
At this point, it is too early to assess the extent to which the HLRM in Panama that was established with funding support from the Integrity Initiative is contributing to sustainable and impact-level changes to the targeted market. We nevertheless mention it as a promising example, due to:

- its potential – as demonstrated in other countries that have established HLRMs – to positively affect the overall way in which the targeted market functions; and,
- the project's contributions to global learning on what works and what does not when trying to establish HLRMs.

Factors Affecting Project Performance

PROJECT DESIGNS OFTEN LACK A CLEAR THEORY OF CHANGE.

Overview of Factors affecting Project Performance.



2.8 out of 4

average project rating of 'quality of project design' in the portfolio review.

Overall, projects rated comparatively weak on the quality of their design. There were only minimal differences in average ratings between the First Funding Round (2.73 average) and the Second Funding Round (2.83 average). Ratings did not notably vary based on factors such as the type of Integrity Partner, project budget, or funding stream.

The quality of project design is relevant not as an issue in itself, but as a **factor that facilitates or limits project performance**.

Projects rated 'low' on design tended to also score lower on effectiveness and on the quality of available information on progress towards results.



Common weaknesses in project design:

Absence of a convincing theory of change underlying the intervention, resulting in:

- Overly ambitious overall objectives.
- Focus on activities instead of on results.
- Absence of explicit targets and results indicators.
- Incomplete or absent stakeholder engagement and/or partnership strategies.
- Weak or missing deliberations on how to foster sustainability of results.



Projects with **strong designs** clearly described:

- Specific and realistic objectives and timelines.
- How and why their specific activities were suited to contributing to their objectives.
- Why the intervention was relevant in the respective context.

EXTERNAL ENVIRONMENTS PLAY A SIGNIFICANT ROLE IN FACILITATING OR HINDERING PROJECT PERFORMANCE.

⁸⁾ Anti-Corruption law (law 190/2012) and the Transparency Decree (33/2013).

⁹⁾ Implemented by (i) the Beijing New Century Academy on Transnational Corporations (First and Second Funding Round); (ii) the International Business Leaders Forum, UK, in cooperation with the school of Public Administration of Renmin University, China (First Funding Round); (iii) Sequa gGmbH Germany in cooperation with the German Agency for International Cooperation (GIZ), Chengdu General Chamber of Commerce, China, and Hunan Provincial Chamber, China (First Funding Round).

¹⁰⁾ Since 2011, Turkey has had three elections, one coup attempt, and one national referendum.

¹¹⁾ Respondents to the electronic survey conducted for this review did not rate counterpart turnover as a significant issue affecting project performance. However, interviews with Integrity Partners and Project Relationship Managers, as well as the portfolio review indicated that this had been a considerable issue for at least 7 projects.

“There is buy-in and support for fighting corruption and fraud from key leaders at national, sub-national, or sector levels.”

17%

of surveyed Integrity Partners ‘strongly agreed’ with this statement

Selected examples that illustrate both positive and limiting effects of the respective external contexts are outlined below.

In **South Korea**, the UN Global Compact “Fair Player Club” project took place against the backdrop of recent large corruption scandals that had dominated public discourse, and that had generated strong public demand for increased transparency and anti-corruption measures. This created a conducive environment for the Collective Action efforts of the projects, including explicit endorsement of the Fair Player Club through government officials.

In **Italy**, the adoption of new anti-corruption legislation⁸⁾ likely contributed to the strong demand for the services provided by the

57.9%

of Integrity Partners ‘somewhat agreed’

Transparency International project on “Health-care Integrity Action”.

In **Angola**, the work of the Ethics Institute of South Africa on ‘Capacitating African business networks to implement global anti-corruption initiatives and good practices’ coincided with, and was able to leverage, a greater push on the ethics and anti-corruption front from national and local government bodies.

In **China**, Integrity Initiative-funded projects⁹⁾ have benefited from the fact that as Chinese companies are entering the global markets, they are increasingly interested in anti-corruption activities in order to ensure their international competitiveness.

