

Siemens Integrity Initiative Annual Report 2016

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The Siemens Integrity Initiative Annual Report 2011, 2	2012, 2013, 2014, 2015, and 2016 can be found here:	
www.siemens.com/integrity-initiative/Report2011		
www.siemens.com/integrity-initiative/Report2012		
www.siemens.com/integrity-initiative/Report2013		
www.siemens.com/integrity-initiative/Report2014		
www.siemens.com/integrity-initiative/Report2015		
www.siemens.com/integrity-initiative/Report2016		
	rt 2016, available at <u>www.siemens.com/integrity-initiative/Report2016</u> , de a wealth of additional external information on the projects funded under the Siemens Integrity Initiativ	re.

A Word from the Siemens Integrity Initiative Steering Committee

A Word from the Siemens Integrity Initiative Project Office

A Word from the Siemens Integrity Initiative Steering Committee

Dear Reader,

In this the seventh year of implementation, we look back on six years of Siemens Integrity Initiative activities with appreciation for a truly unique panorama of Collective Action endeavor.

The Siemens Collective Action program and the background to the Siemens Integrity Initiative were introduced to you **in Sections A and B** of our first Annual Report published in 2011. In the first edition, we provided insight into the initial conceptualization of the initiative back in 2009, together with an explanation of the planning, selection, award of funds, and project implementation stages relating to the First Funding Round worth 37.7 million US dollars.

As previously reported, the Siemens Integrity Initiative is backed by funding in excess of 100 million US dollars out of settlements with

March 2017

the World Bank in 2009 (100 million US dollars over 15 years) and the European Investment Bank in 2013 (13.5 million euro over 5 years). Furthermore, in accordance with the respective settlements, the World Bank Group has a veto right over Siemens' selection of projects and organizations as well as a right of audit over the use of funds, while the European Investment Bank has the right to reject proposed projects.

Since the launch of the first Siemens Integrity Initiative projects in December 2010, we have, through five editions of Annual Reports, offered you in-depth insight into the activities, outcomes and status of our projects. In keeping with our longstanding commitment to continuity and transparency we are again pleased to



make available to you the sixth and latest 2016 edition of the Siemens Integrity Initiative Annual Report.

As with our previous Annual Reports, the content presented in Section C is based on information received from and approved by our partners as of key date March 3, 2017 and it gives valuable insight into the current status of our projects.

The Annual Report 2016 is, as before, a compelling manifestation of the effective milestonebased biannual progress and financial review process which is diligently and rigorously managed. The Project Office has through their network of local in-country Siemens Project Relationship Managers remained well informed on the status and developments of the respective projects. The Project Office has kept the Steering Committee regularly appraised on results and emerging developments and they have also held in-person information sessions and discussions with designated representatives of the World Bank Group and the European Investment Bank in Washington and Luxembourg respectively.

This Annual Report was approved by the Siemens Steering Committee on March 22, 2017, and submitted together with a comprehensive presentation to the World Bank Group in Washington on April 12, 2017 and to the European Investment Bank in Luxembourg on March 28, 2017.

We (Dr. Andreas Hoffmann and Dr. Klaus Moosmayer) were pleased to sit on the opening and closing high-level panel discussions, respectively, at the second Collective Action conference hosted by the Basel Institute on Governance in Basel on October 20 to 21, 2016. This event was, for us and many committed representatives of Integrity Initiative Partner organizations, a unique opportunity to exchange experiences with experts in anti-corruption and Collective Action. We have in this year's Annual Report included a feature in Section D which has a more detailed summary of the Basel Collective Action conference.

There is no doubt that this event showcased the many positive contributions and outcomes associated with the First and Second Funding Rounds. Around the world awareness has been created, alliances have been established, and the momentum in promoting cleaner markets for fairer market conditions continues. Nevertheless, we remain realistic in our acknowledgement that there remains much to do. A Word from the Siemens Integrity Initiative Steering Committee

A Word from the Siemens Integrity Initiative Project Office

> Consistent with our company values and what we call "Ownership Culture", our contribution and commitment to Collective Action in support of our Vision 2020 remains unwavering. In today's climate of market turmoil and sociopolitical transformation, our strategic engagement in, for example, the G20/B20 Dialogue and the OECD BIAC is relevant now more than ever before in driving sustainable and transparent market conditions.

> It has been a pleasure for the Steering Committee to provide supervisory and advisory support to the Project Office. With gratitude and appreciation we acknowledge the work of the Siemens Integrity Initiative Project Office in shaping the Initiative and its governance structures, the Integrity Partners in the heart of the

relevant countries, our Siemens Project Relationship Managers on the ground and the Mentors who provide valuable local guidance and support.

Collective Action and the Siemens Integrity Initiative are substantial contributors to the global resources much needed to drive and enable activities necessary to facilitate sustainable change. This report indicates that we are well on track and we remain optimistic that through more than 50 projects with a funding volume of more than 70 million US dollars in over 25 countries, the vital cause of Collective Action is well served.



Steering Committee of the Siemens Integrity Initiative:

Dr. Andreas Christian Hoffmann General Counsel, Siemens AG

Dr. Klaus Moosmayer Chief Compliance Officer, Siemens AG

Dr. Horst J. Kayser Corporate Vice President, Chief Strategy Officer, Siemens AG Much of the information available to us is transparently accessible to the public and can be viewed on our dedicated web site www.siemens.com/integrity-initiative.

The information provided relates in particular to the framework conditions for the First and Second Funding Round, the application and selection process for the projects, the brief profiles and the individual funds earmarked for the selected projects from the First and Second Funding Round, and the unabridged versions of the Siemens Integrity Initiative Annual Reports for 2011, 2012, 2013, 2014, 2015 and 2016. We hope that this will encourage additional allies to sign up to Collective Action and join us in our fight against corruption. The positive external and internal feedback received in response to our reports has strengthened our resolve to extend our program even further, enabling us to highlight more and more anticorruption success stories across all countries, and, in so doing, integrate additional stakeholders and activities. A Word from the Siemens Integrity Initiative Steering Committee

A Word from the Siemens Integrity Initiative Project Office

A Word from the Siemens Integrity Initiative Project Office

Dear Reader,

Joe Kaeser, President and CEO, Siemens AG and Dr. Roland Busch, Member of the Managing Board, Siemens AG in their foreword to the Siemens Sustainability Information 2016 once again emphasize the Siemens commitment to responsible corporate citizenship and sustainable development.

"Improved governance is one of the goals for sustainable development, and that involves fighting corruption. It was just 10 years ago that we had to deal with our own corruption scandal. We made fundamental changes in our Company's organizational setup and culture. We developed and implemented a comprehensive worldwide compliance program and made clear that we have zero tolerance for compliance violations and for any illegal behavior. Today, we are glad that we have been able to regain the trust of stakeholders and to restore our reputation. However, markets and regulations change.

March 2017

So we will stay vigilant. We will continue to support the Siemens Integrity Initiative and Collective Action in our markets."

And continue we will. We are fully committed to the goals and principles of the United Nations Global Compact, and support the implementation of the United Nations Convention against Corruption and the OECD Anti-Bribery Convention.

Our compliance and anti-corruption mandates include our long-standing involvement in the ICC Commission on Corporate Responsibility and Anti-corruption, the Pact Against Corruption Initiative (PACI) of the World Economic Forum and since 2011, active involvement in the G20/B20 Task Force on Anti-Corruption and the drafting and implementation support of B20 Recommendations drawn up in France, Mexico, Russia, Australia, Turkey, China and Germany.



Dr. Klaus Moosmayer, Chief Compliance Officer of Siemens AG, currently holds the Chair of the Anti-Corruption Taskforce of the Business and Industry Advisory Committee to the OECD (BIAC), as well as the Chair of the B20 Crossthematic Group Responsible Business Conduct & Anti-Corruption.

At Siemens, Collective Action and the Siemens Integrity Initiative are long-standing priorities for the Legal and Compliance organization, an important Corporate Core Unit of Siemens. Governance and global operations are driven by the Legal and Compliance Collective Action and Strategy department.

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

We are indeed delighted to release the sixth Annual Report on the Siemens Integrity Initiative as we present to you a current update on the progress of our projects.

This report is based on information provided by our Integrity Partners as of key date March 03, 2017. Once again, the highlight of the Annual Report 2016 is without doubt the impressive collection of activities, achievements and examples as set out in Part C of this report.

All the projects in the First Funding Round have now completed their activities, with Cairo University, Instituto Ethos Brazil, and The Ethics Institute Angola reaching their respective endof-project milestones in this reporting period. It is also worth noting the four projects in this edition that have submitted their final reports on key activities over the entire project duration, namely Instituto Ethos Brazil, International Anti-Corruption Academy Austria, Maala Business for Social Responsibility Israel and The Ethics Institute Angola.

In the Second Funding Round, 24 projects worth 35.554 million US dollars are well advanced in implementation. These projects, which are scheduled to last between 3 and 5 years, are now beginning to demonstrate encouraging and visible success.

The First and Second Funding Round projects have played a key and vital role in raising awareness, promoting transparency and advancing training and education at sector, regional and global levels in pursuit of the ultimate objective of levelled playing fields and clean markets. This battle is not one that can be fought single-handedly or overnight. A Word from the Siemens Integrity Initiative Steering Committee

A Word from the Siemens Integrity Initiative Project Office

> It is one that demands the cooperative effort of sector, regional and international partners and one that requires diligence, consistency and patience. That is why it is now critical that anti-corruption work remains high on the global agenda and that the momentum gathered over the last 10 years is not stunted or diluted.

With the announcement of the launch of the Third Funding Round on the horizon around early 2018, we certainly look forward to backing committed, skilled and networked organizations whose applications for funding are shortlisted by a global interdisciplinary team followed by a careful due diligence process. The results will then be presented to the Steering Committee, the World Bank and the European Investment Bank and the final selection will be made. Collective Action in Siemens is well embedded in our Compliance System and is a priority for Siemens. Integrity means that we uphold our corporate values – responsible, excellent and innovative – in everything we do, and we will continue to campaign tirelessly for clean business all around the world.

We extend our heartfelt thanks to our Integrity Partners for their commitment and effort, to our Project Relationship Managers for their support on the ground and to our Mentors for their local insight and guidance.

Our final word of appreciation and thanks goes to our Steering Committee who have throughout 2016 received regular and detailed updates of the Integrity Initiative and who have as always supported us with valuable advice and supervision.



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

Sabine Zindera, Vice President, heads the Collective Action and Strategy department and is supported by Birgit Forstnig-Errath, Stefan Henneberger, Shawn Teixeira, and Ines Zins, as well as the network of Siemens Business Leaders, Siemens Country CEOs, Compliance Officers, Controlling and Finance and legal and tax experts all around the world. Under the terms of the agreement between Siemens and the World Bank, the World Bank has audit rights over the use of funds (100 million US dollars over 15 years beginning in 2009) and veto rights over Siemens' selection of projects and organizations to be supported. Furthermore, the agreement between Siemens and the European Investment Bank (13.5 million euro over 5 years) gives the EIB the right to reject proposed projects.

