

Siemens Integrity Initiative Annual Report 2014

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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, and 2013 can be found here:

www.siemens.com/integrity-initiative/Report2011

www.siemens.com/integrity-initiative/Report2012

www.siemens.com/integrity-initiative/Report2013

Kindly note that the online version of this Annual Report 2014, available at www.siemens.com/integrity-initiative/Report2014, 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 Readers,

March 2015

Welcome to our fourth annual report, which supports our approach of providing transparency on the Siemens Integrity Initiative.

In our first Annual Report on the global activities of the Siemens Integrity Initiative during 2011 we set out our Collective Action activities in Section A, and in Section B we outlined the background to the Siemens Integrity Initiative, with its funding of over 100 million USD. After describing the general thinking behind the Initiative as it was conceived in 2009, we explained how the first funding round worth some 40 million USD progressed from the planning stage through the selection of projects and awarding of funds to the first projects in December 2010. With Section C we provided a first overview on our projects, which included project profiles and highlights of activities.

With the second and third reports relating to the completed years 2012 and 2013, we reported on the status of the projects, and we are delighted that this new, fourth report, covering the year 2014, once again provides an opportunity to offer current and in-depth insights into our projects in Section C, very much in line with the continuity we have embarked upon.

The content of Section C is based on the information supplied to us by our partners as of the reporting date of March 15, 2015, and has been coordinated with them.

We are very pleased that in this, the fourth year of its existence, many projects have again shown gratifying progress in terms of their implementation; that further tangible results in the fight against corruption across all national boundaries can be discerned; and that it has thus been possible to integrate further stakeholders and activities in this process.

This year has also seen the Siemens Integrity Initiative Project Office, in conjunction with its locally based Siemens Project Relationship



Managers, keep itself regularly up to date on the progress of the projects via a biannual reporting process, which encompasses both an overview of their implementation and milestones of the contractually agreed activities, as well as a target/actual analysis of the associated budgets. The Project Office has also reported regularly to the Steering Committee of the Siemens Integrity Initiative on the results achieved, as well as conducted face-to-face information sessions with the dedicated working groups of the World Bank Group in Washington and the European Investment Bank (EIB) in Luxembourg.

As part of the Siemens-World Bank Group settlement agreement, 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 in

2013 (€ 13.5 million over five years) gives the EIB the right to reject the projects proposed.

The positive feedback received from external and internal sources has strengthened our determination to make the majority of the information presented here publicly and transparently accessible via our dedicated web presence www.siemens.com/integrity-initiative, and in doing so to convince further important partners to sign up to Collective Action against corruption.

The information relates in particular to the framework conditions for the first and second funding rounds, 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 rounds, and the unabridged versions of the Siemens Integrity Initiative Annual Reports for 2011, 2012, 2013 and 2014.

 A Word from the Siemens Integrity Initiative Steering Committee

A Word from the Siemens Integrity Initiative Project Office

Following the first funding round, initiated in December 2009 with a volume of some 40 million USD, and covering projects made public from December 2010 onwards, in June 2013 we issued a public invitation for applications for the second funding round, with a volume of up to 30 million USD. In addition, we informed potential applicants that a further selection of projects based on the agreement between the European Investment Bank (EIB) and Siemens AG announced on March 15, 2013 could be eligible for funding and support.

We were once again impressed by the highly enthusiastic international response to this public call for proposals and the quality of the suggestions submitted. Within the framework of the second funding round, more than 180 high-profile non-profit organizations from around 60 countries had entered applications with anti-corruption-related projects scheduled to run for between three and five years.

Here we were particularly pleased that a very high proportion of the proposals put forward meets the published selection criteria and that in conjunction with partners selected after rigorous cross-functional due diligence exercises, we are in a position to further expand our geographically well-balanced portfolio, for example in China, Colombia, Egypt, India, Iraq, Italy, Libya, Morocco, Mozambique, Poland, Russia, South Africa, South Korea, Spain, Tunisia, and Turkey.

The present Annual Report 2014 was approved by the Siemens Steering Committee in April 2015, and submitted to the World Bank Group in Washington in May 2015, and to the European Investment Bank in Luxembourg in April 2015, in each case supported by an in-depth presentation.

Our sincere thanks are conveyed to the Siemens Integrity Initiative Project Office for the conception and shaping of the Initiative and its global governance and leadership,



and of course to the actual project partners, the Project Relationship Managers and the Mentors who support the implementation with great commitment 'on the ground'. The Steering Committee provided the Project Office with unwavering support in an advisory and supervisory role.

We remain well on track, and look forward with optimism to the further implementation of our projects, numbering more than 50 in over 25 countries. The positive external and internal feedback continues to spur us on. We are convinced that our activities in relation to the first and second funding rounds have succeeded in generating the momentum and publicity so vital in driving forward the alliance of shared interests in promoting cleaner markets that will benefit fair market conditions. The positive impetus emerging within the economic cycle from interaction with our global partners underpins sustainable and equitable action – a perfect fit for our values and the concept we have outlined in our "Ownership Culture".

With this in mind, we continue to support the global Collective Action activities and the Siemens Integrity Initiative, which focuses on integrity in its objective of combating corruption, thus providing sustained backing for our Vision 2020.

Steering Committee of 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 A Word from the Siemens Integrity Initiative

Project Office

Dear Readers,

March 2015

A Word from the Siemens Integrity Initiative Steering Committee

 A Word from the Siemens Integrity Initiative Project Office

2014 was a year in which the concept of Collective Action against corruption was taken to scale. We see that more and more small, medium and multinational companies are joining forces with governments and civil society to find solutions to counter corruption.

An impressive number of business stakeholders around the world have begun to acknowledge that only clean business is good business. It gives us hope to notice such increased political will by stakeholders to jointly engage in Collective Action activities against corruption and to create a level playing field of fair market conditions for today's globalized markets.

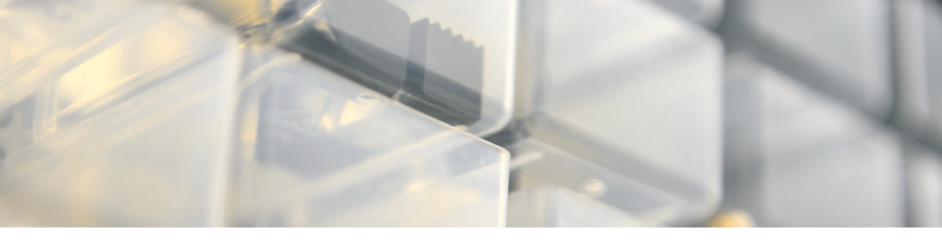
The collective dynamic towards clean business is visible at the global level, where government leaders under the G20 and the business community (B20), which provides recommendations to the G20, have continued their work on anticorruption throughout the presidency of the Government of Australia.

The <u>priorities</u> of the current G20 presidency held by the Government of Turkey foresee a continued anti-corruption policy debate. Fighting corruption is considered a "collective responsibility" by the Turkish government. Moreover, the concept of "Collective Action" – an alliance of stakeholders against corruption –

remains an important driver for change in a diverse range of international fora such as the United Nations, the World Economic Forum in Dayos, or the OECD.

We are delighted that the projects of the Siemens Integrity Initiative have contributed to these changes towards clean business. Around two thirds of the projects funded under the first funding round have now come to their scheduled end and we have seen a peak in activities over the last year.

In the past four years of project implementation, our Integrity Partners have developed the anti-corruption training material needed to shape the attitudes and behavior of professionals and provided platforms to discuss and implement anti-corruption strategies. New champions emerged in the private as well as public sector, publicly calling for ethics code of conducts and a collective commitment towards clean business. Most project activities have triggered the much needed change of behavior, policy or even law that help to create fair market environments. Thus, evidence of impact was collected and noted by the Integrity Partners as part of the ongoing impact evaluation process, which aims at capturing the difference that a project makes on the fairness of the



market conditions, on the business environment and ultimately also on people's lives.

More concretely, during the past four years, an ever increasing number of Collective Action initiatives were recorded, for example by the International Center for Collective Action – a dedicated team that provides know-how and expertise on implementing Collective Action initiatives and also act as the B20 Hub on Collective Action. The first students have graduated under the dedicated Masters on Anti-Corruption Studies of the IACA. Governments actively piloted Collective Action concepts such as Integrity Pacts and the High Level Reporting Mechanism and came to the table to discuss changes in procurement and anti-corruption laws. Around the FIFA World Cup in Brazil, a wide ranging discussion on transparency in public procurement and sport sponsorship was initiated and accompanied by concrete quidance.

At the <u>conference</u> "Going Further Together to Counter Corruption", organized by one of the funded organizations, the Basel Institute on Governance, 150 anti-corruption experts from business organizations, governments and public-sector bodies convened in Switzerland to

exchange their experiences and fine-tune their approaches to further increase their impact through Collective Action initiatives.

While some of the projects of the first funding round came to a scheduled end, contracts with new or follow-on Integrity Partners were signed in the framework of the second funding round. The award of funds has been based on the quality of the project proposals and the capacity of the applicant organization to perform the proposed anti-corruption activities. The applications have been assessed against a set of predefined eligibility and selection criteria. A detailed and interdisciplinary due diligence was conducted by Siemens and we are delighted to have identified an inspiring group of Integrity Partners with promising project ideas.

With the first projects funded under the second funding round of the Siemens Integrity Initiative having started their work in December 2014, the overall number of funded projects is gradually increasing to over 50. The geographic and thematic scope covered by the ongoing and future efforts is consistently widening, and this is thanks to you, the Integrity Partners of the Siemens Integrity Initiative, who promote integrity, clean business and fair market conditions by countering corruption.

It is the valuable work of civil society that makes a difference in providing a format for constructive interaction and dialog on anticorruption with all stakeholders, including business and governments.

As with last year, we would like to thank all of our Integrity Partners, Project Partner Organizations and our Siemens colleagues around the world for their contribution and incredible dedication. We look forward to continuing our cooperation in the year to come and will keep you informed about new developments.

The Collective Action & External Affairs Team is headquartered in Munich, Germany:

Sabine Zindera (Vice President) heads the department and is supported by Birgit Forstnig-Errath (Head of the Siemens Integrity Initiative), Jana Mittermaier (Director Collective Action, until June 2015) and Sabrina Vetter (Collective Action Manager also responsible for driving the Collective Action Stakeholder Mapping Process), as well as the network of Siemens Business Leaders, Compliance Officers, and legal and tax experts all around the world.



Introduction

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.

Introduction

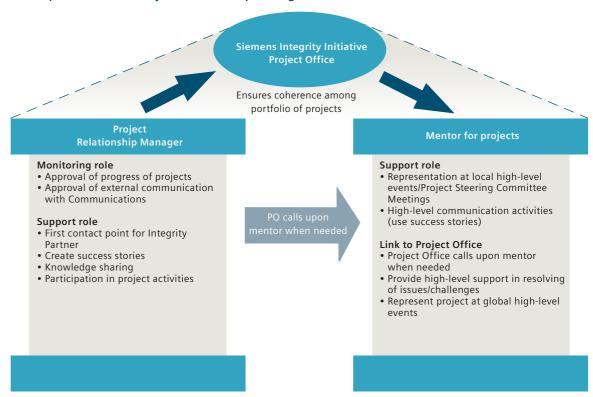


Project management and reporting

- 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 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 set-up 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)

Roles and responsibilities of Project Relationship Managers and Mentors:



Introduction



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 and Project Team)
- To make this Initiative a company-wide effort and ensure engagement and representation, all relevant business units of Siemens have been integrated into the structure of the Initiative
- The main operational contact for this Initiative is the Siemens Project Office, 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:

European Investment Bank **World Bank** Siemens **World Bank Working Group Siemens Integrity Initiative** Siemens **European Investment Bank** Siemens Integrity Initiative **Siemens Integrity Initiative Steering Committee Managing Board** • Dr. Andreas C. Hoffmann, • Head of Fraud Investigations • Governance Global Practice General Counsel • Institutional Integrity (INT) • Dr. Horst J. Kayser, Corporate Vice President, Legal Department Chief Strategy Officer • Dr. Klaus Moosmayer, • External Relations (EXT) • IFC, Transactional Risk Solutions Chief Compliance Officer Department • Governance Partnership Facility √ Veto-rights over the selection ✓ Right to reject the projects of projects **Siemens Integrity Initiative** proposed ✓ Audit right over the use of **Project Office** √ Regular reporting on progress funds Regions and and work plans ✓ Regular reporting on progress Divisions and work plans **Siemens Integrity Initiative** Finance **Project Team** and Tax Legal Compliance Communications Strategy and Planning

B.

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 USD 100 million over the next 15 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 of March 15, 2015, 23 projects have completed their project activities as scheduled. These projects are marked in the table on page 20 – 23 and further information about them 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, second, and third year (2011, 2012 and 2013) was provided in the Siemens Integrity Initiative Annual Report 2011, 2012 and 2013. (www.siemens.com/integrity-initiative/Report2011; www.siemens.com/integrity-initiative/Report2012; www.siemens.com/integrity-initiative/Report2013)

Key data first funding round	
Funds committed in the first funding round	USD 37.7 M
Disbursements in year 1 to year 4 (2010 – 2014) (release of provision)	USD 30.8 M*
Planned Updated Project Budgets in year 5 (2015)	USD 5.2 M*
Number of projects first funding round	31
Thereof projects that have completed their activities	23
Thereof ongoing	8*
Countries covered in the first funding round	22

Siemens fiscal year (October – September)

* The information provided in this table is based on approved Final Reports and Annual Reports as per March 15, 2015

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 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 (US\$ 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 (€ 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 US\$ 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.

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 relevance to Siemens. 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 Part D of this Report).

More information on the settlements between Siemens and the World Bank Group and Siemens and the European Investment Bank (EIB) is available online if you click here for the World Bank Group and here for the EIB 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 22.6 M		
Disbursements until March 15, 2015 (release of provision)	USD 2.4 M*		
Total Planned Project Budgets until September 30, 2015	USD 5.8 M		
Number of projects	15		
Countries covered	More than 20		

Siemens fiscal year (October 1 – September 30)

Note: With total funding of more than US\$100 million, the Siemens Integrity Initiative constitutes one element of the July 2009 settlement between Siemens and the World Bank Group and the March 2013 settlement between Siemens and the European Investment Bank (EIB).

These numbers are subject to change. The selection process of the second funding round was still ongoing on March 15, 2015. Only projects that have already signed a Funding Agreement are shown in the table above.

^{*} The information provided in this table is based on Funding Agreeements signed as per March 15, 2015



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, 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

Ethics Institute of South Africa (EthicsSA)

Federation of Korean Industries-International Management Institute in cooperation with Global Competitiveness Empowerment Forum, 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, Philippines in cooperation with the European Chamber of Commerce Philippines

Organisation for Economic Co-operation and Development (OECD), MENA-OECD Investment Programme, France

^{*} completion process ongoing, Annual Report shows activities of Year 4 or summary for entire project period depending on information available

^{**} project was reported on in Annual Report 2013

^{***} project was reported on in Annual Report 2012

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	-	ongoing
China	0.89 M	-	completed as of March 2014
Central and Eastern Europe	3.09 M	-	ongoing
Europe, Asia, Russia, South America	0.96 M	-	completed as of September 2014*
Nigeria	1.1 M	-	completed as of December 2014*
Angola, South Africa	1.5 M	-	ongoing
South Korea	0.81 M	-	completed as of March 2014
Global	1.48 M	-	completed as of January 2015*
Brazil, Egypt, India, Nigeria, South Africa	2.87 M	-	completed as of January 2015*
Argentina	0.73 M	-	completed as of September 2014*
Global	1.3 M	-	completed as of May 2014
Global	2.02 M	-	ongoing
China, Russia	1.5 M	-	completed as of December 2013**
Brazil	3.11 M	-	ongoing
Israel	0.48 M	-	ongoing
Philippines	1.04 M	-	ongoing
Middle East and North Africa	0.75 M	-	completed as of September 2013**

B.

