8 September 2014

English only

**Open-ended Intergovernmental Working
Group on the Prevention of Corruption**
Fifth session
Vienna, 8-10 September 2014

Private Sector

Note by the Secretariat

I   Introduction

1.   The Conference of the States Parties to the United Nations against Corruption, at its fifth session, held from 25 to 29 November 2013, in Panama, widely recognized that corruption has a significant impact on the private sector and that the private sector has a vital role to play in the fight against corruption. The Conference adopted resolution 5/6, entitled "Private Sector", marking the first time that the private sector had been the focus of a resolution at the Conference. This resolution urged States to, among other prevention measures: raise awareness within the whole private sector on the need to establish and implement appropriate anti-corruption ethics and compliance programmes; promote the engagement of the business community in the prevention of corruption; and foster increased dialogue and cooperation between the public and the private sector in anti-corruption efforts.

2.   A full report on the implementation of the private sector resolution will be submitted to the Conference at its sixth session. However, in order to provide the Working Group with an interim update on the implementation of the private sector resolution, the Secretariat prepared this Conference Room Paper for the fifth session of the Open-ended Intergovernmental Working Group on the Prevention of Corruption.

3.   The importance of private sector participation in the prevention of corruption was also underlined in resolution 5/4, entitled "Follow-up to the Marrakech declaration on the prevention of corruption" in which the Conference requested States parties to promote, where appropriate, training and education for the private sector in the prevention of corruption and to promote the transparency of legal persons, including exchange of best practices in the identification of beneficial

owners of legal structures used to commit crimes of corruption or to hide or transfer proceeds.

4. UNODC seeks to enable the private sector to adopt anti-corruption policies that are aligned with the Convention and to put in place the checks and balances needed to strengthen transparency and accountability. In this regard, UNODC, the Organization for Economic Cooperation and Development (OECD) and the World Bank published the *Anti-Corruption Ethics and Compliance Handbook for Business*.[1] As a complement to this Handbook, UNODC also finalized *An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide* that was launched at the fifth session of the Conference in Panama. The Practical Guide is available in English, French, Russian and Spanish.[2]

5. UNODC published a handbook and accompanying corruption prevention checklist, entitled *A Strategy for Safeguarding against Corruption in Major Public Events*. These are being adapted as a training programme that will provide all stakeholders with the knowledge and tools necessary to address the threat of corruption in the organization of a major public event, in line with international good practices.

United Nations Global Compact

6. UNODC maintains its partnership with the United Nations Global Compact with a view to promoting the implementation of the 10th principle of the Global Compact, which states that "Businesses should work against corruption in all its forms, including extortion and bribery".

7. UNODC and the United Nations Global Compact continue to cooperate on the interactive e-learning tool for the private sector called "The fight against corruption".[3] Since February 2012, the tool has had 114,053 online users. In March 2013 a certificate programme was added. From the 60,000 users who visited the page since then, approximately 5 per cent registered formally to acquire the certificate.

8. Using in-house resources and with the support of the private sector, the tool has been translated and is now available in a large number of languages, including English, French, Spanish, Russian, Chinese, Arabic, German, Korean, Norwegian, Swedish, Turkish and Ukrainian. A number of other languages, including Bulgarian, Czech, Danish, Estonian, Finnish, Hungarian, Latvian, Lithuanian and Portuguese will be forthcoming.

9. Complementing UNODC efforts towards the identification of good practices in the organization of major public events, UNODC has been a member of the United Nations Global Compact's sub-working group on the subject of sport sponsorship and sport-related hospitality. The Working Group has developed the guide *Fighting Corruption in Sport Sponsorship and Sport Related Hospitality: A Practical Guide*

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[1] www.unodc.org/documents/corruption/Publications/2013/
Anti-CorruptionEthicsComplianceHandbook.pdf.

[2] www.unodc.org/unodc/en/corruption/publications.html.

