

by **Siemens, Basel Institute on Governance, United Nations Global Compact and the Organization for Economic Cooperation and Development**

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Siemens to fund the Basel Institute on Governance and partners to scale up anti-corruption Collective Action

- **Three year funding of nearly US\$4 million under the Siemens Integrity Initiative, supporting organizations and projects that are fighting corruption**
- **Project partners are the United Nations Global Compact and the OECD**
- **Support and collaboration for B20 Hub on Anti-Corruption Collective Action**

The Basel Institute on Governance – together with its partners, the United Nations Global Compact and the Organisation for Economic Cooperation and Development (OECD) – has been awarded a three-year funding of nearly US\$4 million under the second funding round of the Siemens Integrity Initiative. The funding will support the Basel Institute and the UN Global Compact in their joint mandate to develop and maintain the B20 Collective Action Hub, and the Basel Institute and the OECD's joint mandate to support the development of High Level Reporting Mechanisms in G20 countries, in a project entitled "Scaling up anti-corruption Collective Action: B20 Hub on Anti-Corruption Collective Action."

The funding was welcomed by Gretta Fenner, Managing Director of the Basel Institute, who stated: "We're pleased to be able to continue our work promoting and facilitating anti-corruption Collective Action initiatives with the objective of assisting companies and other stakeholders in reducing corruption." The Basel Institute's International Centre for Collective Action (ICCA) acts as a facilitator to various industry groups currently engaged in developing Collective Action initiatives.

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Collective Action is increasingly recognised globally as an effective tool to address governance-related problems. Many companies have set up compliance programs to prevent corruption, but are often still faced with systemic corruption and demands for bribes in some markets. In order to address these challenges and to create a level playing field, multi-stakeholder approaches led by companies as part of their programs to prevent corruption are needed.

With total funding of over US\$100 million, the Siemens Integrity Initiative constitutes one element of the July 2009 settlement between Siemens and the World Bank and of the March 2013 settlement between Siemens and the European Investment Bank. Under the second round, funding applications were received from more than 180 well-known non-profit organizations from about 60 countries.

The Basel Institute on Governance, the UN Global Compact and the OECD were already the recipients of funding in 2010 under the first funding round of the Siemens Integrity Initiative. The new Siemens funding will enable the three organisations to join forces and complement previous work in their respective Collective Action fields.

Through the UN Global Compact (UNGC), the project will address the need for more global dissemination of Collective Action practices. This second phase will “accelerate the spread of practical solutions to reduce, and where possible, even eliminate corruption,” said Georg Kell, outgoing Executive Director of the UN Global Compact. “Our Local Networks, operating in a total of 88 countries, have identified anti-corruption as a top priority issue in unlocking the full potential within markets to advance sustainable development. This joint project will energize efforts and we hope that Collective Action will make a real difference in key markets.”

These activities and developments will be further coordinated and disseminated through the B20 Collective Action Hub.

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Nicola Bonucci, Director for Legal Affairs at the OECD stated: “Partnering with the Basel Institute will enable us to make progress on addressing bribery solicitation issues in a number of countries through the High Level Reporting Mechanism, which is exciting great interest as an effective Collective Action tool.”

“We view the B20 Collective Action Hub as a significant ground-breaking initiative that will become a formidable force in the fight against global corruption. Only an alliance of all actors can jointly approach this issue and find long-term solutions. Fighting corruption is not a sprint, it is a marathon, but we encourage you to join our global activities,” explained Sabine Zindera, Head of the Siemens Integrity Initiative and Vice President Legal and Compliance, Siemens AG.

The Basel Institute and its partners are grateful for this support and look forward to continuing to promote and employ anti-corruption Collective Action as an effective means to fight corruption.

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More information on the Siemens Integrity Initiative is available at:

www.siemens.com/integrity-initiative

Background information on the B20 Task Force on Transparency and Anti-corruption is available at: <http://b20turkey.org/>

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Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 165 years. The company is active in more than 200 countries, focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is No. 1 in offshore wind turbine construction, a leading supplier of combined cycle turbines for power generation, a major provider of power transmission solutions and a pioneer in infrastructure solutions as well as automation, drive and software solutions for industry. 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 2014, which ended on September 30, 2014, Siemens generated revenue from continuing operations of €71.9 billion and net income of €5.5 billion. At the end of September 2014, the company had around 343,000 employees worldwide on a continuing basis. Further information is available on the Internet at <http://www.siemens.com>.

Background Information

The B20 Task Force on Anti-Corruption and Transparency awarded the establishment of the B20 Anti-Corruption Collective Action Hub to the Basel Institute on Governance in June 2013, following a competitive tender issued by the B20 Task Force earlier that year. The aims and mandate of the B20 Anti-Corruption Collective Action Hub included identifying and analysing Collective Action initiatives and serving as a centre of excellence for utilizing Collective Action strategies.

At the September 2013 G20 Leader's Summit held in Saint Petersburg, Russia, the G20 stressed the 'crucial importance' of Collective Action and declared its support:

"We recognize that a culture of intolerance towards corruption will only be achieved if we work in partnership with business and civil society. We commit to maintain and build on the enhanced dialogue between the G20 Anti-Corruption Working Group and the B20 and C20, and have taken note of the recommendations of these two groups. In particular, we welcome the business community's initiatives to enhance anti-corruption collective actions and to develop institutional arrangements to promote anti-corruption compliance in the private sector."

The Basel Institute is continuing to develop the B20 Anti-Corruption Collective Action Hub to fulfil its mandate as awarded by the B20 Task Force, and the new funding provided by the second round Siemens Integrity Initiative (www.siemens.com/integrity-initiative) will support these efforts in the coming years.

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