

High-level reporting mechanisms

Gretta Fenner Zinkernagel

Conference of State Parties to the UNCAC

Panama, 25 November 2013

History and background

- Solicitation and extortion a major concern for businesses
- Fear of corporates to report (RESIST study), slowness of reporting
- Recommendation of E&T companies, OECD, TI and Basel
- B20 Task Force (June 2012, Los Cabos, Mexico):

Governments should (...) “Establish appropriate forms of “high-level reporting mechanisms” to address allegations of solicitation of bribes by public officials. In particular, governments should ensure the involvement of top authorities and set up such a mechanism, in close cooperation with the support of the private sector and civil society. A pilot project could be set up in a country willing to test such a mechanism.”

- Pilot in Colombia; focus on procurement (-> Rafael Merchan)
- Broader concept in Ukraine; broad business regulation scope (-> Enery Quinones)

Purpose

- Address the demand side and constructively balance actions against bribe-givers
- Prevention / enhance integrity of concerned procedures (procurement, business licensing, customs, tax, etc.
- Enable companies to act proactively against extortion
- Strengthen companies through a joint / collective action approach
- Enable action without delaying procedures

Implementation

- High level and independence, to:
 - Overcome fears of corporate whistleblowing (RESIST study) by raising reporting to highest level
 - Ensure responsiveness from all concerned ministries
 - Prevent retribution by concerned ministry / Enhance objectivity
- Fast response
- Voluntary
- Reporting with senior management backing
- Anonymity? Confidentiality!

Implementation (2)

- Adapted to country context (legal, political, administrative)
- Open to domestic and foreign companies
- Host institution?
 - Public trust and credibility
 - Political support and independence
 - Capacity (to investigate and take or order corrective action)
- Role of OECD and Basel Institute?