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 – Kemitraan, Indonesia

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

Sequa gGmbH, Germany in cooperation with 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, 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

completion process ongoing, Annual Report shows activities of Year 4 or summary for entire project period depending on information available

^{**} project was reported on in Annual Report 2013

^{***} project was reported on in Annual Report 2012

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
Czech Republic, Slovakia	0.6 M	-	completed as of March 2014
Indonesia	1.5 M	-	completed as of December 2014*
Poland	0.46 M	-	completed as of September 2014*
China	1.49 M	-	completed as of March 2014
Bulgaria	0.45 M	-	completed as of February 2014
Italy	0.6 M	-	completed as of March 2014
Mexico	0.23 M	-	completed as of May 2014*
USA, Global	0.66 M	-	completed as of September 2014*
Arab States Region	1.78 M	-	completed as of December 2014*
India, Mexico	1.12 M	-	completed as of September 2014*
Global	0.75 M	-	completed as of September 2014*
India, Mexico	1.22 M	-	completed as of September 2014*
Egypt	0.85 M	-	ongoing
Vietnam	0.5 M	-	completed as of September 2012***
	37.7M	0 M	

Siemens Integrity Initiative

Projects funded under the second funding round:

The projects illustrated in the table are those where Funding Agreeements were signed before March 15, 2015

Integrity Partner

Beijing New Century Academy of Transnational Corporations (NATC), China

Ethics Institute of South Africa (EthicsSA), South Africa; in cooperation with the Institute of Directors Mozambique (IoDMZ)

Ethics Institute of South Africa (EthicsSA), South Africa

The European Medical Technology Industry Association, Eucomed Aisbl, Belgium

Foundation for the Global Compact, USA; in cooperation with the Egyptian Junior Business Association, Egypt

Global Compact Network India (GCNI), India

International Anti-Corruption Academy (IACA), Austria

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

Organisation for Economic Co-operation and Development (OECD), France

Pan African Lawyers Union, Tanzania

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

Ethics and Reputation Society/Etik ve Itibar Dernegi (TEID), Turkey

Transparency International Secretariat (TI-S), Germany

Transparency International España (TI-España), Spain

Wirtschaftsuniversität WU, Vienna University of Economics and Business Administration

Total funding volume in USD

Note: The application and selection process for the second funding round started on June 27, 2013 and was still ongoing on March 15, 2015. The ongoing gradual announcement of the selected projects from the second funding round has started in fall 2014 and stretched until spring 2015.

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
China	1.50 M		ongoing
Mozambique	0.55 M		ongoing
South Africa	0.80 M		ongoing
Middle East	0.85 M		ongoing
Egypt	1.40 M		ongoing
India	0.73 M		ongoing
Global		4.98 M	ongoing
Korea	0.90 M		ongoing
Russia	1.55 M		ongoing
Africa	0.93 M		ongoing
Poland	0.65 M		ongoing
Turkey	1.76 M		ongoing
Global	3.06 M		ongoing
Spain	1.27 M		ongoing
Africa	1.70 M		ongoing
	17.65 M	4.98 M	

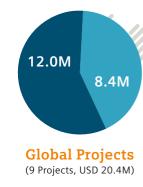


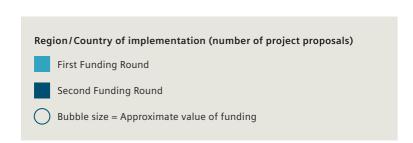
Siemens Integrity Initiative

The chart illustrates the regional spread and balance of the first funding portfolio and the target

portfolio of the second funding



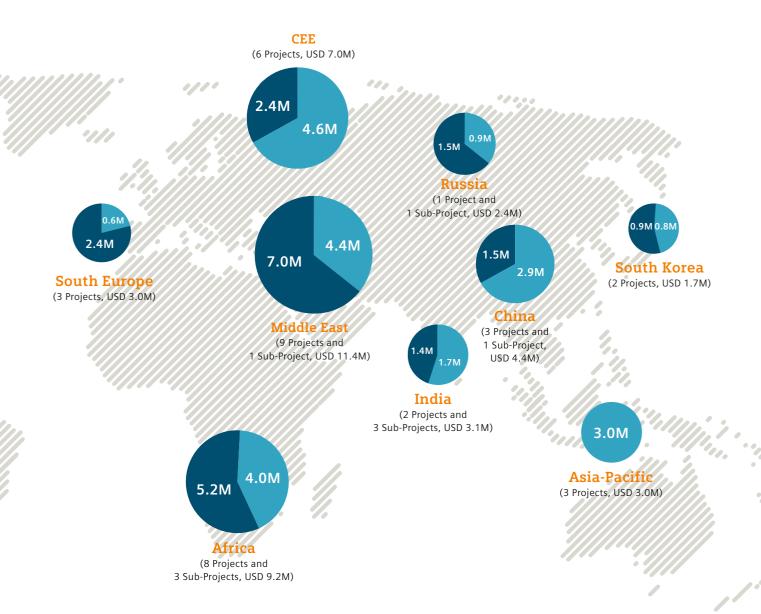




Note: As of March 15, 2015 funding agreements with 15 projects were signed. Further projects are still under evaluation and were included into this schematic illustration. Due to rounding, numbers presented may not add up precisely to the totals provided.



round:





 Project profiles and highlights of activities in 2014

Project profiles and highlights of activities in 2014

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

For projects under the first funding round the descriptions of activities undertaken in year 4 (2014) were provided by the Integrity Partners in their respective Annual Progress Report 2014 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 year 5 (2015)

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 evalution of impact

For Integrity Partners that have completed their activities but have not yet submitted a final report, an executive summary on activites undertaken in year 4 was provided.

Projects of the first funding round of the Siemens Integrity Initiative, which were completed before 2014, were not included in this Annual Report 2014; to obtain information about these three fully completed projects (IBLF, OECD and VCCI), please kindly refer to the previous Annual Reports 2012 and 2013 of the Siemens Integrity Initiative.

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

For projects under the second funding round the description of objectives was provided by the Integrity Partners and approved by them for external use. Please note that most of the projects selected in 2014 will only start their activities early or later in 2015; therefore a more detailed description of activities will be available in the Annual Report 2015.

C1.

First funding round projects: Project profiles and highlights of activities in 2014

C1.

DESCRIPTION OF INTEGRITY PARTNER

The Basel Institute on Governance is a practice-oriented and interdisciplinary think tank conducting research, policy advice, building capacity and providing support in the area of good governance at the public and corporate level. Its mandate is to promote good governance in the public sector and in the business community, nationally and internationally, through targeted and qualified expertise, scientific research and training. Its strategy is to combine academic and interdisciplinary competence with handson practical experience to provide accurate analysis and sound problem solving methods. It offers customized solutions to its partners in the public and private spheres.

Founded in 2003 as an independent and non-profit institution, it is associated with the University of Basel and is composed of internationally recognized academics and practitioners with long-standing experience in the various areas of work that the Basel Institute promotes.

Name of Integrity Partner:

Basel Institute on Governance

PROJECT:

Promoting Effective Industry Standards COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: Global 5 years 1.86 M Switzerland

The Basel Institute has been instrumental in the design and implementation process of several joint multi-stakeholder efforts to set industry standards in a number of sectors of the economy through Collective Action across the globe, among them, the "Wolfsberg Anti-Money Laundering Principles". On the basis of its know-how, the Basel Institute is best placed to continue this work further and bring it to new sectors and to a new level. This project will formalize the existence of the Centre for Global Industry Standards, located at the Basel Institute.

The Centre for Global Industry Standards will promote, facilitate and create Collective Action initiatives by bringing together stakeholders involved in specific economic sectors for a dialogue to agree on governance and anticorruption standards and their implementation. The Centre will also contribute to the coordination and integration of standards at the global level. The role of the Centre is mainly that of independent expert and facilitator; in our experience, the success of Collective Action is based on being driven by its participants.



PROJECT AT A GLANCE:

The Basel Institute acting as the Centre for Global Industry Standards will develop and coordinate Collective Action initiatives. It will bring together stakeholders to agree on and implement sector-specific anticorruption standards.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Promoting the High Level Reporting Mechanism (HLRM)

- The <u>HLRM in Colombia</u> has become a regular requirement implemented by the National Infrastructure Agency in its key procurement processes and has already been applied in nine different road construction tenders
- The implementation of a HLRM in Panama was supported through assessment of the institutional and legal framework and identification of relevant stakeholders

A Memorandum of Understanding for a HLRM-like process (the Business Ombudsman) was signed between the Government of Ukraine, EBRD, OECD and business associations, with Basel Institute support (press release)

International Anti-Corruption Conference

• The International Collective Action Conference took place in Basel, Switzerland on June 26-27, 2014 and brought together over 120 participants from business and civil society engaged in Collective Action initiatives to discuss experiences, the business case for Collective Action, models for collaboration with governments and engagement of SMEs, among other topics (press release)

Set-up of Collective Action Hub

 The Basel Institute's International Center for Collective Action has, together with the United Nations Global Compact, set-up and hosted the new B20 Collective Action Hub supported by for example the International Anti-Corruption Academy, OECD, Transparency International and the World Economic Forum

- The Collective Action Hub official website was launched at the International Collective Action Conference in Basel in 2014 and features initiatives from various countries and industry sectors, publications and tools and serves as a knowledge and peer-learning platform for Collective Action. The Hub increased social media presence through Twitter and a blog, and ensured appearances in other major blogs
- The Hub is increasingly gaining visibility as a leading centre of excellence for Collective Action initiatives

Engaging companies for Collective Action

- A measurable work program for 2014 was designed for the existing 'Energy & Transport Initiative' (ETI), including a plan on how to motivate other energy and transport companies to become members
- The members of the 'Metals Technology Industry Initiative' (MTI) exchanged experiences on their respective compliance programs and the group planned how to further expand its membership

C1.

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:

NATC's Collective Action Initiative – Fostering a Better Business Environment in China COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: China 3 years 0.89 M China

The initiative will work to improve legal compliance within Chinese companies, make recommendations to improve compliance policy issued by governmental departments, and bring leaders from these groups into closer communication with one another.

To support a long-term dialogue on ethical compliance in China, NATC will establish a 'Compliance Executive Club' whose members will range from government officials to business executives. To address some of the issues that come up in pursuing organizational compliance,

NATC will publish a guide for organizational compliance and hold tailored training workshops to improve compliance results. For daily support and information, a compliance website will be established and maintained. The website will contain a thorough database of compliance information.

To improve compliance policy, NATC will develop and present research-based policy recommendations to the departments responsible for such policy.



PROJECT AT A GLANCE:

NATC will provide practical training to Chinese companies on compliance issues and develop and present recommendations on compliance law to Chinese policymakers.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (DEC 2010 – MARCH 2014):

Publications, trainings and awareness raising through established networks

The research team published two books
 ('Compliance – the new development trend
 of global companies'; 'Compliance – the sustainable development of global companies')
 on compliance behavior of global companies
 including recommendations, based on indepth field visits and interviews with over
 100 multinational, private-and state-owned
 corporations in and outside of China

- More than 800 participants attended training workshops, four semi-annual forums and one annual forum. These events offered trainings on corporate compliance, internal risk control and general law issues, served as a platform to disseminate the publications and provided an opportunity for networking and interdisciplinary exchange. Exchange and in-depth communication was further facilitated by launching a compliance information website and a compliance club
- A valuable network of 62 executives and compliance leaders from multinational enterprises, 54 from Chinese state-owned or privately-owned corporations, 16 high-ranking government officials, eleven scholars in industrial associations and representatives from ten media channels in China was established

Advocating ethics and compliance in healthcare policy

 Seven policy recommendations were submitted to the relevant central government departments, e.g. the Ministry of Commerce; one of the policy recommendations in the field of medicine sale and purchase was underlined by the Director of Discipline Inspection Office of the National Health and Family Planning Commission and adopted in the improved 'debarment/blacklisting' system (note: exclusion of those found guilty of corruption/fraud from public contracting); the policy change strengthened the preventive measures against corruption in the legislation and contributed to more forceful law enforcement in the healthcare and medicine industry

Establishing Code of Conducts and compliance systems

- A Code of Conduct for overseas employees of a China state-owned company was disseminated to the employees in 2014 and was the basis for building a compliance system
- A compliance system in one of China's biggest privately-owned automobile enterprises was established

C1.

DESCRIPTION OF INTEGRITY PARTNER

Central European University, Hungary, is a unique graduate institution accredited in both the United States and Hungary. It is dedicated to building open societies through serious and morally responsible intellectual engagement inspired by, and in the service of, pressing social needs. Students are drawn from more than 100 countries for Master, doctoral, and executive education programs in the fields of business, social sciences, humanities, law, management, environmental studies, government and public policy. The CEU Business School was the first educational institution in the region to train managers by offering a western graduate business program leading to an American MBA.

* CEU's project partner Tiri was renamed in Integrity Action (<u>www.integrityaction.org</u>)

Name of Integrity Partner:

Central European University in cooperation with Integrity Action*, United Kingdom

PROJECT:

Leveling the playing field in emerging and transitional markets of Central and Eastern Europe and the former Soviet Union

COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:

CEE and former Soviet Union 5 years 3.09 M USA and Hungary

Central European University (CEU) aims to level the playing field by shaping and influencing the behaviors of approximately 16,000 undergraduate and graduate students and 3,500 executives in Central and Eastern Europe and the former Soviet Union over five years. Through integrity education, the project will equip participants with the practical insights, skills and tools required to operate with integrity in weak governance environments. The project will develop the Center for Integrity in Business and Government at the CEU Business

School, which will provide an institutional framework for cross-disciplinary teaching and research on issues of integrity and anti-corruption, and will deliver integrity curricula in graduate and executive education programs at CEU. The Center will serve as a regional resource of excellence in integrity education, and together with the project partner, Integrity Action, will help build the capacity of targeted institutions of higher learning across the region through facilitating local curriculum development.



Through integrity education the project will shape the behavior of current and future business practitioners and public administrators in the region.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Integrity Curriculum Framework

- The full version of the <u>Integrity Curriculum</u>
 <u>Framework (ICF)</u> has been compiled and
 can be taught as single core courses or a
 full specialization on integrity in business
- Seven degree courses were taught for students, and eight courses and seminars were held for executives on integrity related topics, reaching over 200 persons
- New executive training courses were developed focusing on corporate intelligence in managing risks, integrity management, business anthropology, legal and market instruments in controlling corruption

- An English-Russian Business Integrity Glossary has been developed in cooperation with Integrity Action and the American Chamber of Commerce Hungary
- The 2nd regional training 'Managing Integrity

 Executive Training for Caucasian Business
 Leaders' was held for 29 C-level managers
 from three countries in Georgia on June
 22-23, 2014

Integrity Education Network

- Integrity Action expanded its 'Integrity Education Network (IEN)' to over 450 members from 12 countries, representing 283 institutions from Europe and Central Asia
- From July 6-11, 2014, the 10th global Integrity
 <u>Leadership Course</u> was held at the CEU
 Summer School for 44 participants from 24
 countries focusing on integrity in small and
 medium enterprises, integrity education and
 community integrity building. Four participants from the Hungarian government incorporated the content and learning approach directly into a government training on anticorruption and integrity, thus benefitting
 more than 8,000 civil servants

- 94 trainers were trained in Kazakhstan, Kyrgyzstan and Russia, building capacity of nine Institutes of Public Administration offering executive education to civil servants
- Two business integrity workshops were held in Georgia and Kyrgyzstan with 21 and 12 business executives, academics and managers, and two curriculum development workshops were held in Kazakhstan and Kyrgyzstan for 48 academics from 31 universities
- 140 university students from the Russian region participated in an essay and poster competition (Novosibirsk: in November 2013 the <u>Youth Forum</u> 'Integrity in Education Environment: Challenges of Times' was organized. Students and teachers from 17 colleges participated in the Forum and submitted more than 100 essays)

C1.

DESCRIPTION OF INTEGRITY PARTNER

Founded as a non-profit trade association in 1959, <u>COCIR</u> represents the radiological, electromedical and healthcare IT industry in Europe.

As such, members play a driving role in developing the future of healthcare both in Europe and worldwide. COCIR is committed to supporting its members and communicating with its partners in Europe and beyond on issues which affect the medical technology sector and the health of EU citizens. COCIR also works with various organizations promoting harmonized international standards and fair regulatory control that respects the quality and effectiveness of medical devices and healthcare IT systems without compromising the safety of patients and users. They encourage the use of advanced technology to support healthcare delivery worldwide.

COCIR's key objectives include promoting free worldwide trade of medical devices and maintaining the competitiveness of the European health sector.

Name of Integrity Partner:

COCIR (European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry)

PROJECT:			
Expansion of COCIR Code of Conduct			
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Europe, Asia, Russia, South America	3.3 years	0.96 M	Belgium

COCIR's new code of conduct provides an effective and efficient process to further align the healthcare and IT industry involved in healthcare on compliant business ethical rules.

The COCIR code of conduct is now substantiated by the establishment of a committee composed of all legal counsels of COCIR corporate company members. COCIR and its members are gradually getting requests from other countries, such as China, Russia, India and Brazil showing interest in adopting the Code.

The main project objectives are to build up resources in the COCIR office to support the following activities:

- 1. Enlargement of the Code in content matters
- 2. Enlargement of the Code in geographical spread
- 3. Deployment of the Code through training and enhanced communication/cooperation with other stakeholders



The project aims to support the enlargement of the COCIR Code of Conduct, and to coordinate the new Code of Conduct Committee.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Setting and promotion of anti-corruption standards and best practice

- New amendments to enhance the COCIR Code of Conduct were developed, discussed and consulted by COCIR company members
- The new COCIR Code of Conduct, which establishes the standard for member companies in their interactions with healthcare professionals, entered into force in January 2015. It contains additional guidance on topics such as public procurement of medical

technology, industry support of third party conferences, provision of educational grants and interactions with independent third parties (e.g. agents, distributors and consultants); the policy on how to handle gifts, hospitality, demonstration and evaluation of equipment was updated; section 4 in the new Code of Conduct booklet refers to the practice of how COCIR conducts meetings and teleconferences on the basis of the new guidance

- Supporting material including <u>Questions and Answers</u> and <u>Do's and Don'ts</u> were adjusted to the new code and are now available in six languages: <u>English</u>, <u>Dutch</u>, <u>French</u>, <u>German</u>, <u>Italian</u> and <u>Spanish</u>. The availability in these languages ease use and help in supporting its enforcement across many countries
- An interactive e-learning tool for the COCIR
 Code of Conduct was developed (and adapted
 in six languages) in order to communicate
 and train the key principles of the Code of
 Conduct and to encourage greater user
 uptake and dissemination

Collaborating with stakeholders to galvanize outreach and impact

- COCIR continued to engage with policymakers associated with the European Commission's Platform on Ethics and Transparency aiming to strengthen self-regulation in the field of healthcare compliance
- COCIR also liaised with local and international associations including hospitals, medical and scientific societies to raise awareness of the COCIR Code of Conduct and the e-learning course, and to promote them among the members
- COCIR attended the AdvaMed International Medical Device Compliance <u>Conference</u> in Barcelona, Spain in May 2014
- COCIR is continuing to closely monitor trends at the national level in order to provide the latest relevant information to its members

C1.