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

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

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

A.

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.

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)
- A project completion process is in place which includes the submission of a Final Report, consisting of a Final Progress Report and an Audit Report with project financials prepared by an independent Auditor, as well as the submission of an End of Project Evaluation and a Final Payment Request

Roles and responsibilities of Project Relationship Managers and Mentors:



Project organization

- The internal Siemens project management structure of the Initiative consists of several dedicated teams that provide overall supervision and guidance (such as the Steering Committee) and deal with daily operations of the Initiative (Siemens Project Office, Project Team and Project Relationship Managers)
- To make this Initiative a company-wide effort and ensure engagement and representation, all relevant business 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:



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.



Siemens Integrity Initiative

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 at **March 3, 2017, all 31** projects had completed their scheduled activities.

The final overview of activities for the entire project period were reported on for 9 of the 31 projects in our Annual Report 2015. These projects are marked in the table on page 22 and further information on the projects is available on www.siemens.com/integrity-initiative.

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

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

Key data First Funding Round

Funds committed in the First Funding Round	USD 37.7 M
Disbursements in year 1 to year 7 (2010 – March 03, 2017) (release of provision)	USD 34.5 M ¹⁾
Funds currently unspent	USD ~3.2 M
Planned disbursement in year 7 (2017)	USD ~0.3 M
Number of projects First Funding Round	31
Thereof projects that have completed their activities	31
Thereof ongoing	0
Countries covered in the First Funding Round	22

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

¹⁾ The information provided in this table is based on approved Final Reports and Annual Reports as at March 03, 2017

Status of the Second Funding Round

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

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

The gradual announcement of the selected projects from the Second Funding Round started in fall 2014 and stretched until spring 2015. With 24 projects funded and USD 35.554 million committed, the Second Funding Round is now closed. The selection was made on a competitive basis in two stages (initial Expression of Interest phase and the later Full Proposal phase) with a focus on project applications that can demonstrate a clear impact on the business environment and results in sectors and countries of 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 www.siemens.com/integrity-initiative or Part D of the Annual Report 2014).

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

Key data Second Funding Round

Funds committed in the Second Funding Round	USD 35.554 M
Disbursements in year 1 to year 3 (2015 to March 03, 2017) – release of provision	USD 20.7 M ¹⁾
Funds currently unspent	USD ~ 14.9 M
Planned disbursement in year 3 (2017) ²⁾	USD ~ 15.5 M
Number of projects	24
Countries covered Second Funding Round	More than 20

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

- ¹⁾ The information provided in this table is based on approved Annual Reports as at March 03, 2017
- ²⁾ Includes payments of ~ 10M by March 03, 2017, ~5.5 M is still scheduled to be paid in the remaining year

Siemens Integrity Initiative

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

The Ethics Institute, South Africa

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

¹⁾ Completion process ongoing; Annual Report shows activities of year 6 or summary for entire project period depending on information available (5) = Ethics Angola, IACA, Ethos, Maala, Uni Cairo

²⁾ Summary of Project Activities was reported in Annual Report 2015 (9) = Basel, CEU, COCIR, CBI, PRME, UNGC, San Andres, Makati, UNDP

³⁾ Summary of Project Activities was reported in Annual Report 2014 (14)

- ⁴⁾ Summary of Project Activities was reported in Annual Report 2013 (2)
- ⁵⁾ Summary of Project Activities was reported in Annual Report 2012 (1)
- = Total number of all summaries 31

Country of Implementation	Total Funding Volume under the World Bank Group settlement in USD	Total Funding Volume under the European Investment Bank settlement in USD	Project Status
Global	1.86 M	-	completed as of September 2015 ²⁾
China	0.89 M	-	completed as of March 2014 ³⁾
Central and Eastern Europe	3.09 M	-	completed as of December 2015 ²⁾
Europe, Asia, Russia, South America	0.96 M	-	completed as of September 2014 ²⁾
Nigeria	1.1 M	-	completed as of December 2014 ²⁾
Angola, South Africa	1.5 M	-	completed as of September 2016 (Angola) ¹¹ ; completed as of September 2015 ²¹ (South Africa)
South Korea	0.81 M	-	completed as of March 2014 ³⁾
Global	1.48 M	-	completed as of January 2015 ²⁾
Brazil, Egypt, India, Nigeria, South Africa	2.87 M	-	completed as of January 2015 ²⁾
Argentina	0.73 M	-	completed as of September 2014 ²⁾
Global	1.3 M	-	completed as of May 2014 ³⁾
Global	2.02 M	-	completed as of December 2015 ¹⁾
China, Russia	1.5 M	-	completed as of December 20134)
Brazil	3.11 M	-	completed as of June 2016 ¹⁾
Israel	0.48 M	-	completed as of September 2015 ¹⁾
Philippines	1.04 M	-	completed as of March 2015 ²⁾
Middle East and North Africa	0.75 M	-	completed as of September 2013 ⁴⁾

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 – The 6P's

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

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

Total Funding Volume in USD

¹⁾ Completion process ongoing; Annual Report shows activities of year 6 or summary for entire project period depending on information available (5) = Ethics Angola, IACA, Ethos, Maala, Uni Cairo

²⁾ Summary of Project Activities was reported in Annual Report 2015 (9) = Basel, CEU, COCIR, CBI, PRME, UNGC, San Andres, Makati, UNDP

³⁾ Summary of Project Activities was reported in Annual Report 2014 (14)

- ⁴⁾ Summary of Project Activities was reported in Annual Report 2013 (2)
- ⁵⁾ Summary of Project Activities was reported in Annual Report 2012 (1)
- = Total number of all summaries 31

Country of Implementation	Total Funding Volume under the World Bank Group settlement in USD	Total Funding Volume under the European Investment Bank settlement in USD	Project Status
Czech Republic, Slovakia	0.6 M	-	completed as of March 2014 ³⁾
Indonesia	1.5 M	-	completed as of December 2014 ³⁾
Poland	0.46 M	-	completed as of September 2014 ³⁾
China	1.49 M	_	completed as of March 2014 ³⁾
Bulgaria	0.45 M	-	completed as of February 2014 ³⁾
Italy	0.6 M	-	completed as of March 2014 ³⁾
Mexico	0.23 M	-	completed as of May 2014 ³⁾
USA, Global	0.66 M	-	completed as of September 2014 ³⁾
Arab States Region	1.78 M	-	completed as of December 2014 ²⁾
India, Mexico	1.12 M	-	completed as of September 2014 ³⁾
Global	0.75 M	-	completed as of September 2014 ³⁾
India, Mexico	1.22 M	-	completed as of September 2014 ³⁾
Egypt	0.85 M	-	completed as of February 2017 ¹⁾
Vietnam	0.5 M	-	completed as of September 2012 ⁵⁾
	37.7 M	0 M	

Siemens Integrity Initiative

List of projects funded under the Second Funding Round:

Integrity Partner

Al Akhawayn University in Ifrane (AUI), Morocco

Basel Institute on Governance, Switzerland, in cooperation with the Organisation for Economic Co-operation and Development (OECD), France, and the Foundation for the Global Compact, USA

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

Confederation of Indian Industry (CII), India

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

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

The Ethics Institute, South Africa

European Medical Technology Industry Association (Eucomed), Belgium

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

Global Compact Network India (GCNI), India

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

International Anti-Corruption Academy (IACA), Austria

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

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

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

Integrity Partner

Pan African Lawyers Union (PALU), Tanzania

Pearl Initiative, United Arab Emirates

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

Transparency International Secretariat (TI-S), Germany

Transparency International España (TI-España), Spain

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

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

United Nations Development Programme (UNDP), USA

United Nations Development Programme (UNDP), USA

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

Total Funding Volume in USD

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

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

The chart illustrates the regional spread and balance of the First

Funding portfolio and the port-

folio of the Second Funding

Round

Siemens Integrity Initiative

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



Note: Due to rounding, numbers presented may not add up precisely to the totals provided.



Project Profiles and highlights of activities in 2016

Project Profiles and highlights of activities in 2016

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

For projects under the First and Second Funding Round the descriptions of activities undertaken in this year (2016) were provided by the Integrity Partners in their respective Annual Progress Report 2016 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 7 (2017)

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 6 was provided (e.g. Cairo University).

Siemens Integrity Initiative First Funding Round projects that were completed before 2016 and/or for which key activities over the entire project period were reported on in one of our previous Annual Reports are not included in this Annual Report 2016.

To obtain information on these twenty-six (26) fully completed projects (Basel Institute on Governance, Beijing New Century Academy on Transnational Corporations (NATC) I, Central European University (CEU), COCIR, Convention on Business Integrity (CBI), Federation of

Korean Industries-International Management Institute (FKI-IMI), Foundation for the Global Compact (UN PRME), Foundation for the Global Compact (UNGC / 5 countries), Fundación Universidad de San Andrés (FUdeSA), Humboldt Viadrina School of Governance, International Business Leaders Forum (IBLF), Makati Business Club (MBC), Organisation for Economic Cooperation and Development (OECD) - MENA, Oživení, Partnership for Governance Reform (PGR) – Kemitraan, The Polish Chamber of Commerce of Medical Devices (Polmed) I, Segua, Transparency International Bulgaria, Transparency International Italy, Transparency International Mexico, Transparency International USA, United Nations Development Programme (UNDP), three UNODC I projects, VCCI)

please refer to the previous Annual Reports 2012, 2013, 2014 and 2015 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.

C1.

First Funding Round Projects: Project Profiles and highlights of activities in 2016

For projects under the First Funding Round the descriptions of activities undertaken in year 6 (2016) were provided by the Integrity Partners in their respective Annual Progress Report 2016 and approved by the relevant Integrity Partners for external use.

Of the 31 First Funding Round projects, 26 have been fully completed and reported on in the Annual Reports of 2012, 2013, 2014, 2015; 5 remaining projects are covered in this part C1.



C1.