8.8%

of Integrity Partners ‘somewhat disagreed’

In **Turkey**, political instability¹⁰⁾ has negatively affected the Turkish Ethics and Reputation Society (TEID) project's ability to institutionalize its business ethics certification course beyond one private university, given that public training institutions are currently hesitant to engage in and make commitments to innovative endeavours. At the same time, consulted stakeholders in Turkey indicated that the continued interest of private sector actors in ensuring their international competitiveness, including in view of complying with international anti-corruption standards, has not been negatively affected by the political uncertainties in the country.

In both **Hungary** and **Poland**, changes in the respective political environments and a perceived decrease in government support for issues of transparency and integrity are posing challenges for the sustainability of results achieved through the Central European University and POLMED (Polish Chamber of Commerce of Medical Devices).

In the **Middle East and Northern Africa** region (**MENA**), frequent turnover of government counterparts posed challenges for the OECD's work, as it repeatedly resulted in losing allies within relevant government institutions.¹¹⁾

Mitigating changes in the external environment: Instituto Ethos Brazil

The project conducted by Ethos in Brazil took place in a context that changed significantly through time. In the first few years, Ethos was able to take advantage of a favorable political context for anti-corruption, which materialized in its role successfully pushing for a Freedom of Information Law and an Anti-Corruption Law. While not the sole result of Ethos' involvement, there were significant advancements that were not part of Ethos' initial plan or objectives. Yet, the organization was able to adapt and seize the opportunity to help improve the regulatory framework in Brazil.

Then, as the context in Brazil turned increasingly unstable and less favorable to anti-corruption efforts, the sectoral agreements initially proposed by Ethos became significantly harder to achieve. As a result, Ethos was only able to achieve partial results, as two of the sectoral agreements never took place (on energy and construction), and the other two (health, transportation) had only limited buy-in from companies.

D1.

Summary Report

FACTORS SUCH AS PROJECT SIZE, GEOGRAPHIC LOCATION, AND TYPE OF INTEGRITY PARTNER HAVE NOT HAD SIGNIFICANT INFLUENCE ON PROJECT PERFORMANCE.

While small, national Non-Governmental Organizations (NGOs) tended to require comparatively more support from Siemens Project Relationship Managers and Project Office staff to ensure adequate project documentation and reporting than, for example, larger

international NGOs or multilateral organizations, these organizations were not less successful than other types of Integrity Partners in designing and implementing relevant and effective interventions.

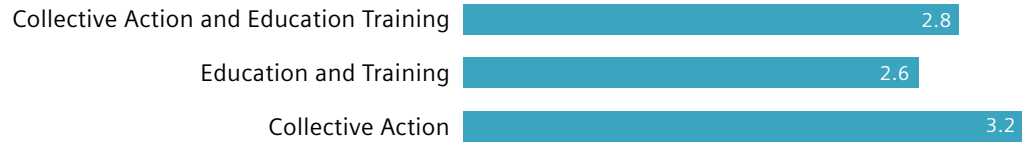
Portfolio review ratings by type of Integrity Partner

TYPE OF INTEGRITY PARTNER	# OF THIS TYPE OF INTEGRITY PARTNER IN PORTFOLIO (N=55)	AVERAGE RATING FOR EFFECTIVENESS	AVERAGE RATING FOR RELEVANCE	AVERAGE RATING FOR SUSTAINABILITY
Educational Institution	10	2.9	3.3	2.5
International NGO	15	2.7	3.1	2.5
Multilateral	10	2.8	3.4	2.2
Local NGO	9	2.7	3.3	2.2
Business/Trade Association	11	2.9	3.4	2.7
Difference highest/lowest rating	-	0.24	0.26	0.48

One potentially relevant, albeit modest, difference in ratings exists when analyzing the data based on the respective funding streams. Collective Action projects score slightly higher on the criterion 'local significance', which

addresses the question to what extent project results are innovative, relevant, and potentially transformative in the respective local context.

Average Rating for Local Significance of Results



D1.

Summary Report

THE ARCHITECTURE SET UP BY SIEMENS TO MANAGE THE INTEGRITY INITIATIVE FACILITATED PROJECT PERFORMANCE AND OVERALL INTEGRITY INITIATIVE ACCOUNTABILITY.