DESCRIPTION OF INTEGRITY PARTNER

The Convention on Business Integrity

(CBi) established in 1997, is a registered company limited by guarantee. CBi, a business membership organisation, was incorporated on May 26th, 2003 (RC no: 481360) with the mission of empowering people, their transactions and institutions against corruption by promoting ethical business practices, transparency and fair competition in the private and public sectors. The Convention on Business Integrity brings a company into fellowship with other companies, organizations and individuals interested in Collective Action in the fight against corruption.

* In year 3 (= 2013) of the project, local activities in Nigeria were reworked for maximum impact which made it necessary to have a local driver for the project. The partners mutually agreed that in-country-leadership would be beneficial to the project and agreed that CBI takes over the role of the Integrity Partner. Commonwealth Business Council decided to end its global role in this project.

Name of Integrity Partner:

The Convention on Business Integrity (CBi)*, Nigeria

PROJECT:

Business Action Against Corruption (BAAC), Nigeria COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: Nigeria 3 years 1.1 M Nigeria

The project will do this by strengthening self-regulation of business, its compliance with government regulations, stakeholder activism and public vigilance over the arrangement. It will also build on existing relationships with the two principal regulators, the Central Bank of Nigeria (CBN) and the Nigerian Securities Exchange Commission (SEC) to build a partnership to strengthen corporate leadership practices by raising standards of board leadership across the economy.

It will seek to reach out to directors of listed companies in Nigeria to review their fiduciary responsibilities, and define stakeholder expectations. The aim is to define a set of business principles, reporting guidelines and a system of compliance incentives jointly with directors of listed companies in Nigeria. As an additional step, stakeholders will work on an independent public feedback mechanism for compliance monitoring, inclusive of whistleblower and complaints-handling mechanisms. It will also establish an interactive social networking website to promote peer learning and issue-based training for coalition partners.



The aim of the project is to use Collective Action to improve corporate governance and reduce corruption in the Nigerian business environment.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Promoting Corporate Governance

- The Corporate Governance Rating System (CGRS) for more than 200 listed companies in Nigeria was launched by CBi in cooperation with the Nigerian Stock Exchange (NSE) in November 2014 after a successful pilot phase with 12 volunteer companies:
 - The CGRS is designed to rate companies listed on the NSE based on their corporate governance and anti-corruption culture; this will result in a Corporate Governance Index in which well-governed companies are listed, thereby improving the overall perception of and trust in Nigeria´s capital markets and business practices

- Over 500 corporate sector participants, government and civil society delegates attended the launch event, which served as a platform for high level discussions around the theme 'Better for Business'
- An e-learning platform was built and launched by CBi in 2014, which helps directors of listed companies to better understand their basic and fiduciary responsibilities

Engaging companies and civil society in promoting business integrity

- An MoU has been signed between CBi and Clean Business Practice Initiative (CBPI) to build private sector led Collective Action to combat corruption; Humboldt Viadrina School of Governance was appointed as independent observer of the process
- The project's activities, seminars, workshops and road shows generated interest among businesses to check their exposure to corrupt practices and the risk of arrest and prosecution in any part of the world; as a result some companies integrated 'gift policies', which prohibit staff from taking gifts from suppliers in their compliance systems and ask them to report aberration immediately

Independent Public Feedback Mechanism

- The online platform for public whistleblowing 'Egunjedotinfo' (www.egunje.info) has had just under 21,514 unique visitors and 155 reports on the site; Facebook and Twitter were also started to be used as social platforms: (www.facebook.com/PublicIntegrityNetworks; @pins2015; #TTWU)
- A media chat event was organized in Abuja on February 28, 2014 to introduce the online platform and especially to sensitize journalists for their critial role in the fight against corruption
- A MoU was signed with the Independent Corrupt Practices Commission (ICPC) to take on leads from the site for investigation in November 2013

C1.

DESCRIPTION OF INTEGRITY PARTNER

The Ethics Institute of South Africa is a not for profit, public benefit organization, which has been active since August 2000. The vision of the Ethics Institute of South Africa 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 organization's ethics programs
- Training of ethics skills, including certification of Ethics Officers
- Support and advisory services to clients
- Project management on ethics/anticorruption for the public and private sectors

Name of Integrity Partner:

Ethics Institute of South Africa (EthicsSA)

PROJECT:

Capacitating African business networks to implement global anti-corruption initiatives and good practices

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Angola and South Africa	5 years	1.5 M	South Africa

Business networks and individual businesses seldom have the appropriate expertise to implement internationally developed anti-corruption and good governance guidelines, standards and initiatives, and are often unaware of their existence. Other challenges in the anti-corruption field relate to making impacts felt at the ground level, and creating platforms for the private and public sectors to engage on corruption challenges and Collective Action solutions.

This project will attempt to address these challenges and to build local capacity in two countries. In Angola the focus will be on Collective Action initiatives in the private sector with the aim of enhancing ethical business practices and good governance standards. This should improve the investment climate and enhance the ease of doing business in Angola.

In South Africa the project will aim to reduce corruption on the ground level, by engaging with municipalities and businesses at the local level to implement collective projects that will impact positively on the ethical business climate and municipal service delivery.



The project aims to capacitate African business networks with the implementation of anti-corruption initiatives and good governance practices. The project will be implemented in Angola and in South Africa (at the municipal level).

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Angola:

Engaging companies for Collective Action

 The <u>Centre for Ethics in Angola (CEA)</u>, launched in 2013, successfully managed to further increase its visibility in the country so that it is now even more perceived as a trusted organization for promoting business ethics and anti-corruption services. It offers advisory services, trainings and assessments, but also advocates ethics in all pillars of the Angolan society. The Centre is currently the key driver and negotiator to assist the Angolan public and private sectors in incorporating ethics management into their organizations

- The <u>Principles of Ethical Business in Angola</u>, introduced in 2013, are now adopted by more than 250 companies from all over Angola. The Principles are seen as an important standard both for enhancing Angola's competitiveness and for facilitating Angola's access to the global market
- A self-assessment tool to monitor the implementation of the Principles for Responsible
 Business for Angola was developed and was piloted with ten companies. It is now promoted by CEA and CCIA when conducting business ethics trainings for the private sector as well as at business seminars on ethics and anti-corruption

Trainings and awareness raising

 The first ever <u>Ethics Officer Certification</u> <u>Program</u> took place in Luanda, Angola in Portuguese in July 2014. This five-day intensive training prepared delegates to become Ethics Officers to manage ethics and anti-corruption in an organization. It was attended by 18 delegates, with two of them being from a public institute that is responsible for training of public officials

- A proposal for the development of a Code of Ethics for the Public Sector in Angola as well a proposal to assist the Angolan government with the implementation of the deontological guidelines for public officials were submitted
- Generally, good entry points within the public and private sector to promote further trainings could be achieved. Five trainings for companies took place in 2014 and an additional one is currently being negotiated

Impact

 Testimonial of the CEO of the Centre for Ethics in Angola: 'The policies and rules on doing business have not changed but it changed the attitude towards the need to fight corruption'

C1.

Name of Integrity Partner:

Ethics Institute of South Africa (EthicsSA)

South Africa:

Promoting Collective Action

- An Ethics Commitment for municipal suppliers was incorporated into the procurement process of the Overstrand Municipality. Suppliers will now be required to submit a signed commitment with their tenders/quotations that includes commitments by suppliers to refrain from corruption, bribery and gifts to officials
- A workshop entitled 'Transparency in the Municipal Procurement Process' to communicate the regulated transparency mechanisms in the procurement process to potential suppliers was co-hosted by EthicsSA and the Mangaung Metropolitan Municipality in April 2014; it was attended by 190 representatives from local businesses

 A draft guidebook focusing on municipal procurement processes to communicate the regulated transparency mechanisms in the procurement process to potential suppliers is under development

Ethics capacity-building

- Ethics risk assessments were conducted for the City of Cape Town and the Mangaung Metropolitan Municipality to assist the municipalities with assessing their ethics management and anti-corruption capacity. In some other municipalities it served as the catalyst that was needed to get them active in this area
- Audiovisual training material was developed to sensitize municipal employees about potential ethical challenges that may occur in their environment



- An Ethics Officer Certification Program took place with 13 delegates from three municipalities to strengthen the ethics management and corruption prevention capacity of local municipalities
- A training of trainers session was facilitated in the Mangaung Metropolitan Municipality to capacitate eight municipal officials to facilitate ethics programs that were customized to the local government environment

Impact

 A groundswell has been developed in the national ethics and anti-corruption drive at local government level so that the conversation is moving from 'fighting corruption' to 'promoting integrity'

C1.

DESCRIPTION OF INTEGRITY PARTNER

<u>Federation of Korean Industries –</u> <u>International Management Institute</u>

(FKI-IMI) is an affiliated non-for-profit organization of FKI, a non-for-profit organization representing the Korean business community (more than 420 members including Korean conglomerates). FKI-IMI nurtures current and future business leaders with diverse education and training programs: CEO programs include a Global Advanced Management Program with over 3,000 alumni, intensive education courses for CMO, CFO, CSO, HR, PR and Sales etc. FKI-IMI offers a platform for business leaders to foster their strategic management competence and leadership for the 21st century knowledge economy era through morning, monthly, yearly and seasonal forums.

The Project Partner Global Competitiveness Empowerment Forum is a non-profit organization that provides professional and catalyst services in the areas of corporate social responsibility, sustainability and business integrity. (www.g-cef.org)

Name of Integrity Partner:

Federation of Korean Industries – International Management Institute (FKI-IMI)

in cooperation with Global Competitiveness Empowerment Forum, South Korea

PROJECT:

NABIS (Northeast Asia Business Integrity School) COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: South Korea 3 years 0.81 M South Korea

NABIS aims to educate university students by nurturing leadership with integrity. Current business leaders and good practices in business ethics will be identified in order to promote fair market conditions in the Republic of Korea. NABIS trainers from Korean companies and Korean subsidiaries of Western and Northeast Asian companies operating in the Republic of Korea will teach NABIS students by using the NABIS curriculum, which includes case studies from their own companies.

NABIS aims to influence behavioral changes by teaching the importance of business integrity in the free market and in trade systems and by building a community based on learning and support for NABIS students, candidate students and NABIS trainers.

NABIS activities also include train-the-trainer modules, workshops, scholarship and graduation ceremonies, CEO forums, as well as outreach activities to promote the inclusion of NABIS modules into business schools and universities.



The project aims to establish the Northeast Asia Business Integrity School (NABIS), an educational project for university students, in order to foster a clean and transparent business environment.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (APRIL 2011 – APRIL 2014):

Creating the NABIS Community

 NABIS Community, a solid network with key anti-corruption players across industries in South Korea including government, business, civil society and academia was created for knowledge sharing of business ethics and compliance and to nurture a clean and transparent business environment

Raising awareness about integrity among Korean students

 Three student classes throughout NABIS Cycle 1, 2, and 3 were completed. 96 <u>students</u> were selected from 235 universities and were trained by NABIS corporate trainers. In each cycle, student competitions (Compliance and Business Ethics Presentation Contest) where students competed in creative solutions to business ethics dilemmas (Cycle 1, 2, 3) were organized

- 24 companies during NABIS Cycle 1, 2, and 3 allied to teach university students real-life business cases to sensitize them to integrity issues and the importance of ethics and compliance for business success
- 24 online and offline case modules (in NABIS Cycle 1, 2, 3) were completed. The case modules will also be used for future NABIS activities
- Three <u>train-the-trainers</u> workshops to mainly facilitate inter-corporate and cross-sectoral exchange of best practice were organized throughout NABIS Cycle <u>1</u>, <u>2</u>, and <u>3</u>
- Three Graduation Ceremonies and NABIS CEO Forums took place during NABIS Cycle 1, 2, and 3

Educating corporate ethics in South Korea

- The NABIS booklet, 'Business Ethics in South Korea', which discusses business ethics and compliance dilemma of seven NABIS companies (Incheon International Airport Corporation, KB Kookmin Bank, Kyobo Life Insurance, POSCO, POSCO Energy, Shinsegae, and Siemens Ltd. Seoul), was published in February 2014 and distributed to 4,000 key stakeholders
- Six <u>press releases</u> and 34 <u>other forms of</u> media exposures were published
- The <u>NABIS website</u> (English and Korean) was developed; the local material section was visited 393 times, the international material section was visited 2,348 times, and the training material section was visited 196 times. A NABIS community was also created on facebook (English and Korean)

Impact

 Testimonial of a Korean student: 'When I applied for NABIS, I thought business ethics were just risks that could be sacrificed for profits. However, NABIS changed my perception'

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.

The mission of the **Principles for Responsible Management Education** (PRME) (www.unprme.org) initiative is to inspire and champion responsible management education, research and thought leadership globally. The PRME are inspired by internationally accepted values such as the principles of the United Nations Global Compact.

Name of Integrity Partner:

Foundation for the Global Compact in cooperation with the UN Global Compact and PRME (Principles for Responsible Management Education), USA

PROJECT:

Project for the UN Global Compact and PRME: Sensitizing Future Business Leaders: Developing Anti-Corruption Guidelines for Curriculum Change

COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: Global 4 years 1.48 M **USA**

The UN Global Compact and Principles for Responsible Management Education (PRME) developed anti-corruption guidelines for management schools. The Guidelines offer business school's academic modules to address transparency, ethics and anti-corruption. They address key topics, including corporate governance; business ethics; the business case for anti-corruption; corporate compliance; Collective Action; UN Convention against Corruption; Global Compact 10th Principle; public contracting/procurement; and, supply chain management. The Guidelines build upon existing

resources and incorporate input from the webbased and face-to-face meetings and seminars. A pilot phase provided follow up with participating institutions to evaluate the value and effectiveness of the Guidelines and now they have been disseminated to PRME-affiliated universities. Project success will be demonstrated in part by the business school and higher education institutions graduates who can demonstrate better understanding of various anti-corruption and ethical decision-making strategies.



Develop comprehensive guidelines for anti-corruption curriculum change in higher education institutions.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Implementing and promoting the Anti-Corruption Toolkit

- The <u>PRME Anti-Corruption Toolkit</u> was heavily promoted during this year and as a result has become a key component of business school curricula among <u>PRME Signatories</u> as well as partner institutions around the world
- The Toolkit consists of eleven modules including background reading, detailed case discussions, and an array of primary sources and scenarios, which can be used individually or as stand-alone courses

- Promotional resources and the Toolkit are now available in all official UN languages as a download and on the online platform
- The PRME Anti-Corruption Toolkit was promoted when members of the PRME Secretariat and members of PRME Working Group on Anti Corruption demonstrated the use of the toolkit by showing practical application examples. Challenges and strategies were discussed with various stakeholders including for example the Academy of Management's Annual Meeting, IESE Barcelona, CMR University, Indus Business Academy, Mumbai University Alkesh Dinesh Modi Institute of Management, Novosibirsk State University, Tanzanian Police and Anti-Corruption Departments

Engaging public and private sector practitioners

PRME partner <u>Giving Voice to Values</u> (GVV) created a 'region specific' <u>collection of Giving Voice to Values cases on Anti-Corruption in India</u>; these cases have successfully engaged both public and private sector practitioners by recruiting a dozen Indian faculty members; introducing them to the GVV case develop-

- ment process; partnering with them as they identified Indian business and public sector practitioners to share Anti-Corruption stories; encouraging the faculty to use the cases in their teaching; presenting and promoting the materials at a convening of Indian business faculty on ethics education at IIM-Kolkata
- Replication of 'Giving Voice to Values' model and the region-driven approach should be explored going forward and in fact, a similar project is currently being developed in China and in Cairo, Egypt

Impact

The implementation of the toolkit has engendered significant changes in students' perceptions of corruption issues – while specific results vary by location, generally students have become more aware of the connection between corruption and economic risk

C1.