DESCRIPTION OF INTEGRITY PARTNER

The Ethics Institute is a not for profit, public benefit organization, which has been active since August 2000. The vision of The Ethics Institute is to 'build an ethically responsible society' in South Africa and other African countries, such as Angola, 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 / anti-corruption for the public and private sectors

Name of Integrity Partner: The Ethics Institute

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 anticorruption 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 OVER THE ENTIRE PROJECT PERIOD (JANUARY 2011 – SEPTEMBER 2016):

Angola:

 Advocacy and awareness creation of business ethics and anti-corruption amongst the private sector in Angola. More than 300 company representatives were trained on topics like Business Ethics awareness and Management of Business Ethics

• The Principles of Responsible Business in

Angola were launched on the 28th of May 2013. To date, 264 companies have signed up to the Principles by signing an engagement letter. A self-assessment monitoring tool was also developed and made available to companies to assess their adherence to the Principles

- Training and consulting capacity on business ethics and anti-corruption was developed in Angola, through training a number of Angolans, resulting in five of them being certified as Ethics Officers
- The Centre for Ethics for Angola (CEA), was launched in 2013. The establishment of CEA was a home-grown initiative proposed by the Angolan business sector during a seminar to ensure that local capacity for ethics and anticorruption consultancy is available
- A good working relationship has been established between ENAD (the Public Sector Training Institute) and CEA to offer ethics trainings and trainings on the public sector deontological code to public servants. So far 8 such trainings have taken place

Impact:

We cannot say that corruption has reduced due to our project or that doing business became easier, however we assume that our project has had some influence and contributed in this regard:

- Government re-launched the Deontological Guidelines for Public Servants in 2014
- Government is now offering ethics training to public officials
- The Centre for Ethics in Angola (CEA) was established to assist business and the public sector with ethics training and management. Although established on demand of business, the Centre is supported and approved by the Government who is also using its services
- The Principles for Responsible Business in Angola together with a self-assessment monitoring tool were created

South Africa:

For information on the entire project period relating to the South African project, please refer to the Annual Report 2015

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 challenges of tomorrow.

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

IACA became an international organization on March 8, 2011. To date, it comprises a constituency of 70 parties, including 67 states and three international organizations. In addition, IACA seeks broad partnerships with private sector institutions, international and non-governmental organizations, as well as civil society. Project Profiles and highlights of activities in 2016

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 IACA, the International Anti-Corruption Summer Academy (IACSA) and the Master in Anti-Corruption Studies (MACS) programme continue to contribute to IACA's "Practice Meets Science" approach by bringing together participants from various backgrounds from the private and public sectors, academia, the media, and NGOs, as well as internationally renowned academics and practitioners from a variety of disciplines and institutions. To keep tuition fees affordable and ensure that students and participants from all parts of the world have the opportunity to study at IACA, scholarships are provided for participants from Least Developed Countries (LDCs) in IACSA, the MACS programme, and certain trainings.



INTERNATIONAL ANTI-CORRUPTION

PROJECT AT A GLANCE:

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

KEY ACTIVITIES OVER THE ENTIRE PROJECT PERIOD (JANUARY 2011 - DECEMBER 2015):

 In 2011, IACA launched a successful annual series, IACSA, which brought together 350 participants from all over the world for intensive discussions of anti-corruption challenges and solutions with renowned experts. In addition to the regular IACSAs, the first Regional Summer Academy was held in Argentina in 2015 to increase participation from Latin American countries

- In December 2014 and July 2015, IACA graduated its inaugural class of the MACS programme. Twenty-six students from 14 countries received their Master's degrees
- Full scholarships were awarded to participants from 28 LDCs for IACSA, the MACS programme, Procurement Anti-Corruption Training, and Anti-Corruption in Local **Governance Training**
- To provide a platform for further discussion and strengthen ties between anti-corruption experts, IACA established an alumni network which at the end of 2015 consisted of more than 750 participants and graduates of its programmes and trainings from 133 countries and jurisdictions
- For the MACS programme and IACSA, trainings, roundtable discussions, and alumni reunions, IACA brings in renowned lecturers and speakers from all continents and a variety of disciplines

Impact:

- Alumni reported that their newly acquired knowledge contributed to an increased awareness of their environment, which is a precondition for changes at the level of policies and laws. Several IACA alumni founded local anti-corruption organizations and initiatives, such as I Watch in Tunisia
- IACA contributed to the academic debate and to shaping practical ideas and solutions in the anti-corruption field through publications in journals and blogs
- The MACS programme, IACSA, and other trainings enabled participants to integrate knowledge from different academic disciplines and to relate it to their practice

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. Project Profiles and highlights of activities in 2016

Name of Integrity Partner: Instituto Ethos – Ethos Institute for Business and Social Responsibility

PROJECT:

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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 OVER THE ENTIRE PROJECT PERIOD (JANUARY 2011 – JUNE 2016):

- Built capacity and provided tools to stimulate and enable civil society to effectively engage with governments and the private sector, as well as to monitor investments relating FIFA World Cup in 2014 and the Olympics in 2016, e.g. produced a guide on how to read procurement contracts ("Guia como Ler Contratos"), provided recommendations to the private sector around sponsorship of large events ("Guide on Fighting Corruption in Sport Sponsorship and Hospitality"), or an analysis of the anti-corruption landscape in Brazil ("National Integrity System – Brazil, 2000–2015")
- Organized local civil society committees in all major cities where the sports events were carried out in order to monitor the procurement

process and spending leading up to the events

- Defined a Local Administration Transparency Pact for mayors and Transparency Indicators for the 12 host cities of the events, which were used for engagement with leading candidates of the mayor elections and the evaluation of the transparency of public administration information and spending related to the events. A second version of the Transparency Indicators were applied by 27 capitals
- Successfully advocated for strengthening laws on anti-corruption and engaged civil society, companies and the private sector to support the drafting and approval of laws, e.g. Law on Access to Information and Anticorruption Bill (current Law 12.846/2013), Brazilian decree Nr. 8.420/2015 where the existence of a compliance system has a mitigating factor on the calculation of fines where there are violations of anti-corruption law
- Built a network of companies in cooperation with the Global Compact network in Brazil, discussing good compliance practices, organizing regular events on e.g prevention and risk mitigation with the aim to raise compliance standards of companies
- · Focused on signing specific sectoral agree-

ments including principles, governance structure and guides for implementation in the health sector with more than 250 signatories "<u>Health Ethics (Importers, Distributors</u> <u>and Medical Device Manufacturers)</u>" and "Pact for Sport (sponsors of sport events)"

Impact:

- Ethos and its local fora became an important actor on anti-corruption in the official Games Committees and with the Comptroller General representing civil society thus being able to influence processes and standards
- An innovative new tool was developed to evaluate the transparency level of municipalities which stimulated the development of similar tools by the public sector and other private sector tools relating to integrity systems (e.g. "Mapa Brasil Transparente," "Selo Pro-Etica" and a Pro Ethics-Registry run by the Comptroller General's Office – an analysis and disclosure of compliance standards of companies)
- Innovative agreements in the healthcare and sports sectors were developed to provide selfregulation mechanisms among signatory companies in order to enhance integrity in publicprivate relationships and to counter corruption

C1.

DESCRIPTION OF INTEGRITY PARTNER

Maala – Business for Social Responsi-

bility 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 Indexranked 75 companies with a turnover of over USD 79 billion and a workforce of over 173 000 employees.

Project Profiles and highlights of activities in 2016

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 toolkit 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 OVER THE ENTIRE PROJECT PERIOD (FEBRUARY 2011 – SEPTEMBER 2015):

Maala concentrated its efforts on promoting and encouraging a culture of ethics and integrity in the Israeli business community. Rather than treating ethics and integrity as only a technical compliance issue, it was approached more comprehensively as a human-behavior and corporate culture issue in order to bring about behavioral change:

- Criteria governing ethics and prevention of corruption were introduced in the <u>Maala</u> <u>2012 CSR Index</u>
- A comprehensive update of the <u>CSR Index in</u> <u>2014</u> introduced new and expanded questions

on integrity, ethics and anti-corruption in the procurement process and company engagement with various stakeholders

- In the five years of the project, some 130 companies in the Israeli business sector participated in the Maala CSR Index, established managerial processes to ensure ethics and compliance, nominated designated CSR, Ethics and Compliance officers to pursue these business goals and were benchmarked on their performance. As a result, business awareness was higher and performance in these areas improved continuously
- Business representatives were exposed to dialogue on the "Fair Business Model concept" at numerous Round Tables and Forums with high-level speakers in attendance
- Numerous learning sessions were held for Maala corporate members and expert advisors on tools for the prevention of corruption and the importance of ethical corporate conduct
- Three Toolkits were developed: a Responsible Supply Chain (starter guide); anti-corruption assessment toolkit for companies and their

operations worldwide; "Integrity in the Procurement and a Responsible Supply Chain" Toolkit

Impact:

Maala's focus on creating a "culture of Integrity" has resulted in two main groundbreaking changes in Israeli business:

- A willingness on the part of Israeli companies to allow employees, suppliers, customers and owners to provide opinion on a company's ethical behavior through perception based questions introduced in the 2014 CSR Index
- A more responsible and ethical value chain through the development of Maala's unique "Integrity in the Procurement and a Responsible Supply Chain" toolkit which aims at assisting companies who wish to raise the ethical norms and responsible standards of their suppliers. Its 6 chapters focus on Ethics & Integrity, Health & Safety, Employee Working relations, Diversity in the Workplace and Environmental Performance and Social Investment

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. Project Profiles and highlights of activities in 2016

Name of Integrity Partner:

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

PROJECT:

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

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

Main activities:

- Raise public awareness of indicators for measuring transparency, and the importance and means of combating corruption (target audience is the general public with a special focus on faculty students and the youth)
- Educate faculty students on the benefits of disclosing and sharing information, and the best means of doing this, in light of international best practices; conduct student research competitions (target audience are faculty and students but may expand to

include junior candidates in relevant governmental entities and major economic sectors such as the financial sector, small and medium enterprises, and the corporate sector)

 Integrate knowledge about corruption and transparency in academic curricula; train academic professionals on how to teach these new concepts (target audience are academic professors who are in charge of disseminating acquired knowledge to future generations of students)



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 6 (OCTOBER 2015 – SEPTEMBER 2016):

Awareness Raising Seminars

- 28 anti-corruption units were established at Cairo University within each one of its 28 Faculties_
- 3 workshops were held to train 84 faculty members on the definition of corruption, the national strategy of Egypt and the role of university faculty and students in the fight against corruption with the Vice President of Cairo University in attendance at the final workshop
- Provided a detailed curriculum for training of the administration staff of the university

- A conference and graduation ceremony for participants in the Corporate Governance Training Workshops was held in February 2016 with the Dean of the Faculty of Economics and Political Science and 150 students in attendance
- At the same event a new round of "Students Against Corruption" (CU-SAC) was launched (<u>Facebook: Students Against Corruption</u> "SAC" – Cairo University)

Extra-Curricular Activities / Educational Curricula

- "Students Against Corruption" events were supported and supervised and four rounds of the "Meet the Investor, Meet the Regulator and Supervisor" lecture series were held
- A seminar was held in May 2016 on the Egyptian Development Sustainable Strategy: Egypt 2030 where the The Vice Minister for Monitoring – Ministry of Planning, Monitoring and Administrative Reform would deliver the keynote address
- The Code of Ethics and Code of Conduct for faculty and students was reviewed and translated

- The results of the Students Model survey results "Reflections on the concept of corruption among Students in Egypt" were published
- Financial Integrity & Business Ethics was introduced to the new finance course within the newly established credit system

Summary of Impact

- Through the diversified training activities, the use of real-life examples and cases from the local market and the exposure to role models through the "Meet the Investor, Meet the Supervisor" series, students understand that clean business is feasible and can be applied in their professional lives after graduation
- The engagement with professionals has enhanced the students' professional attitude and sense of commitment
- Cairo University is now working with 28 universities, as well as ministries and governorates to share knowledge and expertise

C2.