Siemens set up a management architecture consisting of a Project Office and a Steering Committee at headquarters. In addition, each project had a country-based Project Relationship Manager (PRM), usually the local Siemens

compliance officer, as well as a senior project mentor, a role typically taken on by the Chief Executive Officer (CEO) of the national Siemens presence.

“The Siemens Project Relationship Manager provides us/has provided us with useful guidance and support, as required.”

69.4%

of surveyed Integrity Partners strongly agreed with this statement

25%

of Integrity Partners somewhat agreed

5.5%

of Integrity Partners somewhat or strongly disagreed

0%

chose ‘Don’t know’

“There is a good working relationship between Project Relationship Managers and Integrity Partners.”

85.7%

of surveyed PRMs strongly agreed with this statement

0%

of PRMs somewhat or strongly disagreed

14.3%

of PRMs somewhat agreed

0%

chose ‘Don’t know’

“The Siemens Project Mentor provides us/has provided us with useful guidance and support, as required.”

61.1%

of surveyed Integrity Partners strongly agreed with this statement

8.4%

of Integrity Partners somewhat or strongly disagreed

13.9%

of Integrity Partners somewhat agreed

16.7%

chose ‘Don’t know’

Overall, this management architecture has worked well.

“The Siemens Integrity Initiative Team is great. They are very supportive, flexible, and we are working together as real partners. They guide us, yes, they are demanding, but in the same time they motivate us and we have the feeling that they trust us.”

– Integrity Partner (electronic survey)

“I feel enormous gratitude to Siemens. They started being very bureaucratic, and there’s been a lot of learning along the process. Thanks for adjusting, and thanks for the generosity.”

– Integrity Partner (interview)

D1.

Summary Report

Baseline Assessments

THERE IS ROOM FOR FURTHER IMPROVING THE INTEGRITY INITIATIVE'S APPROACH TO PROJECT MONITORING, REPORTING AND EVALUATION.

Most First Funding Round projects had no formal baseline data, which made it difficult to measure and demonstrate positive change that the projects had contributed to. To address this issue, the Siemens Project Office introduced compulsory baseline assessments for all projects under the Second Funding Round.

While this step is laudable, it has not yet led to significant improvements in the availability of data, or in approaches to monitoring project progress. To date, there is little evidence of existing baseline assessments having been used to monitor, assess, and report on progress made towards envisaged results and targets.

Common shortcomings in existing baseline assessments:

- The assessment is based on high-level indicators that do not directly address the specific issues that the project is aiming to affect through its activities.
- The baseline study uses an overly complex and detailed set of indicators, which are not suitable for regular use by the Integrity Partner to inform planning and reporting.
- The document submitted does not provide an assessment of the existing situation but, instead, describes the monitoring and evaluation framework that the project intends to apply, yet without initial data for the outlined indicators.
- Baselines are completed after projects have developed their annual workplan, and thus not used to inform work planning.

Interim, Annual and Final Progress Reports

Consulted Integrity Partners unanimously acknowledged that systematic financial and results reporting are **necessary to ensure accountability**. Their views varied, however, on whether the existing reporting load under the Integrity Initiative was adequate.

While several individuals noted that Siemens reporting requirements were “very reasonable” or at least “not worse” than that of other funders, a considerable number of Integrity Partners flagged current reporting requirements as an area for improvement.

Strengths and weaknesses of existing project reporting templates

Existing project reports **often do not sufficiently capture the project's 'performance story'** in terms of whether and how it is contributing to results.

This is likely at least partly due to:

- Templates for interim, annual and final reports require Integrity Partners to provide the same amounts of detailed descriptions of not only results, but of individual activities.
- Using a table format implies that there is a linear link from project activities to higher level outcomes/impact. This makes it difficult to reflect complex change processes holistically, and facilitates inappropriate attribution of results to specific micro-activities.
- Templates use both the terms 'outcomes' and 'impact', but are not clear on what the difference between these terms is.

- + Use of highly structured reporting templates helps mitigate differences in Integrity Partners' reporting experience and capacity, thus ensures that Siemens receives comparable information from all projects.
- + Project Office has developed detailed guidance tools, such as slide presentations, to help Integrity Partners navigate reporting templates.
- + Reporting templates were improved based on experiences gained during First Funding Round.
- + Reporting templates include a section titled 'impact story' that allows partners to provide a holistic narrative description of key successes.