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 its local networks

PROJECT:

Project for the United Nations Global Compact: Promoting Collective Action through Global Compact Local Networks				
COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:			REGISTERED IN:	
Brazil, Egypt, India, Nigeria, South Africa	4 years	2.87 M	USA	

This project aims to establish a high-impact anti-corruption Collective Action platform in five countries – Brazil, Egypt, India, Nigeria, and South Africa. By facilitating ongoing dialogue between the private and public sector, this project will provide a wide variety of stakeholders in these five countries with an opportunity to explore how specific Collective Action initiatives can create incentives for ethical business performance, and to discuss areas for further improvement. In so doing, the project aims to scale up existing anti-corruption efforts in the target countries, and provide

participants with knowledge, skills, strategies and resources to promote ethical practices and transparency in business operations, within each country, and in international cross-sectoral relations. The project will emphasize the role of local actors in each of the target countries, engaging and building the capacity of local stakeholders who are faced with corruption in their routine transactions and business relationships.



Launch and implement an anticorruption Collective Action initiative in five countries (Brazil, Egypt, India, Nigeria, and South Africa) through Global Compact Local Networks.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Global

 Throughout the fourth year of the project, the Global Compact Office responsible for the global coordination of the multi-country project supported the five sub-projects by communicating their Collective Action efforts to important stakeholders at various events and thus provided a platform for leveraging their initiatives and their achievements worldwide. The dissemination efforts included meetings with ambassadors at the UN in New York to provide updates on the progress of the Collective Action Projects and their implementation in the five countries. In addition, outreach was undertaken in global and regional forums, e.g. the Conference of the State Parties to the United Nations Convention against Corruption/Panama, the OECD Integrity Week/Paris and the Conference to launch the Integrity Pledge/Egypt, in order to leverage the importance of Collective Action and raise awareness about the subprojects

 Throughout the project, the Global Compact Office and the United Nations-supported <u>Principles for Responsible Investment</u> have been working in collaboration to increase engagement between companies and investors on anti-corruption issues. Two sessions have been held in the past year on investorcompany engagement in anti-corruption issues as part of the 14th Meeting of the UN Global Compact Working Group on the 10th Principle against corruption in June 2014 and during the 10th Principle Anniversary event held on December 10, 2014. Both sessions brought representatives from business and investment firms together to discuss ways to increase dialogue and engagement on anti-corruption issues and how investors can further incentivize the implementation of more robust anti-corruption policies and practices by companies. The case for strengthening Collective Action efforts towards a more transparent business environment was also highlighted. As a result more than 25 investors have signed the Anti-Corruption Call to Action, which represents a Collective Action Initiative of the United Nations Global Compact to promote anticorruption measures and to facilitate the implementation of good governance policy systems

C1.

Name of Integrity Partner:

Foundation for the Global Compact in cooperation with the United Nations Global Compact and its local networks

Brazil (in cooperation with Global Compact and Instituto Ethos)

- An event called 'World Cup Overview: How is this Game?' was organized to discuss topics related to integrity, human rights and environment during the organization of the Brazilian World Cup 2014
- The Portuguese version of the guide "Fighting corruption in sport sponsorship and hospitality" was launched on the date of inauguration of the FIFA World Cup in Brazil
- Five workshops were carried out with <u>health</u> sector companies and <u>companies sponsoring</u> sport events in order to develop sectoral agreements mapping corruption risks and build <u>collective measures</u> to prevent corruption
- An online Platform for monitoring the signatories from the Business Pact of Integrity and Against Corruption was developed and will be launched in 2015
- A guide on 'Corporate Social Responsibility of Companies during the Elections Period' was developed and a seminar was organized to discuss the financing of national campaigns; the publication has been fundamental in

- inciting debate around the political reform in Brazil
- The second edition of the States Transparency Indicators in the World Cup context was launched, evaluating how the information on public investments for the World Cup is being released in the 12 states that hosted the game

Impact

Raised awareness about the new anti-corruption legislation that has been passed (e.g.
Brazilian Anti-corruption Law), which helped to increase the interest by companies to improve their policies and practices as well as their own compliance systems and provided opportunities to promote sectoral agreements

Egypt (in cooperation with Global Compact and Egyptian Junior Business Association)

 A large-scale conference was organized in April 2014 to publicly announce the Integrity Pledge as well as acknowledge those companies that have signed on to the Collective Action Initiative in Egypt. The conference received considerable media attention and helped to put the spotlight on Collective Action to jointly fight against corruption in the private sector

- A guidance manual titled 'A Ten Step
 Approach to Enhance Integrity in Small and
 Medium Sized Enterprises in Egypt' for implementing the Integrity Pledge was finalized
 and also launched at the Conference (mentioned above), which kicked-off the dissemination of the guide and in general Collective
 Action as a means to achieve results in the
 fight against corruption
- Three trainings were held for the senior management staff of SMEs in Egypt to train them on the Integrity Pledge and its implementation. After the training sessions, eleven SMEs have signed on to the Integrity Pledge. At the same time, five large companies also signed a pledge to support the Integrity Pledge

Impact

 Awareness was raised about the importance of preventing corruption in the business community, in particular the interest of SMEs and a number of MNEs on these issues was increased through the Integrity Pledge. Several meetings and events have also contributed to increase engagement and raise awareness on the need for companies to increase their efforts on anti-corruption India (in cooperation with Global Compact and Global Compact Network India)

- A <u>Conference</u> on anti-corruption best practice in the management of industry supply chains titled <u>'The Interchange – Your Super Highway</u> <u>to Success'</u> was held in November 2013 in India/Mumbai involving the senior management from Mahindra, Mahindra, Siemens, mJunction and MSD Pharmaceuticals
- A paper writing <u>contest</u> on 'Collective Action' themes against corruption was held in partnership with University of Mumbai; subsequently an 'Industry Academia <u>Dialogue'</u> titled 'Business Ethics and Corporate Anti-Corruption: Need for an emerging market discipline' was held in partnership with the University and with the Principles for Responsible Management Education (PRME) in March 2014
- A regional capacity building workshop was held in Bangalore titled 'Anti-corruption and Applied Ethics in Business Education: PRME Approach' in March 2014 in which Global Compact Network India was involved as partner

 A <u>publication</u> titled 'Business Case for Anti-Corruption: Principles, Economics and Application of Transparency Tools' was launched in January 2015 as a compilation to demonstrate case studies from leading companies that have been involved with Collective Action against Corruption over the last four years in India

Impact

 A platform was created in India through which business (irrespective of their owner structure), civil society and government officials are actively involved in deliberations on anti-corruption measures in the country. The debate resulted in the development of concrete anti-corruption recommendations which were circulated amongst selected government officials and parliamentarians. Today, the recommendations are partly reflected in several anti-graft legislations such as the Public Procurement Bill 2012 and the Companies Act 2013. Particular focus was given to advocating anti-corruption measures in the passing of the new 'Whistle-Blower Act' that was passed by the Indian Parliament in February 2014



Name of Integrity Partner:

Foundation for the Global Compact in cooperation with the United Nations Global Compact and its local networks

Nigeria (in cooperation with Global Compact and Nigerian Economic Summit Group)

- Anti-corruption road shows were organized to underscore the role and responsibility of top management in the fight against corruption. Throughout the road shows, various C-Suite executives were engaged on the subproject, the importance of developing and implementing robust anti-corruption policies and practices as well as the critical role of Collective Action in this respect. Overall, the road shows inspired and encouraged crosssectoral support of Collective Action against corruption. As a result, there has been an increase in the number of companies that have started to publicly communicate their ethical requirements when engaging with third parties. In addition, some companies have started to openly share information on their compliance programmes and level of enforcement
- The <u>Global Compact Nigeria website</u> was officially launched and became a key tool for disseminating the outcomes of the initiative
- A media parley was organized to further engage media on the Collective Action platform in February 2014; as a result a good number of news items were published such as reports e.g. in the Guardian, Vanguard
- A <u>training workshop</u> on supply chain transparency titled 'Supply Chain Transparency and Business Sustainability' with over 60 participants was held in March 2014 to inform business participants on how to develop a <u>Supply Chain Road Map</u> and share experiences concerning different supply chain programs of multinational firms



- The Report on Anti-Corruption and Good
 Governance Efforts in Nigeria was published
 to showcase anti-corruption policies and
 practices of Nigerian companies as well as
 how other companies can get involved and
 embrace ethical practices
- A <u>CEO Forum</u> was organized as the official closing event with 150 participants of business, civil society and government as well as media. The aim was to discuss development challenges for the private sector in Africa, and advocate for business peers and government to collaborate to support the uptake of responsible business and anti-corruption practices (press release)

South Africa (in cooperation with Global Compact and National Business Initiative (NBI))

- Six training sessions such as the seminar on "Emerging Best Practice Standards on Anti-Corruption in South Africa" and learning dialogues with over 110 participants from business, government and other entities were held to facilitate stronger anti-corruption measures in business operations and supply chains; as one of the results, one of the participating companies implemented a whistleblower facility to enable employee reporting and then reported improved risk management in their operations
- 14 companies contributed anti-corruption case studies which were analyzed to facilitate learning between different stakeholders; they will be used for trainings and workshops to present and discuss anti-corruption options for South African companies
- Individual meetings and roundtables with Chief Executives of key Construction Sector Associations like South African Federation of Civil Engineering Contractors, Consulting Engineers South Africa, Master Builders South Africa and Business Unity South Africa took place and managed to get all key stakeholders engaged in Collective Action against corruption; a draft 'Letter of Commitment & Recommendations' was developed on the basis of consultations aiming at an Integrity Pact for the Construction Sector in South Africa by the end of the project

C1.

DESCRIPTION OF INTEGRITY PARTNER

Universidad de San Andrés is a nonprofit, private, educational institution established in 1989. It aims at building an academic community oriented towards improving Argentina's economic and institutional development. Its unique governance structure creates incentives for fostering this objective based on equal opportunities, intellectual aptitudes and personal merits and efforts. San Andres graduates are, on average, influential members of the government, the business community, the civil society or the academia in Argentina and abroad. Its program on the Control of Corruption, created in 2007, has successfully conducted several research and policy oriented projects aimed at introducing strategies for asset recovery in highprofile corruption cases.

Name of Integrity Partner:

Fundación Universidad de San Andrés (FUdeSA)

in cooperation with Asociación Civil por la Igualdad y la Justicia and the Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento, Argentina

PROJECT:

Towards a culture of anti-corruption compliance in Argentina: reorientation of incentives through Collective Action

COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:

Argentina 3 years 0.73 M Argentina

The first objective aims at generating knowledge on institutional, political and business incentives that shape corruption in Argentina, the interaction between formal and informal institutions in specific markets and areas, the cost of corruption to such markets and the mechanisms that may help to prompt actors into action for reform. The project will focus on the following issues: political financing, public procurement, responsibility of legal persons and the role of the legal profession in facilitating corrupt transactions.

Such knowledge will be the basis for shaping consensus-based reform proposals, aimed at shifting the incentives that facilitate corruption. The creation of a multi-stakeholder platform will guide discussions and build consensus for such proposals. This will constitute the centerpiece of a "principle-based initiative", aiming at improving the legal framework and advancing policy reforms.



The project is organized around two main objectives: 1) informing on the debate on corruption in Argentina and 2) generating consensus-based policy reforms through a Collective Action process.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Set up of Collective Action initiatives

- Two subsequent initiatives in the area of 'facilitation payments' with the transport and logistics industry in Argentina were initiated in early 2014
- A number of meetings and private interviews were conducted with key stakeholders, in particular with active customs brokers, to understand how facilitation payments at customs in Argentina actually work. As a result, a collective strategy for stopping small payments solicited by customs officials when receiving the import and export documentation was developed

- A <u>resolution</u> to digitalize the process of import/export documentation was issued by the government in May 2014. As a consequence facilitation payments were substantially reduced by avoiding 'face to face' contact – thus eliminating the opportunities for direct requests
- A solid partnership with the Maritime
 Anticorruption Network and collaboration with the Centro de Navegación and other key players of the maritime industry, e.g. international ship owners and local port agents, were developed to expand the initiative and find a collective solution in this area of 'facilitation payments'
- Regular plenary meetings of the established Compliance & Collective Action Task Force with the Argentine German Chamber of Industry and Commerce (AHK) took place
- A feasibility study including a written survey and a global reporting mechanism on 'solicitation and extortion' for the members of the AHK was conducted, revealing that most members are not yet convinced about the concrete benefits

Awareness raising and distribution of lessons learned

- An Annual Conference on Ethics, Transparency and Anticorruption Compliance was organized in July 2014 with six plenary sessions and two workshops attended by more than 150 compliance officers, in-house lawyers and executives with local, regional and global responsibilities in ethics and compliance
- A new web-page to document the achievements and shortcomings of implementing such an initiative in Argentina was developed. A first 30 minutes audiovisual was prepared. It is further planned to upload all project documents, interviews with core team members as well as experts and final project outcomes. The website should be used as a platform that facilitates effective continuation of Collective Action initiatives beyond this project

C1.

DESCRIPTION OF INTEGRITY PARTNER

The Humboldt-Viadrina School of Governance in Berlin empowered and guided societal change agents by enabling them to reflect, act, and accomplish. Bridging society's multiple stakeholders, the Humboldt-Viadrina offered a unique portfolio of education, research, dialogues, projects and events – always seeking to advance practical implementation to drive societal change. The Humboldt-Viadrina had to terminate its operation in June 2014.

The project's output remain to be available in the public domain and are actively promoted by a project-oriented successor organization, the HUMBOLDT-VIADRINA Governance Platform (www.governance-platform.org).

Name of Integrity Partner:

Humboldt-Viadrina School of Governance

PROJECT.

Best Practice on Anti-Corruption Incentives and Sanctions for Business COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: Global 3 years 1.3 M Germany

The project aims at providing interested parties from government, business, and civil society with an overview of existing and potential mechanisms for incentives and sanctions to encourage companies to engage against corruption. Further to a multi-stakeholder selection process of priorities, comprehensive research will be conducted to prepare a catalog of qualitative assessments of the effectiveness or reasons for failures of each identified anti-corruption incentive and sanction. This will include explanatory comments to facilitate their increased or improved use in enforcement practice and as voluntary measures.

The applicability of selected key incentives and sanctions will be tested with local multistake-holder pilot groups in selected countries by identifying key agents and moderating dialogs to advance the effective change process. Outcomes of these activities will be used to develop 1. a practitioner handbook that comprises experiences, lessons learned and best practices, and 2. learning modules to support online as well as in-person training. Both outcomes provide a sustainable framework for further education and motivation in implementing such mechanisms.



The project analyzes and tests in real world situations existing and potential anti-corruption incentives and sanctions to achieve a sustainable impact on the behavior of business by providing successful models for practical implementation.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (JANUARY 2011 – MAY 2014):

 A <u>Practitioner Handbook</u> compiling the global research for a combined approach of sanctions and incentives was published in November 2014. It includes expert experiences and international good practices, and was distributed to approx. 700 international anti-corruption experts and other key stakeholders. The concept that sanction alone is not sufficient was well positioned. The Handbook was widely referenced and is increasingly used by policy makers and anti-corruption practitioners such as e.g. IACA, <u>UNODC</u>, TI and <u>B20 Task Force</u> A Learning framework was developed, comprising a <u>YouTube Learning Clip</u>, various <u>articles</u> and <u>blogs</u>, as well as training material in order to raise awareness and to ensure sustainability of the project's results

Practical testing of the utilization of incentives – capacity building of SMEs in Egypt

- In collaboration with the Egyptian Junior Business (EJB) Association, a joint initiative was launched in September 2012 to a) establish an anti-corruption and transparency standard for SMEs in Egypt, and b) to identify and provide incentives for SMEs that commit and adhere to this standard
- A Guidance Manual was written and approximately five senior management trainings with around 40-50 participants were conducted in 2014
- Various Stakeholder Workshops to draft the standard, to discuss capacity building requirements, and to define commercial incentives and monitoring approaches were held in Cairo
- Eleven SMEs publically signed the Integrity Pledge in April 2014 providing them now for the first time with their own anti-corruption policy. Six large multinational companies also

publically committed to provide incentives to those SMEs, which demonstrates increased awareness of their responsibility to encourage anti-corruption measures

Practical testing of the utilization of incentives from the financial market in Nigeria

- A Corporate Governance Rating System (CGRS) aiming at enhancing corporate governance practices through incentives from the capital market for listed companies in the Nigeria Stock Exchange was co-piloted in November 2014. The HUMBOLDT-VIADRINA provided expert assistance to the project of the Convention on Business Integrity (CBi) and the Nigerian Stock Exchange to a) establish together with local partners the content criteria, processes, and multi-stakeholder governance requirements, and b) leverage the rating system as a significant incentive for companies committed to good corporate governance
- Additional support was provided to CBi in the form of structure and content proposals for the new <u>CGRS website</u>, including a paper on the unique selling points and benefits of the CGRS approach

C1.

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 compliance 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.

The IACA became an international organization on March 8, 2011. To date, it comprises a constituency of 64 Parties, including 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:

International Anti-Corruption Academy (IACA) COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: Global 5 years 2.02 M International Organization, Austria

Within the overall project of IACA, the International Anti-Corruption Summer Academy (IACSA) aims to ensure the continuation of a well-established process that, among other things, contributes to the fourth pillar of the Academy's programs and activities: acting as a platform for direct dialogue and networking. By means of further developing the "Practice meets Science" approach, it will again bring together national and international practitioners of various backgrounds from the private and public sectors, students, media and NGO representatives, and internationally distinguished professors and academics from different disciplines and institutions.