Second Funding Round Projects: Project Profiles and highlights of activities in 2016

For projects under the Second Funding Round the descriptions of activities undertaken in year 2 (2016) were provided by the Integrity Partners in their respective Annual Progress Report 2016 and approved by the relevant Integrity Partners for external use.



Al Akhawayn University in Ifrane is

an independent, public, not-for-profit, coeducational Moroccan university committed to educating future citizenleaders of Morocco and the world through a globally oriented, Englishlanguage, liberal-arts curriculum based on the American system. The university enhances Morocco and engages the world through leading-edge educational and research programs, including continuing and executive education, upholds the highest academic and ethical standards, and promotes equity and social responsibility. The university is composed of three schools: School of Business Administration, School of Science and Engineering and School of Social Sciences and Humanities. Al Akhawayn University has approximately 2100 undergraduate and graduate level students in a residential campus environment.

Project Profiles and highlights of activities in 2016

Name of Integrity Partner: Al Akhawayn University in Ifrane

PROJECT:			
	Center for Busir	ness Ethics (CBE)	
COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Morocco	3 years	0.55 M	Morocco

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

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

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

adopt good governance practices through seminars and training courses for executives

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

The main activities for this reporting period include:

- The baseline assessment study focusing on public administration, private sector, and civil society was completed in English and translated into French
- 386 business and engineering students reacted positively to the presentation content of five talks at four Moroccan academic institutions in Fez, Ifrane, Salé, and Rabat

 34 executives from the targeted sectors benefited from training sessions on how to enhance integrity within their companies or institutions through the development and implementation of effective codes of conduct specific to their respective organizations. These sessions received high satisfaction ratings and several managers committed to transfering the knowledge to their organizations and beyond A Masters student has been recruited to work on a research thesis on "the role of Information and Communication Technologies (ICT) in promoting transparency in the healthcare procurement process"

The Basel Institute on Governance is an

independent not-for-profit competence center working worldwide with the public and private sectors to counter corruption and other financial crimes and to improve the quality of governance.

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

Project Profiles and highlights of activities in 2016

Name of Integrity Partner:

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

PROJECT:				
Scaling up the B20 Collective Action Hub				
COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:				
Global	3 years	4.00 M	Switzerland	

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

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

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

Engaging Companies in Collective Action

- Leading metals technology industry companies Danieli, Primetals and SMS, publicly announced cooperation in Collective Action Initiative facilitated by B20 Hub
- Basel Institute was appointed by various stakeholders to act either as an Integrity Monitor in public procurement processes or to conduct collaborative private-sector driven research into innovative governance tools aimed at promoting transparency and reducing bribery

Promotion of Collective Action research

- Completed <u>Learning Review</u> of Transparency International's Integrity Pact, a pioneering form of Collective Action
- <u>Call for papers</u> for 2016 <u>Collective Action</u> <u>Conference</u> resulted in submission of some 20 high-quality papers on Collective Action, many of which to be published by B20 Hub
- Co-drafting of Customs Broker Toolkit with TEiD as part of B20 2015 Anti-Corruption Taskforce (ACTF) outputs

Supporting the Global Policy Agenda

 Together with WEF PACI, Basel Institute served as facilitator of B20 ACTF that emerged from B20 Turkey 2015, convening meetings between member companies and supporting a smooth transition through B20 China 2016 and into B20 Germany 2017

High Level Reporting Mechanism

- Government of Panama and Basel Institute jointly launched first ever <u>High Level Reporting</u> <u>Mechanism</u> (HLRM) in Panama, to be piloted in context of procurement of medical equipment and construction by Social Insurance Fund (CSS)
- HLRM analysis paper (in Portuguese): 'Novos Horizontes no Combata à Corrupção: O Mecanismo de Denunica de Alto Nivel (HLRM)', by Valeria de Silva (OECD) (collective-action.com/publications/1228)

Global outreach strategy

 Four UNGC Local Networks – Brazil, Japan, Kenya and Nigeria – have established advisory committees for the promotion of anti-corruption Collective Action among stakeholders in their respective countries

NATC is a non-profit organization, duly formed in 2005. Prior to this, it was part of the Chinese Ministry of Commerce. In January 2005, the Ministry of Commerce's Chinese Academy of International Trade and Economic Cooperation and the Beijing Fazheng Group co-founded the newly structured NATC. Its employees consist of researchers, retired government department heads, and other professionals and consultants. In general, NATC's research is focused on new trends in the areas of corporate governance, management structures and corporate philosophy / social responsibility of foreign and Chinese transnational corporations (TNCs). NATC has gained recognition from government agencies and from foreign and domestic companies for its research work in areas such as the objective assessment of the role of TNCs in China and for promoting sustainable socio-economic developments in China. Drawing upon its research capability, NATC submits policy recommendations to government agencies on the one hand and offers consulting advice to Chinese and foreign TNCs on the other. In addition, NATC also runs a full line of complementary services such as consulting, publishing, conference and training. All these services support and reinforce one another.

Name of Integrity Partner: Beijing New Century Academy on Transnational Corporations (NATC)

PROJECT:

Strengthen compliance capacity building of all market participants in China

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

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

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

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

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



北京新世纪跨国公司研究所 Beijing New Century Academy on Transnational Corporations

PROJECT AT A GLANCE:

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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

This project made great progress in building the compliance capacity of all market participants in China as seen in the four main areas below:

 The finalization of the fifth compliance series book titled "Establish Effective Compliance Management System" aimed at guiding Chinese enterprises in strengthening compliance. NATC's research on international compliance standards facilitated the localization of standards by the China National Institute of Standardization which will help Chinese companies enhance their compliance management capacity. Furthermore, through advisory support, the policy recommendation report and the Compliance Talent Exchange Program, NATC assisted the State-owned Assets Supervision and Administration Commission of the State Council in strengthening compliance management in State Owned Enterprises (SOEs)

 A seminar on strengthening compliance systems in automotive enterprises was held in September 2016 where the participating companies reached consensus on enhancing compliance in the automotive industry. The publication of a compliance brochure has helped to spread compliance knowledge (www.compliance.org.cn/index.php?s=/ Home/Article/lists/category/166.html).
 A further 8 club seminars were held focusing

on the research of compliance systems and

the enhancement of effective corporate compliance management

- Three 3-day training programs were held in March, June and September 2016, which helped inform SOEs and private companies on how to establish compliance management systems suitable for their respective companies
- Two semi-annual compliance forums were held in April and October 2016, each with over 100 participants. Through these forums, compliance awareness was enhanced and research findings on how to establish compliance management system were spread to more companies in Beijing and Shenzhen

Today the world is grappling with environmental and social problems and businesses are increasingly being scrutinized with regard to these issues. Against this background, the <u>Confederation of</u> <u>Indian Industry</u> (CII) set up the Centre of Excellence.

CII, founded over 117 years ago, is India's premier business association and has played a proactive role in the country's development process. It is a non-government and a not-for-profit organization, which is industry-led and industrymanaged. CII set up the Environmental Management Division in 1992, which was renamed the 'Centre of Excellence for Sustainable Development' (CII-CESD) in 2006.

As the country and the business community gears itself toward achieving sustainability, the CII-CESD provides the fundamental principles and the direction in which to move. It enables the government and business to engage with the myriad of sustainability issues facing the country. DROJECT

Name of Integrity Partner: Confederation of Indian Industry (CII)

Promotion and adoption of responsible business practices by corporates in India				
COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:				
India	4 years	0.70 M	India	

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

A comprehensive framework is required to help curtail corruption at higher levels. Promotion and adoption of responsible business practices by corporations in India will aid understanding of how corruption and unethical business practices are corroding not only the economy but also the corporate environment. The project is aimed at increasing awareness of current anti-corruption laws and regulations and promoting healthy business practices that are sustainable and replicable. Also, increasing the scope of the existing legislations may also effectively prevent problems for the payer.

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

In consonance with the objective of creating awareness activities were held throughout the country which helped CII identify challenges on a national scale. Two major concerns that emerged were:

- Many organizations, especially Small and Medium Enterprises (SMEs) were not aware of the existence of anti-corruption laws
- SMEs were unable to voice their concerns when they were faced with unethical practices outside their own organization and they had to succumb to the same

Through the project CII is now developing ways to address these issues and is aiming to:

- include local SME Associations in the project scope since they form the supply chain of big industrial undertakings
- collaborate with academic institutions such as the Management Development Institute, Gurgaon to increase the outreach to and deliberations with other organizations

In addition, CII has:

- created a comprehensive list of companies that will be engaged in the next phase of the project
- prepared e-modules on various topics for circulation to members and to guide other organizations in setting up ethical business operation systems
- secured more than <u>100 company signatories</u> to the CII-Code of Conduct with the commitment to restrict unethical business practices

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

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

Project Profiles and highlights of activities in 2016

Name of Integrity Partner: The Ethics Institute in cooperation with the Institute of Directors Mozambique (IoDMZ)

PROJECT:				
Collective Action for fighting corruption in Mozambique				
5 5 1 1				
COUNTRY OF IMPLEMENTATION:	COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:			
Mozambique	5 years	0.55 M	South Africa	

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

In an 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 The Ethics Institute vis-à-vis its partner organization IoDMZ in Mozambique will enhance the sustainability of this Initiative even once the project has come to an end.