Mid-term and Final Evaluation Reports¹²⁾

The use of mandatory final and, for the Second Funding Round, mid-term project evaluations is **reasonable** for assuring accountability at the level of both projects and the overall Integrity Initiative, and to facilitate the capturing of evidence on achievements and lessons learned across the diverse project portfolio. To date, however, the **quality of evaluation reports produced varies considerably**.

2.5 out of 4

average rating of existing project evaluations based on their methodological soundness and completeness.

Noted weaknesses in evaluation reports:

- In a considerable number of evaluation reports, evaluation findings are not sufficiently backed up by evidence.
- Often, the timeframe and budget available for the mid-term or final evaluation did not permit conducting stakeholder consultations beyond the Integrity Partner(s) and Siemens staff.
- Several evaluations miss the opportunity to exercise constructive criticism, and merely reflect positive self assessments by the respective Integrity Partner.
- Only very few evaluation reports critically assess issues such as project relevance and design.
- There is only limited evidence of mid-term or final evaluations having been used by Integrity Partners to inform ongoing or future project implementation and design, and/or by Siemens to elicit cross-projects insights on achievements or promising approaches.¹³⁾

¹²⁾ To date, final evaluation reports are available for First Funding Round projects only. Mid-term Evaluations were only introduced under the Second Funding Round.

¹³⁾ Among the Project Relationship Managers who responded to the survey, 38.1% somewhat agreed and 14.3% strongly agreed with the statement that the “Mid-term Evaluation conducted for my project(s) provided valuable insights that helped to improve project implementation”. Percentages were comparable for Integrity Partners. This suggests evaluations were deemed to be useful, but the survey or other lines of evidence did not provide further evidence as to *how*, and a considerable 42.9% of Project Relationship Managers and 30.6% of Integrity Partners selected “don’t know” in response to this question.

“The Mid-term Evaluation conducted for my project(s) provided valuable insights that helped to improve project implementation.” (Project Relationship Managers)

14.3%

of surveyed PRMs strongly agreed with this statement

38.1%

of PRMs somewhat agreed

4.8%

of PRMs somewhat disagreed

42.9%

chose ‘Don’t know’

“The Mid-term Evaluation conducted for my project(s) provided valuable insights that helped to improve project implementation.” (Project Relationship Managers)

41.7%

of surveyed Integrity Partners strongly agreed with this statement

16.7%

of Integrity Partners somewhat agreed

11.1%

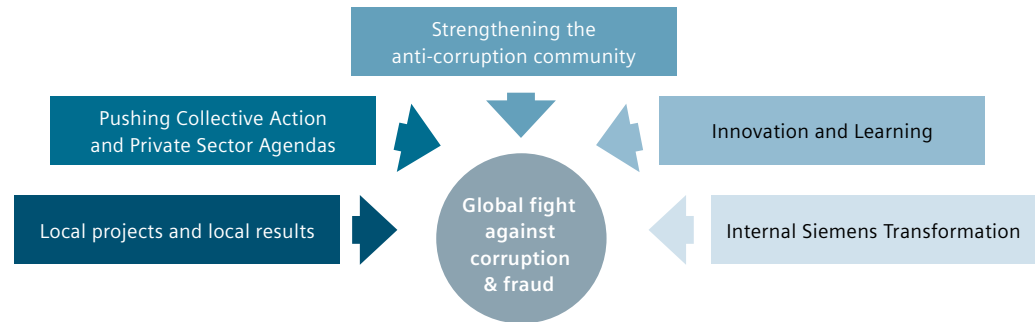
of Integrity Partners somewhat disagreed

30.6%

chose ‘Don’t know’

Collective Contribution

OVERALL, THE INTEGRITY INITIATIVE HAS MADE NOTABLE CONTRIBUTIONS TO THE GLOBAL FIGHT AGAINST CORRUPTION AND FRAUD.



Local projects and local results:

The 'global fight' against corruption and fraud ultimately needs to take place at the level of specific countries and sectors. By funding 55 projects to date, the Integrity Initiative has broadened the number and diversity of such localized initiatives around the world.