Grants for students and participants from least developed countries (LDCs)/emerging markets (EMs): In congruence with the inter-regional approach of IACA, students and participants from all parts of the world should have the possibility to study and work at the Academy. In order to keep tuition fees affordable and to be able to provide training grants to students and participants who would otherwise not be able to attend, grants to students and participants will be provided.



The International Anti-Corruption Academy (IACA) is an international centre of excellence for a new and holistic approach to fighting corruption.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

International Anti-Corruption Summer Academy in Laxenburg/Austria: July 3–12, 2014

 65 anti-corruption practitioners representing over 46 countries from all continents participated in IACA trainings; 22 scholarships were granted to participants from 14 least developed countries and 22 internationally renowned academics and executive practitioners lectured and delivered an interdisciplinary program, linking theoretical anti-corruption concepts and practical action (<u>Program</u> <u>Brochure</u>)

- The ten-day training comprised of 52 lecture hours, group work on anti-corruption strategy drafting and roundtable discussions on corruption in sports and in extractive industries:
 - Among others, lectures on corruption in sport, arms trade, extractive industries, implementation of the OECD anti-bribery convention, implementing an anti-bribery program in an MNC were held
 - Participants learned about organizational change, taxonomies of corruption, ethical impacts and social implications, empowering citizens and civil society as well as the need for targeted interventions in corruption prone areas
- A Tunisian participant got inspired to found IWATCH, a youth-led anti-corruption organization that is now the focal point of Transparency International in Tunisia

Master in Anti-Corruption Studies (MACS)

 The second year of the new Master's program was successfully implemented with a focus on practical strategies in countering corruption

- Modules of the Master's program in the areas of Business and Corruption, Anti-Corruption and Law, Enforcement, and Prevention were conducted, one of which was implemented in partnership with the Malaysian Anti-Corruption Academy in Kuala Lumpur
- 27 Master program students prepared research proposals for their Master's theses and received continuous support from their academic supervisors throughout the process
- The first cycle of the Master program will be completed in December 2014 with a <u>Graduation Ceremony</u>
- Scholarships for Master's program students from Least Developed Countries were granted
- The second cycle of the new Master's program (MACS 2014–2016) was launched on August 1, 2014
- Tuition fee waiver for the <u>Procurement in</u>
 <u>Anti-Corruption Training</u> as well as the newly
 developed <u>Anti-Corruption in the Infrastructure Sector Training</u> were allotted to a participant from a Least Developed Country

C1.

DESCRIPTION OF INTEGRITY PARTNER

Ethos Institute, founded in 1998, has as its mission to mobilize, encourage, and help companies manage their business in a socially responsible way, making them partners in building a sustainable and fair society.

Ethos prioritizes the strengthening of democratic institutions with improved regulations, and provides for the creation of social control mechanisms for the government and the market.

For the coming ten years, it identifies the strategic opportunity to influence public policy transformation, proposing changes for an inclusive, green and responsible economy. This transformation requires a change in public discourse, in government action, and in business management.

Name of Integrity Partner:

Instituto Ethos – Ethos Institute for Business and Social Responsibility

PROJECT:

Clean games inside and outside of the stadium (World Cup 2014, Olympics 2016)				
COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:				
Brazil	5 years	3.11 M	Brazil	

The 2014 World Cup and the 2016 Olympic Games provide an opportunity to set an example in the fight against corruption and to ensure that resources invested in infrastructure are spent in a transparent and efficient way.

The project's specific objectives are to raise the:

- Level of transparency in public procurement and expenditure
- Integrity level of public-private sector relations and agreements
- Level of social control over public budget and expenditure

The main activities are the development of corporate self-regulation mechanisms through the establishment of Sector Agreements; a set of Local Administration Transparency Indicators applicable to the host cities of the events; a Local Administration Transparency Pact; social control mechanisms and instruments providing the society with tools to understand and follow public expenditure and contracts and to engage business; and social mobilization for the approval of a set of regulation bills fostering integrity and combating corruption.



Promoting transparency and integrity for the 2014 World Cup and the 2016 Olympic Games through Collective Action, social monitoring and control mechanisms.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Evaluating and promoting transparency indicators

• Transparency Indicators were applied in all cities and states that hosted the 2014 FIFA World Cup Brazil and the results were released in 2013 (cities) and 2014 (states); the second assessment showed a significant improvement in transparency of investments in comparison to the first edition of 2012 (cities) and 2013 (states); Transparency Indicators will now also be applied to institutions which are involved in the Olympics and Para-Olympics Games Rio 2016

 The Transparent City Initiative was developed in cooperation with Amarribo Brasil, the Brazilian Transparency International Chapter, to promote and further expand the City Transparency Indicators to 26 municipalities corresponding to all state capitals and to the federal capital

Awareness raising and engagement of civil society

- Participation in the 1st Workshop Dialogue with Civil Society on the <u>Sustainability Management Plan</u> for the Olympic and Para-Olympic Games Rio 2016; the Organizing Committees of the Olympic and Para-Olympic Games will now also adhere to the <u>Business</u> <u>Integrity Pact</u> Against Corruption
- Organization of the national seminar 'Balance of World Cup 2014: How is this Game?' focusing on debates related to integrity/transparency, human rights and environment issues
- Participation in the <u>National Chamber for Transparency</u>, organized by the Federal Government, which was a forum for dialogue between representatives of state and local governments hosting the FIFA World Cup

The booklet 'Jogo Limpo x Jogo <u>Sujo</u>'
was completed and published. It explains
government procurement procedures and
how citizens can participate in the oversight
of those procurements

Establishing sectorial agreements

• The 'Guide on Fighting Corruption in Sport Sponsor and Sport related Hospitalities' was launched at the same time as the new anticorruption law 6826/2013 was introduced, which was helpful to sensitize and engage main sponsor companies for Collective Action; meetings with sponsor companies were carried out in order to develop a Sectorial Agreement to prevent corruption and map the risk of corruption and bribery

C1.

DESCRIPTION OF INTEGRITY PARTNER

<u>Maala – Business for Social Responsibility</u> is Israel's leading advocate on corporate values and citizenship.

Founded in 1998, Maala is a non-profit membership organization that serves to advocate, consult, educate and facilitate and encourage corporations to identify opportunities to promote CSR. Today their membership exceeds 130 of Israel's leading companies, and the 2010 Index ranked 75 companies with a turnover of over \$79 billion and a workforce of over 173,000 employees.

Name of Integrity Partner:

Maala – Business for Social Responsibility

PROJECT:

Maala's Corporate Social Responsibility Collective Voluntary Anti-Corruption Standard Program				
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:	
Israel	5 years	0.48 M	Israel	

Main activities:

- Expansion of the section on assessment of ethical and governance standards of the Maala Index
- Increase the number of companies in the Maala Index and educate investors about the benefits of the index
- Development and publication of a working tool-kit that helps to understand, implement and practice anti-corruption/bribery and ethical governance standards
- Conduct a media campaign, which creates awareness of the business sector's obligation to abide by ethical management, corporate governance and anti-corruption standards
- Conduct 11 learning sessions
- Conduct an annual conference to serve as a forum for public dialogue and to raise awareness



The aim of the project is to encourage companies to voluntarily adopt and strengthen standards of transparency, ethics, corporate governance and prevention of corruption.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 - SEPTEMBER 2014):

Promoting the Maala Index

• A 'Corporate Social Responsibility Performance Index' was published in 2013, which ranks companies on the basis of ethics and anticorruption parameters. During the last year of project implementation, 77 companies were ranked against their CSR performance, which includes ethics and anticorruption. The Index was published on the new Maala website in June 2014 alongside a widespread social media campaign

 In the 2014 CSR Index new and innovative criteria were introduced in September 2014 and the questionnaire was expanded with regards to integrity, ethics and anti-corruption in the procurement process and companies engagement with their various stakeholders; the new questionnaire has the potential to motivate companies to further enhance their compliance and anti-corruption operations and the criteria of the Maala CSR Index have become known as the norm to adhere to in the Israeli private sector

Awareness raising in the Israeli business community

- A unique toolkit the 'Integrity in the Procurement and a Responsible supply chain toolkit' - was developed and will be validated: it is tailor-made for the Israeli market and designed for large companies that wish to raise the ethical standards of their suppliers. The toolkit consists of six chapters:
- 1) Ethics & Integrity, 2) Health & safety,
- 3) Employees Working relations, 4) Diversity in the Workplace, 5) Environmental performance and 6) Social Investment. The toolkit's launch is planned for December 2015

Impact

Considering that the concept of corporate ethics management in the supply chain was almost non-existent in the Israeli Market, the project activities show first signs of impact:

- The Maala 2014 CSR Index indicates that CSR/ ethics standards are on the rise in Israel
- A growing number of conferences on sustainability, corporate responsibility, ethics etc. was organized
- A keen and authentic interest by Israeli managers of large corporations to expand their CSR and ethics responsibilities to small and medium business in their value chain can be observed

C1.

DESCRIPTION OF INTEGRITY PARTNER

The Makati Business Club is a private non-stock, non-profit business association organized as a Forum for Constructive Ideas. The main thrust of the MBC is to foster and promote the role of the business sector in national development efforts, both in the planning and the implementation of policies. It is committed to addressing national economic and social issues that affect the development of the Philippines.

Founded in 1981, the MBC is composed of senior business executives representing the largest and most dynamic corporations in the Philippines. It has become the leading private forum for meetings that bring together business, government, and community leaders in the country. The MBC carries out its objectives through four main lines of activity: policy advocacy, information services and publishing, investment promotion, and corporate citizenship.

Name of Integrity Partner:

Makati Business Club (MBC) in cooperation with the European Chamber of Commerce in the Philippines

PROJECT:

SHINE PROJECT – Strengthening High-level commitment for Integrity Initiatives and Nurturing Collective Action of Enterprises advocating for fair market conditions

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Philippines	4 years	1.04 M	Philippines

The specific objectives are to:

- Identify key concerns of the private sector that affect integrity and transparency in business transactions
- Develop a unified "Business Code of Conduct" as a standard for local and foreign business entities
- Create an "Industry Integrity Pact" that provides control measures to ensure transparency and integrity in business transactions
- Develop products to set up integrity practices as basis for an audit and certification program for participating companies
- Institutionalize the whole process to promote sustainability of the Integrity Initiative



The project aims at initiating Collective Action between foreign and local businesses in order to support fair market conditions. The Integrity Initiative will encourage companies to commit to having no tolerance for corruption, and to commit to sustainable development.

KEY ACTIVITIES YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

- An <u>online whistleblowing system</u> for case reporting of violation of provisions of the <u>Unified Business Code of Conduct</u> was set up in October 2013
- To date, the Integrity Pledge has been signed by 2,227 companies and/or organizations with more than 200 business and industry organizations, local chambers and professional associations are actively promoting the Pledge among their members; moreover,

- 43 government agencies including the 'Union of Local Authorities of the Philippines', a non-profit umbrella organization participating to support the initiative in encouraging their own bidders and suppliers to sign the Integrity Pledge; altogether, the concept of a 'preferred supplier status' being initiated by company signatories is seen as a good strategy to convince more and more companies and organizations to join the Integrity Initiative campaign
- The Senate of the Philippines adopted the <u>Senate Resolution No. 54</u> on September 16, 2014, which provides the policy framework by which various government agencies can require companies in the private sector to comply with ethics standards in the conduct of their business
- The online Integrity Self-Assessment tool counts 256 signatory companies and it allows them to rate their existing integrity policies and practices, and consequently see in which areas changes are needed
- The <u>Integrity Compliance Certification system</u> has been pilot tested among two validated 'advanced' signatory companies

- In partnership with the 'Good Governance Advocates and Practitioners of the Philippines', a training module for Integrity Compliance Officers was developed to 1) introduce the concept of integrity in business, 2) identify and discuss the required competencies and functions of 'Integrity Compliance Officers'; and 3) encourage the appointment of such Officers in business organizations. All publicly available online learning modules, tutorials and videos were uploaded on the project's website
- A <u>secure online platform</u> to share integrity best practices, policy templates, tools and references by all company signatories upon creation of a unique user account on the <u>Integrity Initiative website</u> was created

Impact

 Various private sector associations in the region like in Indonesia, Malaysia and Thailand show interest in replicating Makati's Integrity Initiative model. The 'Indonesia Business Links' has already been pilot-testing the self-assessment tool among five companies in Indonesia

C1.

DESCRIPTION OF INTEGRITY PARTNER

Oživení, meaning "Renewal", was established in 1997 in Prague, Czech Republic, as a non-governmental not-for-profit organization primarily devoted to promoting sustainable mobility, cycling, and reducing car traffic in cities. Since 2000, the amount of public advocacy and watchdog activities has risen, and the main organization's goals are currently promoting public scrutiny, transparency, public awareness, and free access to information.

Its anti-corruption activities include legislative work at the national level, development and enforcing of municipal anti-corruption policies and tools, systematic monitoring and analysis in the area of conflict of interests, monitoring and public exposure of specific cases of conflict of interests and corruption – watchdog activities, anti-corruption audits and consultancy, free legal aid, and networking services for civil society organizations (CSOs) involved in anti-corruption work.

Name of Integrity Partner:

Oživení

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

PROJECT:

Improvement of Public Procurement Systems in the Czech and Slovak Republics			
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Czech Republic, Slovakia	3 years	0.6 M	Czech Republic

Procurement is one of the areas most vulnerable to corruption in the Czech and Slovak Republics. The main root causes for intransparent procurement are weak laws and lack of oversight. The project's objectives are to prepare a set of law amendments based on economic research and legal analyses of current weaknesses of the legal system. Furthermore, the project will aim at identifying potential loopholes, and analyze current practices of state oversight over procurement.

Economic research will support the general recommendations that an anti-corruption approach, including open tenders, electronic auctions, or restrictions for evaluation criteria, could increase efficiency of public budget spending. Together with the support of an anti-corruption business platform, the amendment will be presented to the Parliaments.

To raise awareness with media and the general public, this project will develop an ideal model for an official electronic tender bulletin, enhancing the possibilities of public control by publishing information on tenders.



The project aims at improving public procurement practices through amendments to the anti-corruption law that are supported by a business platform.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (NOVEMBER 2010 – MARCH 2014):

- In 2011, the Czech Coalition for Transparent Business was set-up as an open network of companies with currently 41 members. It sets basic ethical standards for fair and transparent business that are also monitored by the Coalition, which works closely with the Platform for Transparent Public Procurement bringing together political parties, business associations and public institutions that submitted an amendment to the Czech Public Procurement Act, in effect since April 1, 2012
- In Slovakia the <u>Slovak Compliance Circle</u>
 was founded in cooperation with the GermanSlovak Chamber of Commerce focusing on
 improving the compliance systems of
 companies

Analyses of transparency in the public procurement environment

- Analyses of current trends in the public procurement market conducted including the <u>transparency of the public procurement</u> <u>system</u> in Czech Republic, the rate of <u>tender</u> <u>procedures</u> without competition and the <u>impact of using e-auctions and rate of</u> <u>competitiveness</u> on public tenders
- Slovakia analyzed in its blog how rules for open tendering were avoided in public contracting. A <u>manual</u> for good use of e-auctions was published and three workshops were organized to encourage using e-auctions

Lobbying for better public procurement law

- Oziveni became a <u>member</u> of the sounding board of a governmental anti-corruption committee to provide regular comments on anti-corruption policies in the Czech Republic
- The Coalition and Oziveni provided regular input to the amendments of the Czech Procurement Law and improvement of state oversight, e.g. on the lower thresholds for small scale procurement, the use of e-auctioning

 A new Public Procurement Law was adopted in Slovakia in March 2013 reflecting a number of recommendations submitted by Transparency International in Slovakia, demanding more transparency in lower value contracts to strengthen the regulators' powers and lower administrative burden

Electronic bulletins for public tenders

- Oziveni launched an <u>electronic bulletin</u> for easier monitoring of the public procurement market in the Czech Republic. It offers online access to data on government procurement in an accessible and clear format
- Slovakia launched the <u>online e-auction</u> <u>bulletin</u>. As a result of using e-auctions 5% of savings was seen
- So far, the bulletins attracted more than 132,000 users in both countries and have been used by all stakeholders, including investigative journalists, as a source of information

C1.

DESCRIPTION OF INTEGRITY PARTNER

The Partnership for Governance

Reform ('the Partnership') is a multistakeholder organization working with government agencies and civil society organizations (CSOs) to advance reform at both national and local levels. The Partnership builds crucial links between all levels of government and civil society to sustainably promote good governance in Indonesia. The Partnership has implemented 359 projects since 2000 with a total budget of approximately USD 80 million.