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



The project aims to fight corruption in Mozambique by capacitating the private sector to implement anti-corruption initiatives and good practices while building local ethics management capacity

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

- Successfully trained and certified four Ethics Officers in Mozambique and provided training of trainers to nine delegates
- Engaged with additional member organizations, being OCAM (Ordem dos Contabilistas e Auditores de Moçambique) and ACIS (Associação de Comércio e Indústria) increasing database access to over 4 400 additional individuals in Mozambique
- One Mozambican national attended The Ethics Institute's 6th Annual Ethics Conference hosted in Johannesburg on May 30, 2016
- Eleven organisations signed a pledge to the Code of Ethics for Business in Mozambique

- The Ethics Institute CEO addressed conference attendees during the African Corporate Governance Network in Maputo in February 2016
- The Ethics Institute Manager of Organisational Ethics served as keynote speaker during the Pan African Lawyers Union Conference on September 15, 2016

Impact:

- Engagement requests received by The Ethics Institute is noticeably on the rise. Organisations such as CTA (Confederation of Business Associations of Mozambique) is now keen to provide support to The Ethics Institute for the project in Mozambique
- The Department for International Development (DFID) contracted The Ethics Institute to conduct a study to determine the driving forces behind corruption in Mozambique, and to develop a strategic approach to address identified issues
- OCAM (Ordem dos Contabilistas e Auditores de Moçambique) highlighted the importance of Ethics Management as part of the training for auditors nationwide in August 2016 and on 3 September 2016 during an event attended by over 600 delegates in Maputo
- OCAM will include an Ethics Management module as part of their nationwide compulsory member training in 2017

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- Training of ethics skills, including certification of Ethics Officers
- Support and advisory services to clients
- Project management on ethics / anti-corruption for the public and private sectors

Name of Integrity Partner: The Ethics Institute

PROJECT:

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

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

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

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

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



The project aims to fight corruption in Gauteng Province by providing thought leadership to the existing provincial Collective Action initiative, capacitating municipalities to fight corruption, and addressing anti-competitive business practices

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

- Received support at the highest political level from the Gauteng Premier's Coordinating Forum (which includes the Premier and all Gauteng Mayors) that all Gauteng Municipalities should implement the project. This has given tremendous impetus to The Ethics Institute (TEI) activities
- Signed Memorandums of Understanding with 9 Gauteng municipalities on implementing the project

- Hosted a 5-day Ethics Officer Certification Programme for 15 participants who will play a key role in their municipalities' ethics and anti-corruption programmes
- Hosted a 3-day Train-the-Trainer programme in one Metropolitan municipality
- In 8 municipalities engaged with top management to introduce the project, agreed on implementation plans, commenced an Ethics Risk Assessment and an Ethics Management Maturity Assessment
- Conducted 1 training session to top management (18 people trained) and a further 8 training sessions to managers from 5 municipalities (123 people trained)
- Provided thought leadership on the advisory task team of the multi-sectoral Gauteng Provincial Government Anti-Corruption Forum, which aims to strengthen and co-ordinate sectoral anti-corruption strategies

 Engaged with the National Business Initiative, the Competition Commission, and the Coalition for Ethical Operations initiative to explore training needs related to anti-competition and anti-corruption in the private sector environment

Impact:

- The project has raised the profile of ethics and anti-corruption management in municipalities in the Gauteng Province, as well as creating capacity for ethics and anti-corruption management within municipalities
- Following the outcome of ethics risk assessments in the coming year, TEI will be assisting municipalities with crafting strategies to address specific issues

The Ethics and Reputation Society

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

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

TEID acts as a platform for sharing knowledge, experience and best practices. It also assists its members in preparing training courses for their local partners and suppliers to ensure that they share a common understanding and language as far as compliance with codes of ethics, integrity risk management and reputation risk management systems are concerned. Project Profiles and highlights of activities in 2016

Name of Integrity Partner: Ethics and Reputation Society/ Etik ve İtibar Derneği (TEİD)

PROJECT:

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

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

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

Within the scope of the project, the Turkish Integrity Center of Excellence (TICE) will be created to conduct regular sectoral and crosssectoral surveys relating to the effects of corruption on the economy on the basis of coherent data. The Center will serve as body to certify and train compliance officers and to facilitate and lead Collective Action initiatives. It will also serve as a knowledge-sharing platform for professionals working in integrity risk management-related areas. Much of the existing research material shows that companies often lack expertise to implement internationally developed anti-corruption and good governance guidelines and standards. It is currently almost impossible to conduct an objective assessment of improvements in this area since there is a lack of coherent data regarding the socio-economic effects of corruption on leading sectors of the local economy in Turkey.

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

TEID

PROJECT AT A GLANCE:

The project aims at levelling the playing field by inclusion of the private sector into combating corruption through actions set forth by the "Turkish Integrity Center of Excellence"

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

 The "<u>B20 SME Toolkit Turkey</u>" – launched in January 2016 in order to help the SMEs of Turkey with their ethics and compliance management – is the extension of the tangible product of 2015 B20 Combatting Corruption in SMEs' taskforce. TICE aimed to reach not only the biggest corporations in Turkey but also small and medium sized business in Turkey

- <u>Cross Sectoral Collective Action</u> with the signature of the <u>Declaration of Integrity</u> by 120 TEID corporate members (representing more than 15% of Turkish GDP and over 200 000 employees)
- Signature of the <u>Integrity Principles for Pub-</u> <u>licly Traded Companies</u> in association with <u>KOTEDER</u>, in order to have a higher impact on regulatory change for publicly traded companies
- <u>Data collection</u> with yearly corruption perception surveys (2015 and 2016) and <u>sectoral survey on Customs</u> to better diagnose the weakest links in the sector
- <u>INscuola</u> The continuous Ethics and Compliance Managers' Certification Programme: The curriculum and 14 trainers (from academia and business world) are ready for the beginning of the first session on November 5, 2016. A 42-hours training programme, followed by a practicum case is to be presented to the jury

- INsummit 2016 of June the 13th 2016 with international speakers: Over 300 participants and over 2 000 live broadcast followers around the theme of "Surviving the Floods" dealing with how to avoid an integrity crisis and if not, how to manage it
- <u>INplatform</u>: chance for compliance officers to network and get informed about the new trends and issues
- Publications to increase awareness of ethics with <u>INmagazine</u>, <u>INbooks and INguide</u>

Impact:

 The most influential aspects of the TICE project are Advocacy, Collective Action and Quality Content Creation on Integrity and this is expected to be enhanced with the Certification Programme and other international and national TICE initiatives, i.e. B20 and OECD presence

Eucomed 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:

COORTINI OF INFECTION.	DOM/ITON.	ODD (INITELION).	REGISTERED IN.
Middle East and North Africa Region	3 years	0.85 M	Belgium

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

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 complianceoriented behaviors and standards.



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

 The second implementation year of the <u>Conference Vetting System (CVS)</u> extension to the Middle East emphasizes the outreach to external stakeholders such as professional conference organisers (PCOs) and scientific societies. Both stakeholder groups are directly impacted by the industry self-regulation because medical education events that do not comply with Code of Ethics principles are red-flagged. The consequence being that Mecomed corporate members who financially support sometimes up to fifty percent of attendees to such conferences will not be able to provide such support • The flagship activity has been the organisation of a roadshow in the region which consisted of visiting country corporate members and PCOs to promote the importance of industry's compliance rules and more specifically of the CVS. It started in Lebanon and Jordan with a very positive outcome. Saudi Arabia and Egypt are amongst the upcoming countries to be visited by the Mecomed Chair and the Middle East Compliance Officer. The repercussion of these roadshows were broader than anticipated leading to the involvement of the CVS Middle East Compliance Officer in ongoing discussions between Mecomed and government officials in countries that are reflecting on developing national guidelines and standards on compliance

Impact:

 The extensive communication outreach conducted over the past year to both internal and external stakeholders has put the Conference Vetting System on the compliance map in the Middle East and North Africa region. The scope of the CVS has been extended to include national and regional events supported by the industry in the region. The CVS has been integrated by corporate members as a mandatory step in their evaluation process and third-party conference organisers are proactively seeking assessment decisions to market their events. The total number of submissions made by both groups have steadily grown. The identification of new target groups at the local and regional level comforts the necessity of creating a level playing field in the region in establishing the highest ethical standards

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 <u>United Nations Global Compact</u> 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 anticorruption. Project Profiles and highlights of activities in 2016

Name of Integrity Partner:

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

PROJECT:				
Developing a corporate anti-corruption ecosystem in Egypt				
COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:				
Egypt	3 years	1.40 M	USA	

The goal of the project is threefold:

- Establish a sustainable multi-stakeholder and business-led Integrity Network in Egypt. The Integrity Network will engage in multistakeholder dialog and provide public policy recommendations on major anti-corruption issues in Egypt. Information about the Integrity Network in Egypt will be disseminated and global outreach will be undertaken by means of a well-designed communications strategy
- Encourage Egyptian small and medium-sized enterprises (SME) to commit to advancing their anti-corruption practices and sign an Integrity Pledge which takes into account their needs and challenges. Signatories will be provided with capacity-building training on 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 which demonstrate ethical leadership and to motivate them to join the fight against corruption.
 Efforts will be made to convince SMEs that fighting corruption has business value. This will not only motivate individual enterprises to establish anti-corruption practices within their operations, but also increase the relevance of the Integrity Network



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

 The "<u>Cooperating against Corruption Integrity</u> as a Pillar for Sustainable Economic Development" conference was held in May 2016 in Cairo. The conference included panel discussions with national and international experts on topics such as the importance of Collective Action to counter corruption, corruption risks in international trade, and the damaging effects of corruption on long-term investment and saw the beginning of cooperation with crucial stakeholders such as the Customs Authority and the Ministry of Planning and Administrative Development. On the second day of the conference a workshop was held to focus on governance and anti-corruption for SMEs, with a focus on capacity building tools and measures

- Also in May the smaller event "<u>Advancing</u> <u>Ethical Business Practices</u>" was held in Alexandria in cooperation with the Alexandria Business Association (ABA). The event saw the signing of a MoU with ABA for a continuous cooperation to grow the Project's presence outside of Cairo
- An immediate outcome of the cooperation was two awareness raising <u>workshops</u> on the Project held in Alexandria in August, one for large Egyptian and multinational companies and the other for SMEs
- The Project continued its capacity building efforts by holding two Senior Management Training sessions for new SMEs in June and September. Furthermore, the Project held its first round of Compliance Manager Training for member SMEs in August
- The Project continued its outreach and communication activities by presenting at a variety of national and international events (e.g. at <u>American University in Cairo</u>, <u>Cairo</u> <u>University</u>, <u>OECD Integrity Week</u>, <u>UNDP ACIAC</u> <u>Project</u>)

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DESCRIPTION OF INTEGRITY PARTNER

<u>Global Compact Network India</u> 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. Project Profiles and highlights of activities in 2016

Name of Integrity Partner: Global Compact Network India (GC Network India)

PROJECT:

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

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

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

Essentially, the Center aims to:

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

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

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

Public Procurement

The Centre of Excellence for Governance, Ethics and Transparency (<u>CEGET</u>) is advocating for the introduction of a Public Procurement Act in India that would strengthen transparency, thus ensuring a level playing field in business.