Pushing the agendas on Collective Action and Private Sector Involvement:

- Committed USD 73.254 million so far to projects which focus on Collective Action.
- Advertised and explained the notion to stakeholders.
- Helped establish global hubs of Collective Action thinking (e.g. the B20 Collective Action Hub, the International Anti-Corruption Academy (IACA) Masters in Collective Action).

- Contributed to key knowledge products on Collective Action, such as the 2015 UN Global Compact "Practical Guide for Collective Action against Corruption".
- Demonstrated to *the public and not-for-profit sector* that private businesses can be an effective partner in fighting corruption.

45.9%

of surveyed Integrity Partners who indicated that Collective Action had not already been a focus for their organization before applying for and receiving funding through the Integrity Initiative

Stronger anti-corruption community:

Several Integrity Partners indicated that working with the Integrity Initiative has contributed to strengthening their organizational and staff capacities. In doing so, the Integrity Initiative is likely to have contributed to the longer-term vibrancy of the anti-corruption field.

Integrity Initiative Contributions to Strengthening Partner Capacities

STRONGLY AGREE

Working with the Siemens Integrity Initiative has increased the capacity of my organization to fight corruption and fraud.

77.8%

Working with the Siemens Integrity Initiative has increased the capacity of my organization to foster Collective Action.

77.8%

Working with the Siemens Integrity Initiative has increased the capacity of my organization to apply for and manage projects and funding.

52.8%

“The Initiative has been successful at promoting and spreading word about the Collective Action approach, empowering and motivating actors in many countries. The Initiative put a spotlight on the issue, provided ideas and tools, and galvanized existing movements.”

– Global anti-corruption expert (interview)

“[The Integrity Initiative] has really pushed local [Transparency International] chapters to work more and more directly with the private sector. Just in numbers, at beginning of the initiative there were 10 local chapters of TI with projects dealing with private sector [business], now there are more than 40.”

– Transparency International expert (interview)

Innovation and Learning

Innovation

The open and responsive nature of the Integrity Initiative allows it to promote innovation in different ways:

- **Incubator/accelerator for preexisting ideas:** for example, Siemens funding allowed the Basel Institute and OECD to expand the application of High-Level Reporting Mechanisms to new geographic contexts.
- **Seed funding for new, innovative organizations:** for example, IACA, Pearl, the Turkish Integrity Centre of Excellence (TICE) and the related business ethics research and training centre INschola; and Ethics Angola.
- **Supporting adaptation of global good practice to new contexts:** for example, in projects implemented by the Al Akhawayn University in Morocco, and Transparency International in Bulgaria.

Networking

- **Involvement of a broad range of stakeholders:** most projects, especially those focused on Collective Action, involved stakeholders from public, private, not-for-profit, and sometimes academic sectors.
- **Collaboration across project partners:** at least 30% of Siemens funded projects mentioned collaboration with other Integrity Partners, particularly with international organizations like IACA and the UN Global Compact (UNGC).
- **Informal learning from project to project:** for instance, the Makati Business Club in the Philippines developed an Online Integrity Assessment Tool which was replicated in PGR's project in Indonesia.
- **Bringing together of individuals:** to date, the Basel Institute on Governance has organized two global Collective Action conferences which brought together many Integrity Partners and other stakeholders.

Knowledge

- **Global knowledge centers:** the Integrity Initiative funded global knowledge centers, such as the Basel Institute Centre for Collective Action, and IACA's Anti-Corruption research and training facilities.
- **Knowledge products of potential global relevance:** for example, the Central European University (CEU) guidance for developing anti-corruption curricula; Transparency International (TI) Mexico's crossnational research on what makes integrity pacts work and fail, and the UNGC's (2015) publication on Collective Action derived from Integrity Initiative-funded projects.
- **Local anti-corruption data and tools:** for instance, Partnership for Governance Reform (PGR) Indonesia and Makati Philippines applied Online Integrity Assessment Tools to generate data to map gaps in national integrity management systems. Pearl developed an integrity index for the Gulf States, and TICE in Turkey developed a broad range of print and electronic materials on business ethics.
- **Siemens speaking engagements:** Siemens Integrity Initiative representatives at global and national level frequently publicly disseminated project stories and learning products.