[3] http://thefightagainstcorruption.org/certificate/.

for Companies[4] in order to help companies address associated risks of corruption in these areas.

Group of Twenty and the World Economic Forum

10.   As an observer to the Group of Twenty (G-20), UNODC raised awareness about the importance and benefits of ratifying the Convention against Corruption at the meetings of the G-20 Anti-Corruption Working Group as well as at the Fourth Annual High-Level Anti-Corruption Conference for G20 Governments and Business. UNODC also provided input to the 2015-16 G-20 Anti-Corruption Action Plan, in which the leaders of the G-20 reiterated their commitment to ratify and implement the United Nations Convention against Corruption, criminalize foreign bribery, and cooperate with other countries to investigate, prosecute and return the proceeds of corruption.

11.   Within the Business-20 (B-20) Anti-Corruption Working Group, UNODC contributed to the identification of B-20 priority areas and the development of key recommendations for individual and collective action by Governments and businesses from the G-20 and beyond. Business has asked the G-20 Anti-Corruption Working Group to take a particular focus on beneficial ownership, public procurement, voluntary self-reporting, and capacity-building in public office.

12.   UNODC has a strong relationship with the World Economic Forum, in particular its Partnering against Corruption Initiative (PACI), through participation in the PACI Task Force meetings and by providing presentations on UNODC work with the private sector. UNODC provided substantive expertise to the Global Agenda Council on Anti-Corruption and Transparency 2012-2014. UNODC also participated in all working sessions of the PACI Principles Review Working Group, which reviewed and reaffirmed the PACI Principles (created in 2004), explored how the Principles can support a stronger high level dialogue driven from highest-level executive engagement; and furthered the conversation about the Principles as a road map to help companies at all levels of engagement strengthen their commitment to anti-corruption initiatives and compliance.

Other private sector initiatives

13.   With the support of the Siemens Integrity Initiative, UNODC has implemented three projects. Under the first project, an outreach and communication programme addressing the private sector has been developed to promote the Convention and anti-corruption measures by better informing the corporate community about the Convention's value and benefits for businesses. As part of the project, UNODC has recently created a website that acts as a clearing house for information and resources on the Convention that are relevant to the business community.[5]

14.   The second project, Incentives to Corporate Integrity and Cooperation in Accordance with the United Nations Convention against Corruption, sought to create systems of legal incentives for individuals and companies to come forward and report corruption. Technical working groups reviewed government legislation for compliance with UNCAC and conducted baseline surveys to solicit feedback

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[4] www.unglobalcompact.org/resources/771.

[5] www.track.unodc.org/private_sector/Pages/home.aspx.

from the public and private sectors on strengthening corporate integrity in India and Mexico. A tailor-made training and sensitization programme was developed in both countries. UNODC also published a reference tool, *A Resource Guide on State Measures for Strengthening Corporate Integrity.*[6]

15. The third project, Public-Private Partnership for Probity in Public Procurement, sought to enhance global knowledge and public-private dialogue on strengthening integrity in public procurement systems. As with the second project, technical working groups in India and Mexico reviewed legislation and conducted baseline surveys which led to the development of a training and sensitization programme. UNODC further developed the *Guidebook on anti-corruption in public procurement and the management of public finances: Good practices in ensuring compliance with article 9 of the United Nations Convention against Corruption.*[7]

16. Furthermore, UNODC in partnership with the ASEAN Corporate Social Responsibility Network held a regional workshop in Thailand (November 2013) and national dialogues in Malaysia and Myanmar, the Philippines (March 2014) with the objective of developing a private sector anti-corruption network in the ASEAN region.

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[6] www.unodc.org/documents/corruption/Publications/2013/Resource_Guide_on_State_Measures_for_Strengthening_Corporate_Integrity.pdf.

[7] www.unodc.org/documents/corruption/Publications/2013/Guidebook_on_anti-corruption_in_public_procurement_and_the_management_of_public_finances.pdf.