Name of Integrity Partner:

Partnership for Governance Reform – Kemitraan

PROJECT:

Collaborative Leveraging of E-procurement Accountability, Nexus and Integrity for the Newfound Governance (CLEANING)

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Indonesia	3 years	1.5 M	Indonesia

The main objectives are:

- To adapt and mainstream anti-corruption principles, values and standards as guided by the UN Convention against Corruption (UNCAC) and other international legal instruments at national and local levels
- To develop capacities in corruption prevention and prosecution within agencies dealing with e-procurement
- To develop reliable feedback and improvement mechanisms through monitoring and evaluation

To achieve these objectives, several key activities will be undertaken: analyzing gaps between international legal instruments and national law, adapting international procurement standards into national law through drafting of new laws and standards, and assisting private sector and small and medium vendors to comply with the adopted national legal frameworks. The project will also enhance the capacity of vendors and the government's e-procurement agencies; train their staff; educate e-procurement watch organizations; and assist local government in implementing anti-corruption and integrity systems for procurement.



The main objective of this project is to improve transparency of public procurement in Indonesia, through building a public-private-civil society organization alliance and meeting the internationally accepted anticorruption standards.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (JANUARY 2011 – DECEMBER 2014):

- Over the entire project duration, 15 reputable national civil society organisations, 1700 members of the 'Association of Indonesia Entrepreneurs', 250 local government staff from e-procurement agencies and local procurement units, 150 local Inspectorates and 35 media journalists were engaged as surveyors
- The presidential regulation (i.e. Perpres 70/2012) that mandates the transition from paper-based public procurement to electronic

- public procurement for government agencies reflects the anti-corruption recommendations of Kemitraan and its partner organisations
- Technical assistance on the implementation of the new e-procurement regulations in the area of public procurement as well as e-auditing was provided for provincial inspectorates
- Initiated a media campaign to promote the inclusion of anti-corruption measures in the new draft law on public procurement
- The BERSIH guidelines the Vendors'
 Business Ethics and Rules guidelines were
 developed to guide the private sector in
 adopting integrity and anticorruption principles. The guidelines reflect six principles
 of public procurement, i.e. Transparency,
 Participatory, Accountability, Independency,
 Responsibility and Fair Competition. Vendors
 associations in three provinces pledged their
 commitment to adopt the guidelines
- The website <u>Pantau Pengadaan</u>, which provides the latest updates on the public procurement process in Indonesia, was

- developed. The website constitutes a dynamic platform for comments and participation in surveys related to procurement and e-procurement in Indonesia
- An Index Survey on transparency, integrity and accountability of procurement processes was conducted involving 700 vendors in eight provinces
- Several training modules addressing government officials, vendor associations and civil society organisations were developed and published on the project's website. 40 participants from government agencies and the private sector were trained on integrity systems and anti-corruption values
- Capacity building programs in five provinces for local government staff, representatives of civil society organizations, vendor associations and the private sector were completed with 310 members of government procurement agencies and 639 members of vendors association benefiting from it

C1.

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 member's interactions within the medical environment.

Name of Integrity Partner:

POLMED (The Polish Chamber of Commerce of Medical Devices)

PROJECT:

MedKompas Poland				
COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:				
Poland	4 years	0.46 M	Poland	

The MedKompas project will achieve its aim by organizing trainings on ethical business practices, and through a general promotion campaign on ethical cooperation between medical devices market participants and healthcare professionals.

This promotion of ethical business conduct will spread knowledge on threats resulting from corrupt behavior and the advantages of ethical business practices.

 Trainings are planned in the country over a four year period with the target group identified as representatives of medical devices companies and healthcare professionals Polmed intends to promote and shape ethical patterns of behavior by means of a general promotional campaign

The campaign will address representatives of both healthcare facilities and medical devices companies in order to highlight relevant and ethical rules for the cooperation between these two groups.



The project aims at initiating a network of compliance managers and promoting ethical cooperation among participants in the medical devices market.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (JANUARY 2011 – SEPTEMBER 2014):

Promotion of ethical business conduct through trainings

- 76 trainings to promote ethical business conduct were organized to address ethical issues that often occur in the interaction between doctors and medical companies and showed how to deal with various ethics dilemmas compliant with laws and ethical rules. The overall number of training participants totaled 2,439 (all POLMED trainings are described on Polmed's website)
- An official letter of approval for MedKompas activities promoting ethical cooperation between medical industry and Healthcare

Professionals was issued by the Polish Chamber of Physicians and Dentists (PCPD). In addition, MedKompas trainings were officially certified by PCPD and are providing educational points in case of successful participation. The membership in the PCPD is obligatory for all Polish doctors and Healthcare Professionals are obliged to renew a given number of educational points within a four years time period

Publications and awareness raising

- A broad national educational campaign was implemented. 150 articles on the project, its activities, ethical business practices etc. were published in the press and internet. Over 9,500 project-related leaflets were distributed
- The MedKompas project website was developed and is constantly updated. The website provides a lot of information on MedKompas trainings, compliance and ethical issues. One of the most important website features is the Questions & Answers section that provides answers to frequently asked questions and also allows people to ask questions and discuss compliance aspects with MedKompas experts

Impact

- The MedKompas initiative constitutes an example or model for other sectors as the 'Polish Chamber of Manufacturers and Distributors of Laboratory Diagnostics' set up a similar project named the Diagkompas
- Practical examples in MedKompas trainings helped the trainees to relate to the problems and to consider using some of the proposed solutions in their daily work
- Hospital directors or other hospital representatives asked for trainings to be organized in their facilities, and the MedKompas team was invited to re-organize trainings due to an increased demand, which shows that the subject of ethical cooperation between healthcare and medical sector is increasingly getting attention and importance in Poland

Project profiles and highlights of activities in 2014

C1.

DESCRIPTION OF INTEGRITY PARTNER

Sequa is a non profit development organization operating worldwide. They promote the development of the private sector and its membership organizations as well as education, training and further qualification. Germany's top business membership organizations are sequa's shareholders (DIHK, ZDH, BDA, BDI) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. GIZ was established on January 1, 2011 as a merger of the Deutscher Entwicklungsdienst (DED) gGmbH (German Development Service), the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH (German Technical Cooperation) and Inwent, Germany. GIZ is a federally owned enterprise, supporting the German Government in achieving its objectives in the field of international cooperation.

Name of Integrity Partner:

sequa gGmbH

in cooperation with German Agency for International Cooperation (GIZ), Chengdu General Chamber of Commerce, and Hunan Provincial Chamber, China

PROJECT:

Strengthening Business Membership Organizations for Fighting Corruption

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
China	3 years	1.49 M	Germany

Business Membership Organizations (BMOs) have become important players in the process of promoting transparency and fair markets. To strengthen anti-corruption initiatives in China, the project will make available the expertise of German BMOs (German chambers and sectoral associations and their umbrella associations such as DIHK, BDI, etc.) and their members, in combination with the expert network of GIZ GmbH and sequa gGmbH. GIZ GmbH and sequa gGmbH will support the Chinese project partners to develop anti-corruption approaches and improve organizational strengths and management capacities, e.g. qualification of staff and the development of training material.

Key activities are:

- Establishment and support of public-private dialogue platforms
- Development and implementation of industry-specific standards
- Knowledge management and exchange of best practices
- Capacity building within Chinese BMOs

At the final stage of the project all Chinese partner BMOs should be able to provide professional support mechanisms or business development services incorporating anti-corruption topics to their member enterprises on a self-sustaining basis.



The project aims to strengthen Chinese Business Membership Organisations (BMOs) in fighting corruption in China through regular public-private dialogue, industry specific standards and capacity building of BMOs.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (APRIL 2011 – MARCH 2014):

Setting up Collective Action initiatives

- Over 3,000 representatives from public and private sector participated in activities under the project in Chengdu and Hunan Province during the entire project duration
- Industry-specific standards on anti-corruption and compliance were developed for selected sectors and are being applied by companies

 'Integrity Proclamations' were signed in Chengdu as well as in Hunan and are going to be further promoted by sector chambers even after the end of the project. More than 100 companies of the Hunan Machinery Industry Chambers signed a Code of Conduct and around 200 companies in Chengdu signed two Integrity Pacts in public bidding activities

Awareness raising

 Six public-private dialogue platforms took place between the local partner chambers and government authorities providing the opportunity for local enterprises to communicate directly with the municipal government and addressing topics such as corruption prevention and integrity in business.
 The Chengdu General Chamber of Commerce achieved the establishment of a standing Public-Private Committee for curbing corruption on city level. This structured exchange of opinions, serving as the basis for coordi-

- nating Collective Action, created a huge echo in the media with over 140 reports in nationwide media
- More than 20 salons (company round tables) and/or company trainings were organized by Sequa and its local chambers addressing corruption related issues such as taxation, procurement, compliance systems and management
- Nine company round tables (approx. 86 companies) and three conferences (approx. 620 companies) took place
- An online training tool inspired and based on Transparency International's 'Resist' tool was developed and distributed among Business Membership Organizations and companies
- A professional knowledge management system and an exchange of good practices were implemented, ensuring the project's sustainability by enabling national and regional roll-out and scaling up

Project profiles and highlights of activities in 2014

C1.

DESCRIPTION OF INTEGRITY PARTNER

During its twelve years of existence, <u>Transparency International</u> – Bulgaria has gained substantial visibility in Bulgaria, and has established the necessary links with the general public and gained its reputation as an organization of integrity and stability.

TI-Bulgaria has assumed a substantial presence in the country's public space. It has created a network of experts and volunteers and has implemented several successful monitoring initiatives, which has given it a place among the 10 most active and viable civil society organizations.

Name of Integrity Partner:

Transparency International – Bulgaria

PROJECT:

Promoting Integrity through Advocacy – Counteracting Corruption in Public Contracting COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: Bulgaria 3 years 0.45 M Bulgaria

- Analysis of the legal framework and adaptation of the concept of Integrity Pacts (IP) in Bulgaria
- Promotion of the IP concept, organization
 of working meetings and public discussions
 with both private sector and public administration representatives; publication of
 articles and expert positions in the media;
 advocacy to civil society and private sector;
 set-up of a monitoring coalition
- Pilot implementation of the IP tool: training of civil servants in the implementation of IPs in public contracting; testing of the IP tool in selected tenders; monitoring and assessment of impact of IPs on the contracting process; recommendations for improvements
- Create a Public Contracting Transparency and Integrity Indicators (PCTII) tool that builds upon the outcomes of the implementation of the pilot IPs and publication of a PCTII manual
- Promotion of PCTII tool and use for training representatives of the private sector, civil society and media



The key objective is to enhance integrity standards and transparency in awarding of contracts with significant public interest through policy change in Bulgaria.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (FEBRUARY 2011 – FEBRUARY 2014):

Integrity Pacts for public procurement procedures were developed and piloted in three ministries: Ministry of Labor and Social Policy, Ministry of Health and Ministry of Regional Development; the Integrity Pacts served as a mechanism for civil monitoring of contracting authorities and contractors; increased public trust due to enhanced visibility; and constituted a system for identification and early warning regarding potential problems

- highway contracting process, the reconstruction of homes for social care of children deprived of parental care and final monitoring reports for the development of a national system for electronic data exchange in the area of social security were published (click: 1, 2, 3)
- A "White List" was developed, disclosing
 the commitment of all companies who have
 acceded to an Integrity Pact as part of public
 procurement; the List was developed as
 incentive for responsible business and with
 a view to evolve it as a regulatory tool used
 for stimulating good management practices
 and fair business conduct in Bulgaria
- The Contracting Transparency and Integrity Indicators <u>Manual</u> was developed with an expectation that the manual will help build the capacity of departments in central and local administrations and provide non-governmental organizations with knowledge for

efficient civil monitoring of public procurement. 500 copies were distributed among relevant stakeholders; the manual includes:

- A conceptual framework of the Bulgarian Integrity Pact model
- The main results, conclusions and recommendations from the Integrity Pact pilot phase
- Indicators for transparency and integrity in all public procurements stages
- <u>Two public discussions</u> with public administration and business organizations held to assess the results of the Integrity Pact:
- Presentation materials (link 1, 2, 3) and six training seminars were developed with the participation of 329 representatives of local administration, business, NGOs and media, and supported by local <u>business sector</u> organizations

C1.

DESCRIPTION OF INTEGRITY PARTNER

Transparency International Italia, the Italian chapter of Transparency International, founded in Milan in 1996, promotes the active role of civil and moral education in strengthening civil society against corruption and crime. It interacts with the public and private sectors, academia, and researchers. Main activities are: promotion of transparent and efficient governance by preventing corruption and misuse of resources; raising awareness in public opinion on the urgency of fighting corruption and related crimes; enhancing ethics in schools and universities, supporting the national ratification of international juridical and economic laws and conventions; encouraging the public and private sectors to fix and implement ethics principles and codes; and advocating for good governance and protection of collective interests.

Name of Integrity Partner:

Transparency International – Italia (TI-It)

PROJECT:

Sustainable Procurement Protecting the Green Sector Market from Corruption and Fraud				
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:	
Italy	3 years	0.6 M	Italy	

"Protecting the green sector market from corruption and fraud" aims at designing a sound framework to avoid misuses and illegal practices, enhancing awareness in the business environment and among public institutions, promoting fair market conditions through clear and transparent procedures, and disseminating results to raise awareness on the issue.

The project will collect knowledge on criminal patterns, market and corporate vulnerabilities; organize laboratories to enhance the capacity

to prevent risks and reduce losses; and set up a dialogue platform between the public and private sectors to promote the design and adoption of ad hoc standards.

The focus will be placed on three specific sectors: renewable energies, logistics/mobility of persons and goods, and innovation technologies.

To carry out this project a multi-disciplinary partnership has been established by TI-Italy (Integrity Partner), National Anti-Corruption Authority, and RiSSC (Research Centre on Security and Crime).



"Protecting the green sector market from corruption and fraud" is a civic, institutional and scientific project for protecting the green economy from threats of fraud and corruption, thus promoting relevant sustainable and ethical standards.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (FEBRUARY 2011 – DECEMBER 2013):

• Two reports 1) 'Corruzione e frode nella green economy – Le energie rinnovabili' and 2) 'Corruzione e frode nella green economy logistica e mobilità' compiling the research on corruption in the renewable energy sector and the mobility & logistics sector across Italy were published. The first report identifies key corruption-related vulnerabilities, the principal modi operandi of criminal organizations and a collection of best practices. The second report analyzes the level of sustainability already achieved by logistics and mobility,

- existing problems, risks, opportunities and possible future scenarios
- Two measures suggested in TI Italy's research reports are reflected in the first anti-corruption law, which was recently passed, and in the new National Energy Strategy
- Four Private <u>dialogue</u> platforms were created to foster cooperation among public and private stakeholders
- Four public-private workshops to train on anti-corruption instruments were organized.
 They involved representatives of public and private sectors to promote the Integrity Pact concept and the signature of Policy Statements with public and private institutions
- <u>Policy Statements</u> a declaration of intents committing signatories to adopt a pro-active role in the prevention of corruption and fraud in the green economy were endorsed by 10 relevant public and private actors of the green economy sectors
- Integrity Pacts were inserted in the Anti-Corruption <u>Law</u> 190/2012 as a result of close collaboration with the Public Administration

- Department, (Ministry of Public Administration). Among the main public bodies adopting the Integrity Pact was the Lombardia Region, the richest region in Italy, in February 2014
- An anti-corruption toolkit 'BE CLEAN. GO GREEN!' for SMEs and a self-evaluation tool for companies with anti-corruption policies and instruments were developed (check-list of self-audit)
- An e-learning module that puts together data and surveys, main anti-corruption conventions, laws and instruments, the project reports, and a focus on integrity in innovation markets was developed
- The project on integrity education '<u>Legality</u> and Sustainability: A Path through the Green <u>Economy</u>' was implemented in eleven classes to raise awareness about corruption and fraud in the green sector market among Italian high school and university students
- A <u>website</u> and a twitter account (300 followers) were created and frequently visited

C1.

DESCRIPTION OF INTEGRITY PARTNER

Transparencia Mexicana (TM) was founded in 1999 and is the national chapter of Transparency International (TI), the global coalition against corruption. TM approaches corruption from a holistic standpoint, engaging with public and private actors to reduce corruption by creating changes in the institutional and legal framework of the Mexican state. Acknowledging that forms of corruption adapt to country-specific norms, TM pursues an agenda tailored to fight corruption within Mexico, while at the same time adhering to standards and practices established by TI Secretariat.

Name of Integrity Partner:

Transparencia Mexicana

PROJECT:

Social Witness/Integrity Pact in Government Procurement – The Mexican Experience COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN: Mexico 3.4 years 0.23 M Mexico

Since 2000, Transparencia Mexicana (TM) has implemented Integrity Pacts/Social Witness (IP/SW) tools in around 100 public procurement processes and has developed a methodology applied to the Mexican context that can be useful to government and private actors in other contexts. This methodology combines a minicontractual form in a bidding process (IP) with intensive monitoring during the bidding process (SW). The result is a light legal structure with a real-time monitoring process that provides an external, technical and independent view without reducing efficiency; partially restores public trust in procurement; creates an environment for open discussions of technical decisions; promotes government innovation, and contributes to competition, efficiency and savings. To date,

much of the research related to the IP/SW has combined national experiences and practice, without determining the systemic impact for a branch of government, sector or type of company in a cross-time analysis. This project will have this systemic approach, in order to be useful to procurement sectors in any context. The objective is to conduct an analytical review, and to promote the Mexican experience with a particular focus on its economic impact, social results and a new framework for Collective Action among participants in procurement processes. Activities include an analytical review, the production of independent chapters under an editorial plan, and the communication/ promotion of the Analytical Review Report with relevant stakeholders.