However, to date the Integrity Initiative has not yet fully exploited opportunities for connecting actors, sharing knowledge, and scaling successes. There are no initiative-wide strategies to promote public goods created by projects among Integrity Partners. Consequently, more evidence was available in relation to outputs (e.g. innovative approaches, knowledge products, press conferences, meetings between Integrity Partners) than in relation to outcomes (e.g. innovations being scaled, new knowledge being used by others, or exchange among Integrity Partners leading to actual changes). With regards to networking in particular, many Integrity Partners expressed a desire to be more proactively connected with other Siemens partners for local/global learning.

“It would be helpful to receive information about other Integrity Initiative projects that are similar to ours and learn from their experiences.”

– Integrity Partner (electronic survey)

“I would suggest more meetings with other projects representatives to share experience.”

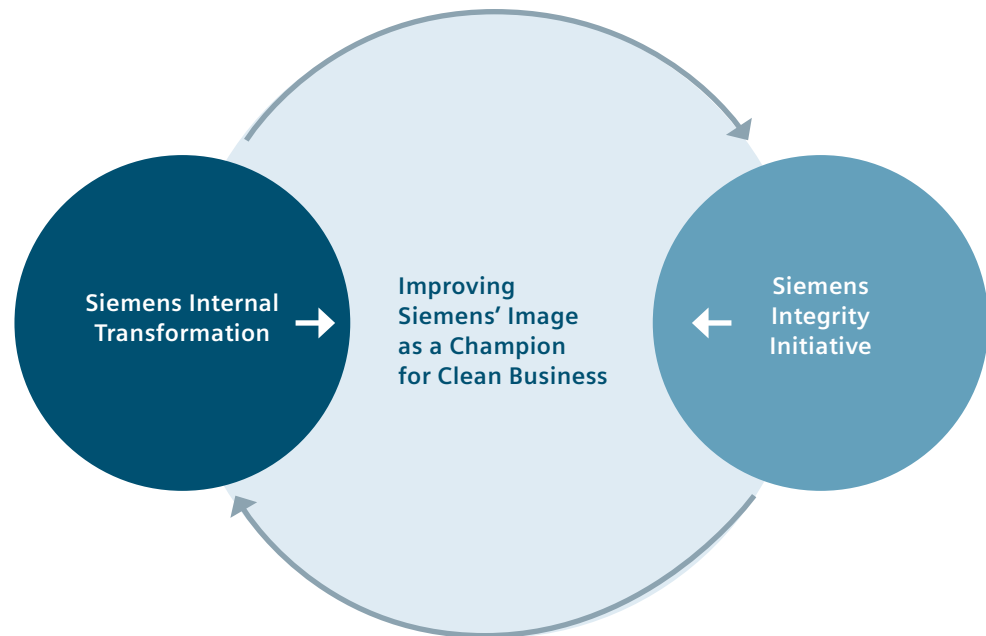
– Integrity Partner (electronic survey)

“Aside from one conference that brought together Siemens Integrity Initiative supported institutions, there has not been a focus on sharing across the globe. In-country learning between beneficiary institutions and global learning between supported initiatives could be of immense value.”

– Ethics South Africa First Funding Round, final evaluation (p.41)

Siemens Internal Transformation

THE INTEGRITY INITIATIVE HAS BOTH BENEFITED FROM, AND HAS POSITIVELY INFLUENCED, SIEMENS INTERNAL TRANSFORMATION.



The Integrity Initiative has been beneficial for Siemens' internal transformation by contributing to:

- Maintaining the high prominence of the discourse on integrity and compliance within the organization.
- Motivating country level Compliance Officers by providing them with additional, but interesting, and often rewarding work.
- Enriching Siemens' contributions to, and leadership within, international working groups such as B20, World Economic Forum Pact against Corruption Initiative (WEF PACI), OECD Business and Industry Advisory Committee (BIAC).