 A National Consultation on Business Inputs in Public Procurement Bill 2012 was held on June 6, 2016, where the working paper of CEGET was discussed at length with representatives from the public and private sector.
 <u>A White Paper</u> has been finalised

- For the advocacy part, the Ministry of Finance, the Ministry of Commerce and Niti Aayog (policy making body of the Government of India) were approached. The business recommendations will be included in the new set of rules and regulations of the Ministries
- The recommendations have also been shared in media

Smart Cities

- Focusing on the theme of promoting a business case for transparency, a total of five stakeholder consultations were held in various Smart Cities
- On April 12, 2016 a Conclave on Smart Cities was held, where experts from all spheres participated
- CEGET developed tools for compliance and a Model Public Private Partnerships framework which were launched at the event

- In the second phase of this initiative, CEGET entered into a five-year MoU with Pune Smart City Development Corporation Limited (<u>PSCDCL</u>) for providing advisory service on governance and compliance
- The first quarterly report of implementation of the MoU by GCNI is available

Website

- The project <u>website</u> was launched on April 12, 2016 in New Delhi
- It has a compendium of all the national and international laws, policies, guidelines, bills, policy solutions and good corporate governance practices applicable to promoting transparency and accountability

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 UN Global Compact participants in Korea from the public, private and non-profit sectors by holding various workshops, symposiums and conferences, conducting CSR projects, translating UN Global Compact & CSR related materials, and promoting social dialogue since 2007.

The GCNK specializes in developing cooperative partnership among various stakeholders, especially companies, industry associations, embassies and local and foreign chambers of commerce. One of the key activities of GCNK is to gather, shape and develop collective voices of private and public sector organizations for further collaborative dialog to advance corporate responsibility in the areas of human rights, labor, environment and anti-corruption. Project Profiles and highlights of activities in 2016

Name of Integrity Partner:

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

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

The Fair Player Club endeavors to provide business participants and stakeholders with knowledge, skills, strategies and resources to promote anti-corruption dialogue and Collective Action as well as to advance ethical practices and transparency in business operations within their industry, region, and country by engaging with industry associations, local and foreign chambers of commerce, central and metropolitan city governments, and foreign embassies in South Korea throughout the three-year project. The project also raises awareness and competence of companies on business integrity, ethics, and compliance system through the various activities on workshops, Fair Play Pledge, Fair Play Competence Assessment as well as dissemination of the unified codes of conduct, Fair Play guidelines and case studies.



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

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

 With support from the Ministry of Trade, Industry and Energy, the Ministry of Interior and the Anti-Corruption & Civil Rights Commission, the Fair Player Club (FPC) Team engaged with 2 industry associations, 7 metropolitan cities and their Chambers of Commerce and Industry for business anticorruption Collective Action

Empowering companies for capacity building – Research, Workshop, Assessment

- Research by the FPC Team resulted in the publication of <u>5 industry-specific anticorruption compliance packages</u> and <u>2 anticorruption compliance packages</u> for business and small and medium-sized enterprises
- The FPC Team hosted 5 industry-specific workshops with <u>Machinery</u>, <u>Electronics</u>, <u>Automobile</u>, <u>Construction</u>, and <u>Medical</u> <u>Device</u> associations. In addition, the FPC Team hosted workshops with <u>Seoul</u>, <u>Busan</u>, and <u>Gwangju</u> metropolitan cities
- A consolidated assessment report was produced based on the analysis of 54 individual company reports

Raising awareness about fair play in businesses for consensus building – Pledge and Summit

 The <u>Signing Ceremony</u> at the Summit for the <u>Fair Play Pledge</u> was convened with 61 companies joining the pledge

Reaching out to various stakeholders in Korea and abroad – Outreach

 Information about the project and the FPC activities were shared at events in <u>Myanmar</u>, <u>Cambodia</u>, <u>Hong Kong</u>, <u>New York</u>, and <u>China</u>.
 FPC activities are also being shared with UN Global Compact Headquarters and its 85 local networks

The International Anti-Corruption

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

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

IACA became an international organization on March 8, 2011. To date, it comprises a constituency of 70 parties, including 67 states and three international organizations. In addition, IACA seeks broad partnerships with private sector institutions, international and nongovernmental organizations, as well as civil society. Project Profiles and highlights of activities in 2016

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 Organization, Austria

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

Compliance, private sector anti-corruption programs, and especially Collective Action are relatively new areas in the fight against corruption. The 'Professorship on Collective Action, Compliance and (Private Sector) Anti-Corruption' will contribute to meeting the demand for indepth analysis in these fields. It will develop and offer an academic two-year Master's degree program, seminars and conferences focusing on the needs of the private sector, and also develop benchmarks for anti-corruption activities in the private sector in order to promote fair market conditions.

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



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

KEY ACTIVITIES YEAR 1 (OCTOBER 2015 – SEPTEMBER 2016):

- A five-member Professorship on Collective Action Compliance and (Private Sector) Anti-Corruption (PCAC) team was established within IACA. The team is truly diverse both geographically and experience-wise
- The vacancy of the full Professor on Collective Action, Compliance and (Private Sector) Anti-Corruption is expected to be filled in the first quarter of 2017
- Members of the PCAC team have been actively engaged in numerous IACA programs and a variety of international conferences and seminars, reaching an audience of approximately 1 300 participants from around the world
- The PCAC team has also developed a structure and conceptual base for the new Master in Anti-Corruption Compliance and Collective Action programme. The process involved a variety of activities including the development and analysis of a broad database of academic programmes, conducting a peer review process and the preparation of academic guidelines
- The PCAC team has also carried out an empirical research of Collective Action initiatives around the globe. Information on about 200 Collective Action initiatives has been collected and thoroughly analyzed
- Implementation of Anti-Corruption Compliance Systems in Russian Companies, an article written by the PCAC Post-Doctoral Research Assistant was published in the Journal of the Russian National Association of Securities Market Participants in June 2016. The Journal has an audience of about 1 500 subscribers

The Organisation for Economic Cooperation and Development (OECD)

is an inter-governmental organization bringing together 35 countries that seek to promote economic growth, prosperity and employment through co-operation and policy dialogue.

The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. The Organisation benchmarks best practice and develops binding and non-binding standards promoting common rules in areas where multilateral agreement is necessary to ensure the correct functioning of markets.

The OECD has considerable experience in business integrity and gives high priority to the issue, ensuring for example the effective implementation and enforcement of the OECD Principles of Corporate Governance, Guidelines for Multinational Enterprises and the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Name of Integrity Partner:

Organisation for Economic Co-operation and Development (OECD)

PROJECT:

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

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

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

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

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

The project will bring together senior government and business representatives to identify sources of and measures against integrity risks in selected sectors and to adhere to a policy statement committing both sides to designing and implementing integrity measures, including pilot Collective Action projects.

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

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

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


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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

National Anti-corruption Strategy:

In 2015 Morocco adopted a <u>National Anti-corruption Strategy 2015 – 2025</u>. Building on OECD consultations, the Strategy explicitly refers to the business integrity project and it was publically launched in May 2016

Domestic Ownership:

 The Confédération Générale des Entreprises Du Maroc (CGEM) ethics commission representatives have increased their support for the integrity project and Collective Action through local meetings and exposure to international experts, including during the OECD Integrity Week and the Conference on "Collective Action: Evidence, Experience and Impact" in Basel

Integrity Survey:

 Integrity risks and possible preventive measures in the energy, transportation and health sectors in Morocco were further revised with input from partners in Morocco. The survey was circulated to businesses to collect input and prepare forthcoming discussions on Collective Action

Business Roundtables:

 In October 2015 and November 2016, Business Roundtables were held with the CGEM to inform and identify possible Collective Action in the three target sectors

Government Consultations:

 Consultations with Government were held to inform about the project, integrity standards in public procurement and to prepare the collection of information for the integrity survey

Basel Institute on Governance:

• Bilateral consultations explored potential collaboration, including meeting participation and trainer identification

The Organisation for Economic Cooperation and Development (OECD)

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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.

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Name of Integrity Partner: Organisation for Economic Co-operation and Development (OECD)

PROJECT:

OECD Russia Corporate Governance Roundtable

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

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

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

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

The objectives of the project are threefold:

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

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

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

- A series of public seminars on corporate governance and business integrity provided a forum for discussion about local challenges and international good practices among Russian companies. The first seminar held in July 2016 inspired a fruitful exchange on international practices, investors' role in prevention of bribery as well as key compliance issues and practices in Russia. The upcoming meeting in October 2016 will address risk management and business integrity
- Using the Russian Corporate Governance Code as a benchmark and on the basis of international investors' views, a <u>report</u> was prepared outlining key improvement areas in Russian corporate governance. The study has helped to identify priorities for enforcement and useful guidance for potential tailored training for Russian companies
- At the annual <u>Roundtable</u> on October 22, 2015 a panel was devoted to business integrity with presentations about OECD work, the Siemens compliance programme and participation of the anti-corruption authorities. The revised G20/OECD Principles of Corporate Governance were also introduced
- The project has succeeded in spreading information on the OECD standards, including the G20/OECD Principles of Corporate Governance and OECD Guidelines on Corporate Governance of State-owned Enterprises.
 Moreover, an article on the G20/OECD Principles was prepared for publication in the 2016 Russian National Corporate Governance Report

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. Project Profiles and highlights of activities in 2016

Name of Integrity Partner: Pan African Lawyers Union, PALU

PROJECT:

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

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

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

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

The main activities undertaken during this reporting period can be separated in two broad categories.

- Firstly, the finalization of the Code of Ethics on Anti-Corruption and Professional Compliance Standards for Lawyers Working in Africa (<u>the Code</u>)
- Secondly, the preparation for and holding of regional Training Seminars for Private and Public Sector Counsels working primarily in the energy sector

In particular, the key achievements were:

- Finalisation of the Code and its presentation during the first regional Training Seminar held in Maputo, Mozambique
- Adoption of the curriculum and calendar for the training Seminars, including the development of the training modules that will cover topics related to the link between law and corruption, and the role of the legal profession therein
- Regular updates of the project webpage to enhance outreach efforts and to provide all relevant documents to legal practitioners in Africa and the general public

 Confirmation of the participation of 25 Regional and National Lawyers' Associations for the first two Training Seminars, with a projected 26 more for the last two Training Seminars

Finally, participants of the Training Seminars have responded very positively to the Code, thus demonstrating a deep buy-in within the African legal fraternity. Bar leaders whom we surveyed also committed to ensuring that their associations would sign the proposed Memorandum of Understanding with PALU on the Code

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

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

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

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

Name of Integrity Partner: Pearl Initiative

PROJECT:

Implementing integrity practices in GCC private and public businesses

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

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

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

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

- '<u>A Practical Guide to Anti-Corruption in the</u> <u>Gulf Region'</u> was published in November 2015. The aim is to raise awareness of the importance of higher integrity standards and to make the business case for better implementation of integrity standards in the Gulf Region
- Intensive online and offline research on index methodologies and rankings have been carried out and served as the basis for the final draft of the Integrity Indicator Method-

ology to be used in the first Pilot Integrity Indicator. The Methodology includes a list of criteria companies will have to submit information on and guidance on how this information is going to be assessed and how the companies are going to be benchmarked

