



Call to Action to Governments from the Private Sector **Anti-Corruption and the Post-2015 Development Agenda**

Despite the progress made in the last 13 years, the potential of development cannot be fully realized unless fundamental systematic barriers such as corruption are addressed. Corruption is the single greatest obstacle to economic and social development around the world. It has adverse impacts on sustainable development, with a disproportional impact on poor communities. Corruption has considerable and costly impacts on the private sector as it raises transaction costs, undermines fair competition, distorts development priorities, and impedes long-term foreign and domestic investment. To prevent future development efforts from being undermined through corruption, it is critical to integrate good governance and anti-corruption into the post-2015 agenda.

To address corruption means to focus on the tenets that prevent it from arising: transparency, accountability, integrity (rule of law) and participation. This includes looking at these issues and how they apply to all countries, both in the north and south. ***To ensure that a strong reference on anticorruption is incorporated into the Post-2015 Development Agenda, companies are invited to express their public support for the following call to action:***

Call to Action from the Private Sector

For global development efforts to benefit the poor as well as empower ethical players who are willing to engage in a level-playing field, we business leaders, urge Governments to promote anti-corruption measures and implement related policies to establish systems of good governance.

Specifically, we Governments to take action on the following:

1. Fully implement and enforce the tenets of the UN Convention against Corruption by strengthening anticorruption policies, laws and enforcement mechanisms to create a level playing field and incentivize good behaviour;
2. Make a commitment to reduce corruption risks from procurement and contract processes of large-scale projects that are designed to support sustainable development;
3. Commit to engaging in competitive and transparent procurement processes through public advertising of all Government procurement cases;
4. Commit to transparency in disclosing payments made by the private sector; and
5. Support corporate efforts to disclose anti-corruption implementation, enhance corporate governance, and innovative collective action and public-private partnership initiatives;

A strong reference on anti-corruption in the future development agenda will send a positive message to international business. We, as business leaders, are determined to join forces with Governments in their endeavour to reduce corruption. We invite other business leaders to join us to advocate for the integration of anti-corruption into the post-2015 agenda.

Companies are encouraged to join this critical effort to help bring corporate sustainability to the next level by addressing corruption in all its forms. To add your company's name to this call to action, please email anticorruption@unglobalcompact.org

Background: The UN has begun work to establish a new UN development agenda to replace the Millennium Development Goals (MDGs) that expire in 2015. Also underway is the inter-governmental deliberation on a set of Sustainable Development Goals that, by Rio+20 agreement, are to be “coherent with and integrated into” the post-2015 framework. As these gears are set in motion, non-governmental sectors including business are called on to give their views on a post-2015 agenda.

As the world’s main source of economic activity, business is at the heart of virtually any widespread effort to improve development and people’s living standards. Markets are essential for creating and diffusing solutions that will drive the changes our world needs. At the same time, business opportunities have been generated as a result of concerted global and national development efforts in the last 13 years since the UN Global Compact was launched.

This is an opportune moment for business and the Global Compact to help shape the future priorities of the UN. Delivering a better future for all, requires action by all – Governments, corporations, citizens, consumers, workers, investors and educators. One key area for action is how governance is being addressed and integrated into the discussions and outcomes. Governance provides the institutions, protections and empowerments that help to fight corruption and ensure sustainable development and growth that is equitable for all. If future development commitments are to be achieved, governance must form the backbone of these policies.

Following the success of the Rio+20 Corporate Sustainability Forum in June 2012, the UN Secretary-General has assigned the UN Global Compact a position on a par with his High-Level Panel on the Post-2015 Development Agenda and entities such as the inter-agency UN Development Group, in contributing directly to the recommendations that he will submit to Member States.

During the 11th Meeting of the Global Compact Anti-Corruption Working Group, participants had an opportunity to identify and discuss the business perspective on ways to integrate good governance and anticorruption into the post-2015 agenda. It was agreed and emphasized that governance and accountability must be at the core of the future development agenda, and are centre pillars of corporate sustainability.

Global Development Agenda and Relevance to the Private Sector: The Millennium Development Goals (MDGs) - launched in 2000 – set an ambitious target to reduce poverty and enhance human development in various critical areas (i.e. education, gender, public health, children, and environmental sustainability). These goals have set priorities for multilateral/bilateral development agencies, but have also been integrated into governmental policies on various themes at the national level. While there is a growing consensus of the importance of governance for development, the current MDGs do not include governance principles such as transparency and accountability or address the impacts of corruption on their achievement. Working to bring governance back into development requires the efforts of everyone, including the private sector as it is in the interest of the private sector to make sure governance and anti-corruption concerns are addressed as part of new development commitments.

First, development-related procurement projects have engaged multinational, national, and small and medium-sized firms around the world. For example, in 2012, under IDA/IBRD investment projects and related trust funds, the World Bank awarded approximately \$12 billion (USD) worth of contracts to global suppliers (those based both from OECD countries and non-OECD countries). In 2009, the UN System procured over \$13.8 billion (USD) worth of goods and services from a global supplier base.

Second, numerous national Governments devoted a significant amount of funding to various infrastructure development projects (i.e. energy, electricity, telecommunication, water and sanitation, etc.) with private sector participation. According to the World Bank, corruption adds up to 10 per cent to the total cost of doing business globally, and up to 25 per cent to the cost of procurement contracts in developing countries.

Third, there is now recognition that the responsibility of business extends beyond providing financial returns to shareholders and includes benefiting society as a whole. Countering bribery and corruption form part of a company’s broader governance efforts, but they must also be undertaken with the purpose of achieving greater transparency, accountability and integrity to foster development.