Siemens' internal transformation has benefited the Integrity Initiative in that it:

- Contributed to increasing the Integrity Initiative's perceived legitimacy and trustworthiness in the eyes of key stakeholders by demonstrating that Siemens was indeed 'walking the talk'.
- Utilised the resource base of Siemens' internal compliance operations and engaged country CEOs to support as Mentors thereby providing appropriate capacity where needed at country level.

Sustainability

Projects varied in the extent to which they put in place measures to enhance the likelihood of results being sustainable. This led to a somewhat lower rating than for other criteria, although results were difficult to assess as many projects were still ongoing or had recently closed. Nevertheless, to date there are some examples of achievements deriving from the First Funding Round that have been sustained beyond Siemens funding.

2.4 out of 4

average project rating in relation to sustainability (as the combination of financial and results sustainability)

The portfolio review did not show significant differences in likely project sustainability based on factors such as type of Integrity Partner, geographic scope, or the funding stream.

Projects that were rated strong in terms of (likely) sustainability exhibited:

- **Conceptual Clarity:** Project proposal and subsequent reports reflect clarity over what 'sustainability' means in the context of the project.
- **Sustainability Strategy evident in Project Design and Implementation:** Integrity Partners plan and implement dedicated efforts to ensure sustainability of results.

Some projects used small-scale pilot initiatives to initially demonstrate the effectiveness of a model. In some cases, this either led to the respective Integrity Partner being able to expand their activities based on demonstrated success, or – in at least two cases – hand over responsibility for the model to public-sector partners, thereby enhancing the likelihood of results being sustained as well as expanded.

- EthicsSA started working with 9 out of 278 South African municipalities (3%);
- Convention on Business Integrity (CBI) Nigeria started with only select companies;
- POLMED started with roughly 10% of Polish public hospitals;
- UNGC India started primarily in Delhi;
- TI Bulgaria aimed to develop Integrity Pacts in relation to only two public tenders

1. Projects demonstrate success at small scale

2. Based on success, Integrity partners expand activities

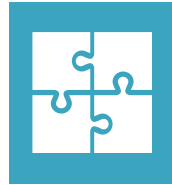
- POLMED delivered training to additional hospitals based on their expressed requests;
- UNGC India branched out to major cities beyond Delhi;
- TI Bulgaria achieved one more Integrity Pact than planned

3. Institutionalization/ Hand-over of model

- EthicsSA transferred the mandate and capacity of continuing its integrity work with municipalities to the South African Local Government Authority (SALGA);
- CBI Nigeria succeeded in having the Nigerian Stock Exchange (NSE) adopt its integrity measures

Conclusions

The findings of the Mid-term Review of the Siemens Integrity Initiative are, overall, positive.



Integrity Initiative Relevance and Reputation

The Integrity Initiative is relevant to the global anti-corruption field in its function as a significant funding

source for anti-corruption actors, and in its resulting contributions to enabling the implementation of 'hands-on' interventions to prevent, detect, or address corruption in a variety of contexts. The settlement model underlying the Integrity Initiative is widely appreciated as a constructive model of restorative, rather than merely punitive justice.

Since its establishment in 2009, the Integrity Initiative has gained the respect of many anti-corruption actors around the world. The diversity of actors funded under the Integrity Initiative and the fact that there have been no significant failures linked to funded projects have contributed to this. Siemens' approach to managing the Integrity Initiative was effective and has enabled the Siemens Project Office to trace 'every dollar spent'.



Project Effectiveness

There is strong evidence of projects achieving their intended short-term results. While evidence of progress towards higher-level results

is considerably weaker, there are several examples of projects having made significant contributions to change within their respective contexts. This includes contributions to creating or expanding existing anti-corruption alliances, strengthening the Rule of Law, strengthening voluntary standards, and creating incentives for good performers.

For almost all projects it is too early to expect visible contributions to impact-level changes. Nevertheless, the review identified at least two projects that either have made, or have the strong potential to make, a difference on the business environment. Due to their inherent focus on influencing social norms and behaviours, projects focusing on Collective Action are more likely to visibly contribute to higher level changes than those focused on Education and Training.

Differences in the type of Integrity Partner did not significantly affect project performance. The quality of project design, however, did. In general, projects with stronger designs were better able to demonstrate more and/or higher-level results, take into account and adapt to evolving external contexts, and develop more deliberate strategies to enhance the likelihood of results being sustainable.