- Senior executives were called upon to form a task force. The task force met twice to support the development of the Integrity Indicator Methodology
- Four interactive roundtable events were held in Saudi Arabia and the United Arab Emirates. Over 300 people attended these events. The events were mentioned in 6 print newspapers, over 25 online media outlets, on Twitter and LinkedIn. The events enjoyed balanced participation from government agencies, stateowned companies, academia, NGOs and local and international private sector organisations. The project will incentivize and help Gulf Cooperation Council (GCC) business leaders (and future leaders) to implement more rigorous integrity practices, with direct business benefits for doing so
- Four company presentations for students were held in universities in the UAE, Saudi Arabia and Bahrain, for over 300 students and a Student Case Study Competition in Bahrain, in which around 50 students participated, raising students' awareness on the importance of integrity practices in business
- <u>The online resource center</u> launched the new go-to source for resources (reports, guidelines, toolkits) for integrity-related topics. It now features over 40 carefully selected reports and will be updated with relevant material on a regular basis

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

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

Up until September 2014, POLMED was successfully implementing the forerunner project MedKompas I, which aimed to promote ethical cooperation between representatives of the medical devices market and healthcare professionals. Project Profiles and highlights of activities in 2016

Name of Integrity Partner: The Polish Chamber of Commerce of Medical Devices (POLMED)

PROJECT

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

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

During the MedKompas II project, POLMED intends to:

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

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

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

- The MedKompas team organized 19 training sessions on ethical issues associated with the healthcare sector and medical industry (Med-Kompas training map available <u>here</u>)
- 535 healthcare employees hospital directors, hospital management and public procurement department staff, medical doctors, nurses – participated in the above-mentioned training sessions

- 17 new healthcare facilities decided to participate in the Project with two facilities receiving two training sessions at the request of the hospital management
- A new Project <u>website</u> was launched to attract more users and better present project achievements
- MedKompas experts finalized the implementation of the compliance system in two hospitals: the Provincial Rehabilitation Hospital in Zakopane (implementation completed on November 30, 2015) and Hospital in Malbork (implementation completed on June 23, 2016)
- Training on the new codes of ethics and the new ethical rules was given by MedKompas experts to hospital employees in both hospitals that had implemented the compliance system

- A press conference was organized with prominent speakers such as the Director of Business Ethics & Social Innovation Centre at Kozminski University and the Partner Fraud Investigation and Dispute Services, EY, Poland
- Two public debates were organized one in Warsaw on October 23, 2015 and the other in Katowice on February 19, 2016 – resulting in high recognition of the project and its objectives by the healthcare professionals in attendance

C2.

DESCRIPTION OF INTEGRITY PARTNER

As part of the global <u>Transparency</u> International movement leading the fight against corruption, the Transparency International Secretariat tackles corruption on a regional and global stage.

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

In collaboration with the more than 100 national chapters and national contact groups, the Secretariat produces numerous research tools and policy positions. It serves as a knowledge centre, offering valuable insight into the dynamics of corruption and new approaches to tackling this. Project Profiles and highlights of activities in 2016

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

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

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

- Developing evidence bases for Collective Action at national level through "Transparency in Corporate Reporting Assessments" and "Business Integrity Country Assessments"
- Evaluating the effectiveness of and providing support for the replication of Integrity Pacts for procurement at a new scale
- Disseminating learning and expertise within the 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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

Studies assessing the transparency of leading companies launched in South Africa and South Korea

 In May 2016, TI Chapters in <u>South Africa</u> and <u>South Korea</u> issued for the first time reports focusing on "Transparency in Corporate Reporting" among leading companies in both countries. The reports assess how transparent companies are with respect to their anticorruption programmes and other key measures of corporate transparency, such as the disclosure of subsidiaries and key holdings as well as country by country reporting of key financial information. The reports received wide media coverage and triggered follow-up activities with companies such as the creation of a business integrity forum in South Korea and the inception of a new integrity programme in South Africa

A Business Integrity Country Agenda (BICA) for Mozambique

 The <u>BICA Assessment Report</u> including key findings and recommendations was launched in Maputo in February 2016. The research phase has seen the creation of a National Group for Business with Integrity, a platform for dialogue (including the public, private sector and civil society) which now drives the implementation of BICA's recommendations on reform proposals and measures to improve business integrity in the country

Building momentum for beneficial ownership transparency

 There is increased traction on the issue of beneficial ownership through collaborative work with the B20 and the United Nations Global Compact. More than 120 local, regional and international companies were reached in workshops on this issue over 2015 and 2016. Furthermore, the issue of beneficial ownership has remained on the agenda of the B20 and opportunities for progress in this area are therefore greater

Taking stock of the Integrity Pact

 TI has been conducting a learning review to take stock of the Integrity Pact model as a tool for clean public procurement. The review assesses whether Integrity Pacts had achieved their intended goals, what challenges and failures have been experienced, and what overall changes or country-specific adaptations to the Integrity Pact model might be called for

Transparency International España

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

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

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

Name of Integrity Partner:

Transparency International España (TI-España)

PROJECT:

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

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

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

- Improving corporate governance in target companies, through the design and implementation of a Compliance and Ethics Program, including a model report, based on the obligations and recommendations set out in Spanish and international legislation and best practices
- Promoting integrity in public contracting through 'integrity pacts' as a way to prevent corruption and increase transparency in public procurement, starting with a pilot project relating to certain public tenders
- Fostering transparency in the delivery and management of contracted public services through the promotion and monitoring of the new Transparency Law



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

Advocacy and Alliances:

- Through TI Spain's Integrity Forum, created in September 2015, TI Spain has convened 23 companies, several business organizations and experts to participate in working sessions every two months
- TI Spain has signed a formal partnership with the Council for Transparency and Good Government as well as the leading Engineering association in Madrid

- TI Spain has collaborated with the Catalonian Anti-Fraud Office and the public entity managing major state-owned companies, among others
- TI Spain has secured the political will of two local and regional governments to implement <u>pilot Integrity Pacts</u> to improve accountability in public procurement

Courses and Training:

- 41 students are enrolled in the first edition of TI Spain's Expert <u>Diploma in Corporate</u> <u>Integrity, Transparency and Good Gover-</u> nance running from April to November 2016
- In 6 workshops and seminars in Madrid, Barcelona and Valencia, over 150 executives and public officials received training or information on transparency legislation and good practices

Tools and Publications:

 The 'Compliance and Good Governance Model Report' was published, the Integrity Pact tool was adapted and the first assessment of how companies are complying with the Transparency Law was prepared

Communications:

 All events and reports are available on the project's <u>website</u> and TI Spain has increased presence in social media

Outreach and Social Impact:

• Over 200 people have been involved in TI Spain's activities and have helped improve TI Spain's profile with the private sector

Transparency International Italia (TI-It),

the Italian chapter of Transparency International, founded in Milan in 1996, promotes transparency, integrity, accountability and the fight against corruption.

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

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

Name of Integrity Partner:

Transparency International Italia (TI-It) in

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

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

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

The main objectives of the project are:

 To develop specific and innovative measurement, monitoring and assessment tools to identify structural and geographical vulnerabilities

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

- The President of the Anti-corruption Authority participated in the first National Healthcare Anti-corruption Day at the Adriano Templum in Rome in April 2016
- The results of comprehensive analytical research on corruption in the health sector were published. The research focused on the perception of corruption, risk assessments and economic waste in local Italian Health Authorities
- A <u>whistleblowing platform</u> was created for five local Health Authorities – Bari, Brindisi, Melegnano, Siracusa and Trento – with 20 relevant reports received in the reporting period
- A technical Public-Private Table has been established to discuss possible anti-corruption measures. Around 30 stakeholders from public and private institutions in the Health Sector are represented
- Eleven different training and coaching courses have been held in four local health authorities – Siracusa, Bari, Melegnano and Toscana (Siena-Firenze-Arezzo)
- During the First National Healthcare Anticorruption Day in April 2016, the project <u>website</u> and <u>social media</u> had a high visit rate (546 sessions, 435 users, and 1 615 visualisations)

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

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

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

Name of Integrity Partner: United Nations Development Programme (UNDP)

PROJECT:

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

COUN	TRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
	b Region including pt, Morocco, Tunisia	3 years	2.27 M	International Organization, USA

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

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

The objective is to facilitate the generation of actionable knowledge and the transfer of new skills that will help stakeholders to foster innovative anti-corruption solutions. Ultimately, the impact would be increased levels of transparency and accountability in the two targeted sectors and enhanced effectiveness of anticorruption authorities. As such, the project will strengthen the capacity of 60 non-governmental stakeholders in Egypt, Morocco and Tunisia to disseminate information and monitor anticorruption in healthcare and customs by June 2017 and support the development of related actionable regional declarations, enabling these to be incorporated in the national action plans of at least two of the three project countries by June 2018. It will also seek to integrate Collective Action tools in the programs of national anti-corruption authorities in at least two of the three project countries by March 2018.



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

- Based on extensive consultations and policy exchanges with key stakeholders across the region, the project supported the establishment of 2 regional expert groups, inclusive of representatives from Egypt, Morocco and Tunisia, to develop and disseminate training materials to enable the reduction of corruption vulnerabilities in the health and customs sectors. The health group formulated and adopted its methodology for corruption management in the sector, in cooperation with World Health Organization, while the customs group made important progress to that end in cooperation with World Customs Organization
- In total, 44 practitioners were supported through various technical exchanges and four regional working group meetings to map decision points that are vulnerable to corruption in the health and customs sector and to develop their capacities on related risk assessment and mitigation. The project supported Tunisia to begin the implementation of related activities in both sectors
- Similarly, the project supported the establishment of a regional expert group on Collective Action against corruption and its subsequent integration into the Arab Anti-Corruption & Integrity Network (<u>ACINET</u>).

The group succeeded in advocating the adoption of Collective Action as a priority area of cooperation for anti-corruption authorities in Egypt, Morocco and Tunisia

 In total, 21 practitioners were supported through various technical exchanges and four regional working group meetings to progress the work towards the development and dissemination of a context-specific training package on Collective Action

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

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

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

Name of Integrity Partner: United Nations Development Programme (UNDP)

PROJECT:

Anti-Corruption and Integrity in the Arab Countries – Phase II – Iraq and Libya				
COUNTRY OF IMPLEMENTATION: DURATION: USD (MILLION): REGISTERED IN:				
Arab Region including Irag, Libya	3 years	1.52 M	International Organization, USA	

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

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

The objective is to facilitate the generation of actionable knowledge and the transfer of new skills that will help stakeholders to foster innovative anti-corruption solutions. Ultimately, the impact would be increased levels of transparency and accountability in the two targeted sectors and enhanced effectiveness of anticorruption authorities. As such, the project will strengthen the capacity of 40 non-governmental stakeholders in Irag and Libya to disseminate information and monitor anti-corruption in healthcare and customs by June 2017 and support the development of related actionable regional declarations, enabling these to be incorporated in the national action plans of at least one of the two project countries by June 2018. It will also seek to integrate Collective Action tools in programs of national anticorruption authorities in at least one of the two project countries by March 2018.