The project aims to produce an Analytical Review Report of the Integrity Pacts/Social Witness tools that Transparencia Mexicana has applied in around 100 public procurement processes.

SUMMARY OF ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (JANUARY 2011 – APRIL 2014)

 The Citizens & Markets initiative was created as a global knowledge network analyzing new emerging relationships among citizens, companies and governments. The aim was to engage civil society in the monitoring of governments as well as companies and therefore reducing corruption risks in procurement processes

- As a result of the initiative a publication series with two publications titled <u>"A New Role for Citizens in Public Procurement"</u>, <u>"A New Generation of Public Control"</u> was developed with the aim to forge alliances through multi stakeholder initiatives and to further engage citizens in the public control and thus reach an higher degree of use of the Social Witness idea in Mexico. The analyses are based on one another and include a total of 23 articles from approximately 30 authors:
- The first publication (2012) offers an overview of models where citizens monitor public procurement processes. Among the articles are experiences from countries like Brazil, Cameroon, Kenya and Slovakia
- The second publication (2014) contains an extensive description and analysis of new tools and models which can be used to participate and exert public control and to re-build trust in public institutions and procedures

- A communication strategy to disseminate the knowledge and experiences of the Citizens & Markets initiative via modern communications channels like social networks to a non-expert audience was designed:
 - A Twitter-based course on public procurement in Mexico was created to promote the fact that clean procurement is a precondition for providing public services which benefit citizens' quality of life. The course explained in short sentences the different stages of planning and tender processes according to the Mexican regulation. Twitter users' response to the course can be reviewed at @IntegridadMX

Project profiles and highlights of activities in 2014

C1.

DESCRIPTION OF INTEGRITY PARTNER

TI-USA works at home and abroad to combat corruption and promote transparency and integrity in government, business and development assistance. Since its founding in 1993, TI-USA has been actively involved in the development of private sector integrity programs and has advocated for greater global adherence to them. It has initiated and engaged in numerous industry-sector initiatives and collaborative projects, mobilizing Collective Action with a wide array of interests, including corporations, major business organizations, labor groups, and other NGOs.

TI-USA has a track record of success in the promotion of private sector best practices.

Name of Integrity Partner:

Transparency International – USA in cooperation with Social Accountability International, USA

PROJECT:

Verification of Corporate Anti-Corruption Programs				
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:	
USA	3 years	0.66 M	USA	

The overarching, long-term goal of this project is to improve credibility of corporate compliance programs. Achieving this will help increase public confidence and enhance credibility with investors, rating agencies, financial institutions, export credit agencies and government procurement agencies, which increasingly expect corporations to demonstrate effective compliance programs. This project will assess the strengths and weaknesses of the most commonly used methods of compliance verification and will develop recommendations for companies when considering anti-corruption compliance verification.

The project aims at achieving the long-term goal by:

- Reviewing, assessing and reporting on the efficacy of current approaches to compliance verification
- Creating awareness and better understanding of the verification methods
- Promoting broad acceptance of the relative merits of the methods and findings

This project will be supported by Michael Hershman, Mark Mendelsohn and Fritz Heimann.



The project will look at the key role that compliance verification methods play in assessing companies' adherence to their anti-corruption programs.

KEY ACTIVITIES FOR THE ENTIRE PROJECT PERIOD (JANUAR 2011 – SEPTEMBER 2014):

In July 2014, Transparency International –
 USA published its Guidance Report <u>'Verification of Anti-Corruption Compliance Programs'</u>.
 It is based on an in-depth examination of compliance verification practices and contains concrete recommendations to help companies to strengthen their anti-corruption compliance programs and to improve public credibility of their effectiveness

- Results were presented to compliance personnel from major corporations, including chief compliance officers from leading machinery or gas/oil companies, development institutions and the U.S. Government, embassy representatives, academics, lawyers, accounting firms and non-profit organizations events such as:
- Transparency International Annual Members
 Meeting, Germany November 2013
- Basel Institute of Governance Integrity
 Conference, Switzerland June 2014
- > 2nd Oil & Gas Anti-Corruption & Compliance Exchange, Texas September 2014
- The Guidance report received wide media coverage such as in the <u>Foreign Corrupt</u> <u>Practices Act (FCPA) Blog</u>, one of the leading news and commentary blogs about whitecollar crime enforcement and compliance.

- Also, the Center for International Private Enterprise <u>stated</u> that the Report marks an important step towards a unified vision of what successful anti-corruption compliance programs should look like. Another commentator noted that the Report is 'a helpful document on an important but surprisingly neglected topic'
- A number of Transparency International country chapters have expressed <u>great interest</u> in the Guidance Report, e.g. there have been profound discussions with the Regional Coordinator of the Asia Pacific chapters. TI-USA plans to work with them to publicize the recommendations and promote their usage
- The Report has also prompted discussion of the scope of corporate public reporting of anti-corruption programs

Project profiles and highlights of activities in 2014

C1.

DESCRIPTION OF INTEGRITY PARTNER

UNDP is the UN's global development network. It operates in 177 countries and territories, working with them on their own solutions to global and national development challenges. UNDP's network links and coordinates global and national efforts to reach the Millennium Development Goals, by helping countries build and share solutions to the challenges of Democratic Governance, Poverty Reduction, Crisis Prevention and Recovery, Environment and Energy, and HIV/AIDS. UNDP is the lead agency on democratic governance in the UN system supporting efforts to advance democratic governance in four main areas: (1) Expanding people's opportunities to participate in political decision-making, particularly those of women and the poor; (2) Making democratic institutions more accountable and responsive to citizens, supporting national parliaments, public administrations and rule of law; (3) Promoting the principles of democratic governance – in particular, anti-corruption, human rights, women's empowerment and equal opportunity; and (4) Supporting country-led democratic governance assessments. UNDP's activities in the Arab States region build on UNDP's new Strategic Plan (2014-2017), with additional emphasis placed on addressing the main impediments to human development in the region as identified by the Arab Human Development Report series.

Name of Integrity Partner:

United Nations Development Programme – Regional Bureau for Arab States (UNDP – RBAS)

PROJECT:

Anti-Corruption and Integrity in the Arab Countries (ACIAC)

COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:

Arab States Region

3 years

1.78 M

International Organization, United Nations

The project is a major component in a broader regional anti-corruption initiative that generates knowledge context-specific and supports inclusive anti-corruption policy reform in Arab countries. It developed the capacities of representatives from at least 40 civil society organizations (CSOs) and businesses across the region, focusing on the implementation of articles 12 and 13 of the UNCAC, and on mainstreaming transparency and integrity standards and practices in various business sectors, with a view to enabling concrete participation in national anti-corruption strategies in more than four countries.

Key activities include:

- Training leading non-governmental practitioners (NGPs), using specially developed material
- Supporting CSOs and businesses to formulate and advocate joint policy positions on various anti-corruption themes and engage governments in direct dialogue
- Developing a service oriented Portal for the Arab Anti-Corruption and Integrity Network (ACINET) to promote knowledge sharing between various stakeholders



The project will enable non-governmental actors to help in developing, implementing and monitoring national anti-corruption strategies in Arab countries.

KEY ACTIVITIES YEAR 4 (SEPTEMBER 2013 – OCTOBER 2014):

Developing knowledge products on anti-corruption with focus on business transactions

- <u>Training material</u> on 'anti-corruption in business transactions', dedicated to train SMEs in the Arab region, were developed in partnership with leading business associations in Tunisia, Morocco and Egypt; the specialized course was piloted in 2014 through local seminars in <u>Tunis</u>, <u>Sfax</u>, <u>Casablanca</u>, <u>Rabat</u>, <u>Cairo</u> and <u>Alexandria</u>
- <u>Education material</u> on 'anti-corruption', with a special chapter focusing on business transactions, dedicated to educate law students in the Arab region, were developed in partnership with leading law schools in the region

• Four thematic position papers were developed by ACINET's 'non-governmental group' in the following areas: a) fighting impunity against corruption, b) recovering assets derived from corruption, c) promoting access to information and d) preventing corruption in public lands with results shared at key junctures and policy debates including major regional events in Tunis, Kuwait, Beirut, Casablanca and Skherat

Building the capacity of non-governmental organizations

- 220 non-governmental practitioners were enabled to actively engage in and contribute to policy dialogues on the implementation of the UNCAC in Djibouti, Iraq, Jordan, Lebanon, Morocco and Tunisia. Consequently, they were able to identify related implementation gaps and propose legal reforms. This led to the formulation of related bills in Jordan Lebanon, Morocco and Tunisia, and the adoption of related legal and institutional measures in six countries
- 80 non-governmental practitioners were enabled to actively engage in and contribute to policy dialogues on corruption in key vulnerable sectors, including health in Jordan

- and Morocco, education in Kuwait and Morocco, natural resources in Iraq and Jordan, and customs and real estate in Lebanon
- Service-oriented web-portal of ACINET was made available online and acted as a facilitator of exchange between the members of ACINET which include 45 ministries and agencies from 17 countries, 20 independent organizations representing the civil society and the business community

Impact

 A multi-stakeholder regional community of more than 300 business integrity reform drivers, including decision-makers and practitioners from government, business and civil society in 18 Arab countries, was established and enabled through UNDP's support to design and implement related concrete reform initiatives that helped in reducing corruption perception in the Arab region in eleven countries, enhanced compliance with the UNCAC in six countries and secured commitment to continue related reform efforts in 2015 bringing more focus on transparency/accountability in key vulnerable sectors that are critical for investment and development in the region Project profiles and highlights of activities in 2014

C1.

DESCRIPTION OF INTEGRITY PARTNER

UNODC is mandated to assist Member States in their efforts to fight illicit drugs, crime and terrorism through: 1. fieldbased technical cooperation projects to enhance the capacity of Member States; 2. research and analytical work to increase knowledge and understanding of drugs and crime issues and expand the evidence base for policy and operational decisions: and 3. 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 around 174 States parties including 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) in cooperation with the International Anti-Corruption Academy (IACA), Austria

PROJECT:

Incentives to Corporate Integrity and Cooperation in accordance with the UN Convention Against Corruption				
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:	
India, Mexico	3 years	1.12 M	International Organization, Austria	

This project aims to promote States' implementation of articles 26 (Liability of legal persons), 32 (Protection of witnesses, experts and victims), 37 (Cooperation with law enforcement authorities) and 39 (Cooperation between national authorities and the private sector) of the United Nations Convention against Corruption and to facilitate private actors' compliance with the Tenth Principle of the UN Global Compact by:

 Reviewing, in the framework of high-level committees of public officials and private sector representatives, legislation on corporate liability and legal incentives for companies to voluntarily report on internal

- incidents of corruption and cooperate with public authorities, and recommending amendments to ensure full compliance with the Convention
- Designing and delivering joint training workshops for law enforcement, judicial authorities and companies' representatives on existing domestic laws governing corporate liability
- Organizing meetings of international experts to share existing knowledge and generate innovative approaches on how governments should best encourage and reward companies which report instances of corruption



The project aims to create systems of legal incentives for companies' integrity efforts, hence encouraging business to come forward and report internal incidents of corruption.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (APRIL 2011 – SEPTEMBER 2014):

Global Coordination

- Two global Expert Meetings were held with 30 participants including experts from the country-projects in Mexico and India, as well as international experts from the OECD and the World Bank
- 28 students completed the 'Legal Incentives for Corporate Integrity Training' (LICIT) which was developed by the International Anti-Corruption Academy (IACA) and UNODC. The training is a one-month program combining one week of on-site training with distance learning in home countries. The training will be offered again in 2015

- 'A Resource Guide on State Measures for Strengthening Corporate Integrity' was published describing the UNCAC articles that frame states' interactions with the private sector: In total 700 copies were disseminated
- As a result, Mexico and India are better prepared to engage the UNCAC Implementation Review Mechanism

India

- A legislative and <u>baseline study</u> called 'Corporate Integrity' was published describing compliance of Indian laws and policies to prevent and combat corruption in the private sector with the UNCAC, as well as current practices, challenges and training needs that have to be addressed
- The online training tool 'Corporate Integrity'
 was launched providing an overview of international and Indian laws, provisions under
 the UNCAC and good practices to mitigate
 vulnerabilities to corruption in the private
 sector; several institutions, such as the Central Bureau of Investigation or the Confederation of Indian Industries have expressed an
 interest in implementing it

 Advocacy contributed to progress made towards an effective Whistleblowers Protection Act of 2011; In addition, the Companies Act of 2013 and corporate governance norms issued by the Securities and Exchange Board of India (SEBI) in April 2014 are two significant steps

Mexico

- The <u>legislative study</u> 'Informe sobre el análisis de los Incentivos Legales para la Integridad Corporativa en México' was finalized analyzing existing legal incentives to increase corporate integrity and providing suggestions for government and the private sector
- The findings of a <u>baseline survey</u> were published in the media and served as the basis for a training curricula
- Six targeted training curricula on the topics of public procurement, corporate integrity and new legal instruments to combat corruption were developed by the University Tecnológico de Monterrey and delivered to 584 persons

Project profiles and highlights of activities in 2014

C1.

DESCRIPTION OF INTEGRITY PARTNER

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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 around 174 States parties including 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:

Outreach and Communication Program for the United Nations Convention Against Corruption (UNCAC)				
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:	
Global	3 years	0.75 M	International Organization, Austria	

The project seeks to enhance companies' knowledge of how UNCAC can make a difference in their daily work both internally and in their interaction with public counterparts, and to encourage the business community to turn their anti-corruption commitments into action by bringing their integrity programs in line with the universal principles of UNCAC. The project also seeks to support learning institutions that have come to realize that they do have a role to play in preparing the next generation of public and business leaders for the challenge of making right and ethical decisions.

This will be achieved by:

- Creating and disseminating a structured outreach and communication program that combines a global perspective with local contexts, reaching out to private companies, particularly the UN Global Compact business participants
- Developing a comprehensive academic learning course on UNCAC and its implication for public administrators and private operators to be embedded in curricula of business, law and public administration schools



This project aims to support private actors' integrity efforts by educating present and future generations of business and public leaders and better informing the corporate community of the UN Convention against Corruption (UNCAC).

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (APRIL 2011 – SEPTEMBER 2014):

- The UNODC communication strategy for engagement with the private sector was completed and officially adopted
- The toolkit for private sector awareness raising and outreach was designed and approved for dissemination, including brochures and factsheets on the United Nations Convention Against Corruption (UNCAC) and United Nations Office on Drugs and Crime (UNODC) projects relevant to the private sector; 2,000 copies of the toolkit were disseminated to over 1,000 companies at global, regional and national-level events. Preliminary discussions with the private sector at various events revealed that the toolkit has been well received
- The toolkit has also been presented and disseminated at fifteen major private sector integrity events, including the G20 meeting in Sydney and a session with the B20 in Rome in June 2014. To complement this strategy, a private sector sub-page on the

- <u>UNODC TRACK portal</u> was designed and launched in August 2014. In only two months, more than 600 visitors were reached
- An <u>UNCAC Academic Course</u> was developed and is currently being taught in over ten universities around the world
- UNODC held a training workshop in August 2014, which provided a platform to share experiences concerning teaching of the UNCAC academic course, and which further strengthened the existing academic network with an interest in promoting and using this course. Experts, including academics from Harvard University, led this three-day workshop, which provided support to 43 academic institutions, involving 50 academics
- UNODC has reached the overarching target under this project, with over 20 universities having established systematic relationships with UNODC. UNODC further continues to liaise, network and offer support to academic institutions wishing to utilize the UNCAC Academic Learning Course

Project profiles and highlights of activities in 2014

C1.

DESCRIPTION OF INTEGRITY PARTNER

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Name of Integrity Partner:

United Nations Office on Drugs and Crime (UNODC)

in cooperation with the International Anti-Corruption Academy (IACA), Austria

PROJECT:

The 6 P's: Public-Private Partnership for Probity in Public Procurement

COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:

India, Mexico 3 years 1.22 M International Organization, Austria

The project will promote States' implementation of article 9 of the UN Convention against Corruption (UNCAC) and support private actors' efforts to comply with the Tenth Principle of the UN Global Compact, by:

- Reviewing, in the framework of high-level committees of public officials and representatives of the private sector, systems of public procurement, and assessing their compliance with UNCAC, with recommendations feeding into possible legislative amendments
- Designing and delivering a joint training program for public procurement personnel and private counterparts on the system of public procurement in force in both countries, giving participants opportunity for mutual learning
- 3. Organizing meetings of international experts to share lessons learned and good practices in aligning national public procurement systems with the requirements of UNCAC, and to formulate model practices. Subject to the need for further training activities, a training module on integrity in public procurement will be developed



The project aims to reduce vulnerabilities to corruption in public procurement systems and to bridge knowledge and communication gaps between public procurement administrations and the private sector.