Collective Contribution and Integrity Initiative Management

The Integrity Initiative has made valuable contributions to the global fight against corruption. It has helped promote, enhance the visibility of, and contribute to learning on Collective Action, including demonstrating to the private sector that there is a business case for investing in Collective Action. The financial and management support provided through the Integrity Initiative has contributed to strengthening the organizational capacities of Integrity Partners. Within Siemens, the Integrity Initiative has not only benefited from, but

has also positively affected the corporation's internal transformation, as well as its growing reputation as a global champion for clean business. There is some untapped potential as regards facilitating cross-project learning based on the rich experiences deriving from their implementation.

Siemens' approach to managing the Integrity Initiative was effective. Its strong focus on accountability was appropriate during the start-up of the Integrity Initiative, and understandable considering its settlement nature. However, it has resulted in activity-, rather than results-focused, reporting on project progress.

Recommendations

The recommendations of the Mid-term Review of the Siemens Integrity Initiative are as follows:



Project Selection and Design

Recommendation 1:

Siemens should proactively manage reputational risks by being more explicit about the rationale underlying sectoral

and/or geographic priorities as part of project selection criteria.

Recommendation 2:

To facilitate stronger project designs and subsequent monitoring of achievements, Siemens should place more emphasis on ensuring that project proposals explicitly outline how planned activities are envisaged to contribute to higher level change processes.



Monitoring, Reporting and Evaluation

Recommendation 3:

Siemens should modify project reporting templates to facilitate more results-oriented

reporting especially in annual and final reports. This can alleviate some of the burden that writing and reviewing current reports place on Integrity Partners and the Project Office team, while still maintaining high levels of accountability.

Recommendation 4:

Siemens should provide Integrity Partners with clear guidance on the expected format, content, and timing of baseline assessments, and facilitate the use of baseline data in project progress reports.

Recommendation 5:

Siemens should take action to improve the quality and utility of mid-term and final project evaluations conducted by external parties.



Fostering Learning

Recommendation 6:

The Siemens Project Office should clarify whether, to what extent, and how it wants to facilitate more systematic

learning from, and exchange on the experiences deriving from Integrity Initiative-funded projects.



Exit Strategy

Recommendation 7:

Siemens should actively manage the upcoming end of the Integrity Initiative (from 2024 onwards), independently of

whether or not Siemens will continue to fund anti-corruption work beyond the current settlement agreement.

D2.

Annex –
Additional Siemens Reports

Annex – Additional Siemens Reports



Annual Report 2017

Siemens has published the Annual Report for the fiscal year 2017. It provides detailed information about the business development of the company, its earnings, assets, and finances.



Sustainability Information 2017 as addendum to Siemens Annual Report

Improved governance is one of the goals for sustainable development, and that involves fighting corruption.

The 'Sustainability Information 2017 as addendum to the Siemens Annual Report' describes the strategy, organization, initiatives and goals for ensuring sustainability.

Guided by the GRI G4 reporting guidelines it sums up our performance with regard to the 10 principles of the United Nations Global Compact and serves as our annual progress report on implementing the United Nations CEO Water Mandate.

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www.siemens.com/collective-action

In addition to this report, Siemens publishes information on its activities in this field in its comprehensive Annual Report at the end of the fiscal year.

This Siemens Integrity Initiative Annual Report 2017 has been compiled to the best of our knowledge and includes information that has been submitted to the Siemens Integrity Initiative Project Office through March 2, 2018.

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About Siemens

Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for 170 years. The company is active around the globe, focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of efficient power generation and power transmission solutions and a pioneer in infrastructure solutions as well as automation, drive and software solutions for industry. With its publicly listed subsidiary Siemens Healthineers AG, the company is also a leading provider of medical imaging equipment – such as computed tomography and magnetic resonance imaging systems – and a leader in laboratory diagnostics as well as clinical IT. In fiscal 2017, which ended on September 30, 2017, Siemens generated revenue of €83.0 billion and net income of €6.2 billion. At the end of September 2017, the company had around 377,000 employees worldwide.