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

 Based on extensive consultations and policy exchanges with key stakeholders across the region, the project supported the establishment of 2 regional expert groups, inclusive of representatives from Iraq & Libya, to develop and disseminate training materials to enable the reduction of corruption vulnerabilities in the health and customs sectors. The health group formulated and adopted its methodology for corruption management in the sector, in cooperation with World Health Organization, while the customs group made important progress to that end in cooperation with World Customs Organization

- In total, 44 practitioners were supported through various technical exchanges and 4 regional working group meetings to map decision points that are vulnerable to corruption in the health and customs sector and develop their capacities on related risk assessment and mitigation. The project supported Iraq to formulate specific recommendations for action in customs sectors
- Similarly, the project supported the establishment of a regional expert group on Collective Action against corruption and its subsequent

integration into the Arab Anti-Corruption & Integrity Network (<u>ACINET</u>). The group succeeded in advocating the adoption of Collective Action as a priority area of cooperation for anti-corruption authorities in Iraq and Libya

 In total, 21 practitioners were supported through various technical exchanges and 4 regional working group meetings to progress the work towards the development and dissemination of a context-specific package on Collective Action

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

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

In its resolution 58/4 of October 31, 2003, the UN General Assembly adopted the UN Convention against Corruption. The Convention entered into force on December 14, 2005 and to date has been ratified by 181 Member States and the European Union. A Conference of the States Parties has been established by the Convention to promote and review its implementation. UNODC is the guardian of the Convention and the Secretariat of the Conference of the States Parties. The Convention is the legal instrument underlying the UN Global Compact's 10th Principle against Corruption.

Name of Integrity Partner: United Nations Office on Drugs and Crime (UNODC)

PROJECT:

On the level: Business and Government against Corruption in Colombia

COUNTRY OF IMPLEMENTATION:	DURATION:	USD (MILLION):	REGISTERED IN:
Colombia	3 years	1.20 M	Austria

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

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

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



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

KEY ACTIVITIES YEAR 1 (OCTOBER 2015 – SEPTEMBER 2016):

- The project was officialy launched on December 9, 2015 <u>International Anti-Corruption</u> <u>Day</u> – and was mentioned in the speech of the President of the Republic of Colombia
- A working group with representatives from the public and private sectors was established on March 1, 2016 in coordination with the UN Global Compact
- An in-depth legal review of the national anticorruption framework was conducted and 43 recommendations on corporate liability were dafted based on inputs from the first 7 awareness raising events

- 23 of the 43 recommendations were adopted

 completely or in part by the Colombian
 Government through the External Circular
 No. 100-000003 of July 26, 2016 issued by
 the Superintendency of Corporations
- Awareness raising events in 13 cities were organized with 258 companies and 34 public agencies involved and 908 people trained on the new Law 17782016. The applicable cities were <u>Santa Marta</u>, Cucuta, <u>Bogota</u>, <u>Barranquilla</u>, <u>Cali</u>, <u>Medellin</u>, <u>Cartagena</u>, Bucaramanga, Villavicencio Neiva, Ibague, Pereira, Manizales
- 403 public officials from law enforcement and judiciary were trained on techniques and best practices in investigating and prosecuting offences related to corruption and transnational and national bribery
- A knowledge sharing <u>website platform</u> was developed with the UN Global Compact in Colombia and includes the first stage of a online database with tools, resources, and examples of dilemmas and case studies

The Wirtschaftsuniversität (WU) in Vienna, Austria (Vienna University of Economics and Business) is Europe's largest Business and Economics University offering degree programs, organization and administration as well as a wide range of specialization areas and research opportunities.

The Institute for Austrian and International Tax Law will bear responsibility for this project. This Institute is one of the world's largest academic institutions engaged in the research and teaching of tax law. The Institute has a long-standing tradition in organizing international conferences and training courses for tax administration practitioners and professionals alike.

Name of Integrity Partner:

WU Vienna University of Economics and Business Administration

PROJECT:

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

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

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

In particular, the project aims to:

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

undertaking controls and audits, and to foster better cross-border cooperation between tax authorities

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

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



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

KEY ACTIVITIES YEAR 2 (OCTOBER 2015 – SEPTEMBER 2016):

The main activities included:

- Organizing the <u>First Conference</u> in Vienna in October 2015
- Organizing a <u>training workshop</u> in Austria in March 2016, co-hosted with International Anti-Corruption Academy
- Organizing a <u>High-Level Conference</u> on Illicit Financial Flows in Pretoria in July 2016
- Holding researchers meetings in partnership with the African Tax Administration Forum and the University of Exeter on cooperative compliance

Achievements include:

- Bringing together diverse agencies (i.e. financial intelligence units (FIUs), tax and customs units) from across Africa to work together to tackle tax crimes and illicit financial flows. The first 3 events involved officials from no less than 13, 11 and 18 African countries, respectively, including Ghana, Nigeria and South Africa
- Providing key policy and administration officials in tax administrations, financial intelligence units and finance ministries with the knowledge, skills and platform to strengthen inter-agency cooperation for combatting illicit activity. For example, at the March

2016 event, the Nigerian FIU concluded Memoranda of Agreement for cooperation with the FIUs of Zambia and Sierra Leone

- Launching a new initiative for cooperative compliance between governments and business, which has taken off in Zambia and is attracting increased interest from others
- Building strategic partnerships for Collective Action with key international organizations, including the United Nations Office on Drugs and Crime (UNODC), the World Bank and the International Monetary Fund (IMF)

D.

Annex – International Centre for Collective Action (ICCA)

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Collective Action Conference, October 2016

The Basel Institute on Governance held its second international conference on 'Collective Action: Evidence, Experience and Impact' in October 2016. Bringing together anti-corruption experts who showcased their research with a range of stakeholders sharing anecdotal experiences produced debates around impact and success factors for sustainable Collective Action. Common themes emerged: The importance of clear anti-corruption objectives; locally grown solutions; tenacity and political will, as well as data driven approaches to galvanize action by the public sector were all identified as significant.

Nearly 200 participants and speakers from 30 countries from around the world and representing the private and public sectors, civil society, and academia took part in the second international conference organized by the International Centre for Collective Action (ICCA) on October 20-21, 2016 in Basel, Switzerland.

Addressing 'Collective Action: Evidence, Experience, and Impact' the objectives were to foster exchanges on practical examples and to strengthen the level of evidence based research for further application to both new and existing initiatives. These objectives were premised on the assumption that promoting and expanding collaborative and sustainable anti-corruption efforts continues to be important in the fight against corruption.

Breadth and depth of knowledge was demonstrated in interviews, panel debates, networking and academic discussions, culminating in the mooting of some far-reaching ideas. For example, some private sector participants proposed engaging with law enforcement to develop globally applicable rules to ensure fair treatment of companies that opt to voluntarily self-disclose cases of potential bribery within their organizations. The conference sowed the seeds for future work and illustrated the mutual benefits for closer collaboration between the public and private sectors.

Presenters who shared their personal stories related to implementing their Collective Action initiatives were warmly received. One practitioner described in vivid terms how a Collective Action is being used to confront public officials on a quayside who are soliciting bribes. This illustrated how civil courage is needed to make change a reality on the ground.

Country-level Collective Action initiatives in various sectors in Egypt, Hungary, South Korea, Thailand, and Turkey provided a range of examples from different cultural contexts. The OECD presented on the High-Level Reporting Mechanism model in Colombia and contrasted this with the Business Ombudsman in Ukraine. An approach being developed in Afghanistan demonstrated that even in the toughest environments change could be effected, despite so many failed development projects littering the path to progress. The complexities of corruption and untangling the approaches was analyzed in a thought-provoking academic paper which also included illustrations that underscored the paper's findings.

The call for papers prior to the conference produced reflections on a range of subjects including: What constitutes evidence of effectiveness, what has worked and why, and how best practice can be replicated to maximize the impact of Collective Action?

The conference concluded with a series of commitments, including keeping anti-corruption Collective Action on the international agenda. This was picked up in the handover event of the B20 anti-corruption program to the B20 Cross-Thematic Group Responsible Business Conduct & Anti-Corruption (under German presidency in 2017), in a working session immediately following on from the conference on 21 October 2016.

Collective Action must more explicitly deliver on its promise that multi-stakeholder collaboration is an effective way to tackle corruption. Establishing evidence and best practices are critical for the credibility and future of this approach. The ambitious program and engaged audience participation helped further the case for Collective Action as an anti-corruption tool, while acknowledging that work remains to be done.

A summary of the conference proceedings is available online on the B20 Collective Action Hub <u>here</u>.



"Collective Action has transformed from being aspirational to concrete initiatives. Notable is the diversity of approaches. Trial and error in meaningful collaborative anti-corruption efforts is to be welcomed and not feared. The goal is to identify what works in which context to fight corruption."

Mark Pieth, Chairman of the Board, Basel Institute on Governance, Professor of Criminal Law and Criminology, University of Basel

"Despite the challenges of measurement and corruption's continued prevalence at the global level, Collective Action show there can be a real impact on preventing corruption at the local level."

Robin Hodess, Group Director for Advocacy and Research, Transparency International



Annex – Additional Siemens Reports

Annex – Additional Siemens Reports



Annual Report 2016

Siemens has published the <u>Annual Report</u> for the fiscal year 2016. It provides detailed information about the business development of the company, its earnings, assets, and finances.



Sustainability Information 2016 as addendum to Siemens Annual Report

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

The '<u>Sustainability Information 2016 as addendum to</u> <u>the Siemens Annual Report</u>' describes the strategy, organization, initiatives and goals for ensuring sustainability.

Guided by the GRI G4 reporting guidelines it sums up our performance with regard to the 10 principles of the United Nations Global Compact and serves as our annual progress report on implementing the United Nations CEO Water Mandate. Siemens AG Legal and Compliance LC CO RO CAS Wittelsbacherplatz 2 80333 Munich Germany Email: office.integrityinitiative@siemens.com

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 <u>Annual</u> <u>Report</u> at the end of the fiscal year.

This Siemens Integrity Initiative Annual Report 2016 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 03, 2017.

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About Siemens

Siemens is a global powerhouse focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of systems for power generation and transmission as well as medical diagnosis. In infrastructure and industry solutions the company plays a pioneering role. In fiscal 2016, which ended on September 30, 2016, Siemens generated revenue of €79.6 billion and net income of €5.6 billion. At the end of September 2016, the company had around 351000 employees worldwide.