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (APRIL 2011 – SEPTEMBER 2014):

Global Coordination

- A <u>Guide</u> on 'Anti-Corruption in Public Procurement and the Management of Public Finances' was published, providing an overview of good practices and experiences from India and Mexico and disseminated in 700 copies
- 18 students completed the 'Public Procurement Anti-Corruption Training' (PACT), which was developed by the International Anti-Corruption Academy and the United Nations Office on Drugs and Crime and taught with distance learning in the home countries in September 2014. The training will be offered again in 2015

- Two Expert Meetings were held with over 30 participants, including technical experts from the sub-projects in Mexico and India, in order to exchange experiences on the country-level
- A profound change was observed in both countries due to a facilitated dialogue between public and private sector on public procurement based on understanding of the challenges of both actors

India

- A <u>legislative study</u> called 'India: Probity in Public Procurement' was completed analyzing compliance of Indian federal laws and the laws of the state of Karnataka with article
 9 of the UNCAC
- A baseline <u>assessment</u> analyzing challenges, practices and training needs in relation to probity of public procurement was completed
- The e-training tool 'Probity in Public Procurement' was launched providing an overview of international and Indian laws, and good practices to mitigate vulnerabilities to corruption in the private sector; several institutions,

- such as the Central Bureau of Investigation or the Confederation of Indian Industries expressed interest in it
- The <u>UNCAC Pictorial Guide</u> and a <u>national</u> referral guide were published
- Advocacy contributed to the momentum and substance of the Public Procurement Bill

Mexico

- A <u>legislative study</u> 'Transparency, Objectivity and Competition in Public Procurement' analyzing the legal system of the federal government, the federal district and state of Puebla as well as the implementation of public procurement policies was finalized
- A baseline survey of current public procurement practices was developed by over 160 stakeholders
- The Mexican Senate published a federal government declaration of a review of anticorruption laws and practices with UNODC advice, and the need for public-private partnerships to fight corruption was noted

Project profiles and highlights of activities in 2014

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)

5 years

PROJECT:

and Training (Towards a Transparent Economy)

COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:

0.85 M

Fighting Corruption and Fraud through Collective Action, Education

Main activities:

Egypt

- 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)

Egypt

 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)



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 YEAR 4 (OCTOBER 2013 – SEPTEMBER 2014):

Awareness Rasing Seminars

Four <u>Training Workshops</u> on Corporate Governance in cooperation with the International Finance Corporation-World Bank Group (IFC) took place. They covered the topics: Building an effective and efficient board, management control, and transparency and shareholder practices. The case-study-based workshop aimed to ensure the process of learning by

doing, and to increase the ability of the participants to apply what they learned on a real life case. The workshops took place on four consecutive Saturdays and reached a total of 92 students

 Four Case Study Based <u>Student Competitions</u> were conducted. After the Training Workshop the students were asked to complete a reallife case study from the Egyptian Market with diagnosis and recommendations

Eight discussion forums

- Four forums in cooperation with the Ministry of Youth for students outside of Cairo University were held aiming to expand the awareness of the initiative and promoting good governance and anti-corruption
- A new series of open discussion forums on international best practice in the fields of anti-corruption were launched. Four forums from April to September 2014 were organized

and attended by 378 participants. One of them invited investors and representatives from the supervisory and regulatory authorities in Egypt to share their real life experience

Educational Curricular

CEFRS continued encouraging faculty members from various departments to integrate
the topics of anti-corruption and financial
integrity into their curricula (i.e. public
finance, economics of finance and public
administration)

Impact

 Awareness raising activities (e.g. students competitions and case-study based trainings) show first signs of impact reflected in an increasingly large number of students in-and outside the Cairo University for whom the initiative and therefore good governance and anti-corruption became a keyword



Second funding round projects: Project profiles

The application and selection process for the second funding round of the Siemens Integrity Initiative started on June 27, 2013 and was still ongoing on March 15, 2015. The gradual announcement of the selected projects from the second funding round has started in fall 2014 and stretched until spring 2015.

The projects illustrated on the following pages are those where Funding Agreeements were signed before March 15, 2015.





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

PROJECT AT A GLANCE:

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 that 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 that will help Chinese companies to establish a workable compliance system

- Continuing to advocate and engage policy makers through the submission of ethicsrelated 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 practices that have been identified and create synergies



DESCRIPTION OF INTEGRITY PARTNER

The Ethics Institute of South Africa is a not for profit, public benefit organization, which has been active since August 2000. The vision of the Ethics Institute of South Africa 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 organization's ethics programs
- Training of ethics skills, including certification of Ethics Officers
- Support and advisory services to clients
- Project management on ethics/anticorruption for the public and private sectors

Name of Integrity Partner:

Ethics Institute of South Africa (EthicsSA) in cooperation with the Institute of Directors Mozambique (IoDMZ)

PROJECT:

Collective Action for fighting corruption in Mozambique				
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:	
Mozambique	5 years	0.55 M	South Africa	

PROJECT AT A GLANCE:

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

In the initial phase, the project focuses on the provision of technical assistance in the implementation of corporate ethics standards within the private sector in Mozambique. Initial activities will build 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 EthicsSA 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 that 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 that are concerned about cross-border corruption when entering the Mozambique market, as well as with companies deterred from conducting further business in Mozambique.

C2.

Project Profiles



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- Project management on ethics/anticorruption for the public and private sectors

Name of Integrity Partner:

Ethics Institute of South Africa (EthicsSA)

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

PROJECT AT A GLANCE:

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

Firstly, the Ethics Institute of South Africa 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 of South Africa will collaborate with seven municipalities in the province to strengthen their ethics and anti-corruption management capacity. This will include setting up necessary governance structures and assisting 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 for encouraging fair and competitive behavior, especially in the construction industry. Following the implementation of the project in the Gauteng Province, the results will be distributed and will reach the rest of the country.



DESCRIPTION OF INTEGRITY PARTNER

<u>Eucomed</u> represents the medical technology industry in Europe. Their mission is to make modern, innovative and reliable medical technology available to more people. Eucomed funds the Conference Vetting System initiative.

Name of Integrity Partner:

Eucomed – 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 3 years 0.85 M Belgium

PROJECT AT A GLANCE:

North Africa Region

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

Two years 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 and unique initiative in the healthcare industry. It reviews the compliance of third-party educational conferences with the

Eucomed 'Code of Ethical Business' to determine whether it is appropriate for companies to sponsor Healthcare Professionals in terms of e.g. conference registration, travel or other conference related expenses. The decision is binding on Eucomed corporate and national associations 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 Profiles





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

PROJECT AT A GLANCE:

- 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 that takes into account their needs and challenges. Signatories will be provided with capacity-building training on anticorruption. 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 that demonstrate ethical leadership, and 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

Global Compact Network India

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 (GCN 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

PROJECT AT A GLANCE:

The project aims to operate a Center of Excellence in order to strengthen transparency and ethics in business in India.

The Indian business community practices a multitude of anticorruption initiatives in silos. The Center 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 initiatives.

Essentially, the Center aims to:

 Develop pragmatic approaches around the "ten principles" of the UNGC 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 for Business and Transparency will be developed on a collaborative model and will develop new approaches and techniques, by engaging a diverse range of stakeholders, focusing on both the supply and the demand side of corruption.

C2.

Project Profiles



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 compliance 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.

The IACA became an international organization on March 8, 2011. To date, it comprises a constituency of 64 Parties, including 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 Organizaton, Austria

PROJECT AT A GLANCE:

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 masters 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.





(人))글로벌경쟁력강화포럼

Name of Integrity Partner:

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

PROJECT:

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

PROJECT AT A GLANCE:

The Fair Player Club is a public-private sector platform of key players in the South Korean marketplace. The aim is to enable anti-corruption dialog and Collective Action across industries and regions, and with South Korean businesses as well as enterprises with foreign investment.

The project endeavors to promote clean and fair business with business community in South Korea by engaging with industry associations, local and foreign chambers of commerce, central and metropolitan city governments, and foreign embassies in South Korea as Fair Player Club members.

In order to strengthen anti-corruption standards, to create awareness of business integrity and to consolidate commitment for Collective Action with business peers in South Korea, the Fair Player Club acts as a platform to foster collaboration and commitment. A dialog will be stimulated about measures to achieve clean and fair business and how to build the capacity for compliance and business ethics in South Korea. It is envisaged to reach a consensus for Collective Action by Fair Play Pledges to combat corruption through workshops and to disseminate the unified Code of Conducts, Fair Play guidelines and cases, and a Fair Play Competence Assessment.

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 anticorruption. The GCNK has played a key role in disseminating those values to the public, private and non-profit sectors in South Korea since 2007 by providing services to 280 GCNK members, 180 of which are corporate members ranging from large to small and medium-sized enterprises. GCNK specializes in developing cooperative partnership among various stakeholders, especially companies, business 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 business leadership in the areas of human rights, labor, environment and anti-corruption. The Project Partner Global Competitiveness Empowerment Forum is a nonprofit 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.

Project Profiles





The <u>Organisation for Economic Co</u>operation and <u>Development</u> (OECD)

is an inter-governmental organization bringing together 34 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.

OECD BETTER POLICIES FOR BETTER LIVES

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	France	

PROJECT AT A GLANCE:

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

A robust and accountable corporate governance system with sound risk management, transparency requirements and control mechanisms should reduce the scope for 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 best practices of corporate governance and business integrity within large companies in Russia, thereby underpinning the accountability and transparency needed for enhanced business integrity. This will be 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 which will be developed for this project and will be disseminated to a wide audience



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

PROJECT:

African Lawyers Initiative on compliance in business relations					
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:		
Africa	3 years	0.93 M	Tanzania		

PROJECT AT A GLANCE:

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 that the project will 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.





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 member's interactions within the medical environment.

Up until September 2014, POLMED was successfully implementing the forerunner project MedKompas project 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)

PRO IFCT:

MedKompas Poland II					
COUNTRY OF IMPLEMENTATION: DURATION:		USD (MILLION):	REGISTERED IN:		
Poland	4 years	0.65 M	Poland		

PROJECT AT A GLANCE:

In the framework of the MedKompas project II, the anti-corruption activities of the previous MedKompas project I 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 that will enhance the impact achieved so far.

During the MedKompas project II, 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.



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Etik ve Itibar Dernegi (TEID)

DESCRIPTION OF INTEGRITY PARTNER

The <u>Ethics and Reputation Society</u> '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.

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	

PROJECT AT A GLANCE:

The project will address 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.

Name of Integrity Partner:

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 a 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, from both academic and external agencies' reviews,

shows that companies rarely have the appropriate 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 of some kind but they do not have a 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 Profiles





As part of the global <u>Transparency</u> <u>International Movement</u> 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.

TRANSPARENCY

Name of Integrity Partner:

Transparency International Secretariat (TI-S)

PROJECT:

Collective Action for Clean Business				
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:	
Global	3 years	3.06 M	Germany	

PROJECT AT A GLANCE:

The Transparency International Secretariat will promote 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 will improve the capacity of Transparency International to work as a catalyst for Collective Action at the national level in multiple countries and advocate improved standards, norms and practices within international fora and initiatives.

This will involve:

- Developing evidence bases for Collective Action at the 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 on a new scale
- Disseminating learning and expertise within the TI 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



DESCRIPTION OF INTEGRITY PARTNER

Transparency International España is

the Spanish national chapter of the global Transparency International Movement of non-governmental organizations universally 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

PROJECT AT A GLANCE:

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 European and Spanish legislation
- Promoting integrity in public contracting through 'integrity pacts' as a way to minimize corruption in public procurement, starting with a pilot project relating to certain tenders of the Spanish Central Public procurement system
- Fostering transparency in the delivery and management of contracted public services through the implementation of the new Transparency Law





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.

WIRTSCHAFTS UNIVERSITÄT WIEN VIENNA UNIVERSITY OF ECONOMICS

Name of Integrity Partner:

WU Vienna University of Economics and Business Administration

PROJECT:

Tax and 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		

PROJECT AT A GLANCE:

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.

The project aims to:

- Identify and mobilize stakeholders in national tax administrations and in the private sector and to set out a research agenda
- Draft model national tax legislation and international tax agreements with the aim of strengthening country specific anti-avoidance rules, thus improving the effectiveness of the tax administrations to undertake controls and audits of both local and multinational companies, and fostering better cross-border cooperation between tax authorities

 Build up institutional capacity in the three focus countries and the other African countries and ensure sustainability by creating a network of 'ambassadors' of key institutions in Africa who will be able to disseminate and promote the acquired knowledge on the role of tax authorities in detecting corrupt practices. In order to achieve the objectives listed above, a research and training agenda is planned which, together with the high level conferences, will contribute to raising awareness about the importance of the role of tax administrations in countering corruption practices. While the geographical focus countries in the project are Ghana, Nigeria and South Africa, the material developed during the project is highly likely to be replicated throughout the entire African continent.

D.

Joint Press Release by Siemens, the World Bank Group and European Investment Bank dated December 10, 2014

Annex

Joint Press Release

Press

by Siemens, World Bank and European Investment Bank Munich, December 10, 2014

Siemens Integrity Initiative enters the second round

 Siemens announces the first group of projects for the second funding round of the Siemens Integrity Initiative, which has a financing volume of more than US\$100 million

Siemens AG has named the first group of projects to benefit from the second round of funding awarded under the Siemens Integrity Initiative set up to promote corruption-free markets. With total funding of more than US\$100 million, the Siemens Integrity Initiative constitutes one element of the July 2009 settlement between Siemens and the World Bank and the March 2013 settlement between Siemens and the European Investment Bank (EIB). The selected projects are to receive approximately US\$ 30 million of funding over a period of three to five years under the second tranche. Funding applications were received from more than 180 well-known non-profit organizations from about 60 countries.

"It gives us great pleasure with this second funding round to be able to present another balanced portfolio of projects intended to help in the fight against corruption and promote fair competition. We have been most impressed by the large number of applications and the quality of the interesting project proposals received from a wide array of countries. Our global interdisciplinary team conducted a careful due

SIEMENS





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Reference number: PR2014120084COEN

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Joint Press Release by Siemens, World Bank and European Investment Bank

diligence exercise before settling on its final selection," explained Sabine Zindera, Head of the Siemens Integrity Initiative and Vice President Legal and Compliance, Siemens AG. "We are making good progress. The projects backed in the first round of funding have made a tangible difference and we are particularly pleased to see more and more committed and well-connected supporters rallying to the Collective Action banner and joining our common effort to fight corruption. This is the key to ensuring clean business."

Recipients of Siemens funding awarded under the second tranche include relevant projects set up by the Ethics Institute of South Africa, which works to combat corruption in South Africa and Mozambique, TEID (Ethics and Reputation Society of Turkey), the Global Compact Network India, and the Berlin-based Transparency International Secretariat. Another project partner is the International Anti-Corruption Academy (IACA) in Vienna, which again receives funding to support research and educational activities in the area of combating corruption. The IACA aims to train anti-corruption experts from different fields ready for deployment all over the world.

The second funding round gave preference to projects with activities in countries such as China, Colombia, Egypt, India, Iraq, Italy, Libya, Morocco, Mozambique, Russia, South Africa, Spain and Turkey in order to make the portfolio of funded projects even more diverse.

As part of the Siemens-World Bank settlement agreement, the World Bank has audit rights over the use of funds (US\$ 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 (€ 13.5 million over five years) gives the EIB the right to reject the projects proposed. Both the range of topics covered and the regional distribution of funding are considered when selecting projects. The agreements were reached following investigations and an admission by Siemens of misconduct in its global business operations.

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D.

Joint Press Release by Siemens, the World Bank Group and European Investment Bank dated December 10, 2014 Joint Press Release by Siemens, World Bank and European Investment Bank

The initial funding round, which disbursed a sum of around US\$ 40 million, was launched in December 2009, with the successful projects being announced beginning in December 2010.

Further projects selected in the second funding round will be announced during 2014 and 2015 and published on the website www.siemens.com/integrity-initiative, which also provides access to project profiles, further information about the selection process and the annual reports for the first funding round.

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For more information on the Siemens Integrity Initiative, go to: www.siemens.com/integrity-initiative

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Joint Press Release by Siemens, World Bank and European Investment Bank

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 671.9 billion and net income of 65.5 billion. At the end of September 2014, the company had around 357,000 employees worldwide. Further information is available on the Internet at www.siemens.com.

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. It comprises five closely associated institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world, www.worldbank.org

The European Investment Bank is the long-term lending institution of the European Union owned by the EU Member States. It makes long-term finance available for sound projects in order to contribute lowards EU policy goals. The EU bank provides financing to some 450 projects each year in over 160 countries . www.eb.br.gr projects reach year in over 160 countries .

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More information on Collective Action is available on www.siemens.com/collective-action

In addition to this report, Siemens publishes information on its activities in this field in its comprehensive Annual Report (www.siemens.com/financialreports) at the end of the fiscal year.

This Siemens Integrity Initiative Annual Report 2014 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 15, 2015.

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