

# Business Integrity Newsletter

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## Launch of the 10 Anti-Corruption Principles for State-Owned Enterprises

### *A Multi-Stakeholder Initiative of Transparency International*



We are pleased to inform you about the launch of the [10 Anti-Corruption Principles for State-Owned Enterprises](#), which took place in late November 2017! You can now also find the [Spanish version](#) online, and we will soon publish the Portuguese version.

The *10 Anti-Corruption Principles for State-Owned Enterprises* provide guidance for SOEs of all types and sizes on anti-corruption best practice. They are based on TI's [Business Principles for Countering Bribery](#) and were developed with the support of a multi-stakeholder group including SOEs such as Pemex and Statoil, as well as the OECD which develops complementary guidance for state-owners of SOEs. The Principles are not only relevant for large or global SOEs, but also for SOEs on municipality level. They are also relevant for publicly listed or private companies that have SOEs as part of their supply chains. SOEs are of strategic importance to the economies and

societies of many countries - they play an important role in the daily life of many people, since crucial services such as water and electricity supply or transportation depend on them. As entities ultimately owned by the citizens, they have a high responsibility to act with integrity and transparency, so that important services are not disrupted by corruption.

**Please also join us in supporting the promotion of the SOE Principles in your presentations at conferences or through dissemination to your business and relevant government contacts. If you have done work on SOEs which could be summarised in an interesting 500 word blog post, please share them for our [Voices blog](#).**

**Learn more about the background of the development of the SOE Principles at <https://transparencyinternational.sharepoint.com/sites/Projects/BIC/Lists/News/Attachments/11/October%202017-BIP%20Newsletter.pdf> p.3**

**You can also find the the webfeature at <https://www.transparency.org/news/pressrelease/transparency-international-launches-10-anti-corruption-principles-for-soes>**

## TI's interview on the 10 Anti-Corruption Principles for State-Owned Enterprises

We would like to also share with you an article in the Wall Street Journal relating to the SOE Principles, which was based on an interview with Katja Bechtel, Head of the TI-S Business Integrity Programme.

You can follow this link <https://blogs.wsj.com/riskandcompliance/2017/11/30/the-morning-risk-report-tactics-for-fighting-corruption-at-state-firms/> or continue reading the below. We hope you enjoy it!

11/30/2017

The Morning Risk Report: Tactics for Fighting Corruption at State Firms - Risk & Compliance Journal. - WSJ

### THE WALL STREET JOURNAL.

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<https://blogs.wsj.com/riskandcompliance/2017/11/30/the-morning-risk-report-tactics-for-fighting-corruption-at-state-firms/>

RISK & COMPLIANCE JOURNAL

## The Morning Risk Report: Tactics for Fighting Corruption at State Firms

*By Henry Cutter*

Nov 30, 2017 7:28 am ET

State-owned enterprises include some of the world's biggest businesses, and are often a critical element of national economies, but they also are at great risk for corruption, according to Transparency International. The anticorruption group is seeking to tackle the problem with a detailed collection of guidance, developed in conjunction with SOEs, governance experts, academics and Transparency International chapters worldwide.

"The most effective way for SOEs to combat corruption is through transparency," Delia Ferreira Rubio, chair of Transparency International, said in a statement when the guidelines were rolled out this week. "This is at the heart of the SOE principles." The special risks stem from two factors, Transparency International says: the firms' closeness to governments and politicians, which makes them vulnerable to pressure from outside, and the scale of the assets the companies often control. Many of the 10 broad guidelines Transparency International introduced could apply to any company seeking to stay on the right side of the law, but the detailed advice the group offers has special value for state firms, according to Katja Bechtel, head of business integrity for the Transparency International Secretariat.

High on the list of challenges for SOEs is governance, so the guidance advises having lots of directors who are independent of both the company and government; keeping politicians who are in office off the board; limiting the number of state representatives; and making sure the process of appointing directors is transparent, Ms. Bechtel said. To tackle a second key area, the risk of sweetheart deals when either buying goods and services or selling state assets, companies should take steps such as ensuring that procurement processes are as transparent as possible, given the demands of national security, the guidelines say. They call for making sure asset sales, such as privatizations of parts of a firm, are done at market value, and keeping clear records of any deals. "We look to all SOEs, from large to small, to adopt and use the guidance set out in the principles and we also call on state owners to require and encourage their use," Jermyn Brooks, chair of Transparency International's Business Principles Steering Committee and SOE Working Group, said in a statement this week.

*Readers can subscribe to The Morning Risk Report*

*here: <http://on.wsj.com/MorningRiskReportSignup>. Follow us on Twitter at @WSJRisk.*

## Argentina: end-of-the-year SOE meeting



Earlier this month, Katja was invited to participate in the end-of-the-year roundtable meeting in Buenos Aires where around 80 participants joined from Argentinian SOEs and the government. Katja presented the [Spanish version](#) of the *10 Anti-Corruption Principles for State-Owned Enterprises* to the participants. You can also find the meeting agenda [here](#).

## Business Integrity Forum — Feedback from Chapters

The most recent **TI-UK Business Integrity Forum** took place on 23 November in London, with the participation of **TI Romania** and **TI Norway** as part of the learning exchanges and also a presentation from **The Convention on Business Integrity** from Nigeria. Let's have a look of what our colleagues **Irina Lonean from TI Romania** and **Guro Slettemark from TI Norway** shared:

Irina found the most useful in attending the Business Integrity Forum Meeting was **learning first-hand the needs, expectations and opinions of the business representatives** concerning a long term involvement with TI in general and a TI chapter in particular. It was useful to find out **the type of topics which may interest businesses** and **the best approach to introduce these topics**. Guro found it useful to see that **the Forum demonstrated a very good balance between TI-UK's own work and external specialists in anti-corruption work**. Her main takeaway is that **a forum does not need to have a very lengthy agenda – when meetings happen on a regular basis there will be time to present and discuss various topics throughout the year**. She also found it very interesting to hear about “Practical tips for doing business in Nigeria” and thought it was a good idea to **invite country-specific specialists from abroad**. For companies considering doing business in Nigeria [this presentation](#) seemed very useful, relevant and up-to-date.

For Irina, the most useful takeaway for the current and future work of TI-Romania was **learning how the Business Integrity Forum was established and is managed currently**. She has adjusted her plans and expectations related to the initiation of a Business Integrity Forum in Romania and learned **which can be the main talking points to approach businesses for a long term involvement** with the chapter.

## TI-S Webinar Series: TI-UK Comprehensive Online Tool to Help Companies Tackle Bribery and Corruption

You can find the recording of the webinar here at: <https://transparencyinternational.sharepoint.com/sites/Projects/BIC/Pages/Webinars.aspx>

You can get in touch with Rory Donaldson via [rory.donaldson@transparency.org.uk](mailto:rory.donaldson@transparency.org.uk) if you have further questions!

*Coming soon in January: webinar on the 10 Anti-Corruption Principles for State-Owned Enterprises (more info to be shared)*

## Personal Announcement

**Need more information?**

**Ideas to share with other colleagues?**

Contact Vivien Chang from the TI-S BIP team via [vchang@transparency.org](mailto:vchang@transparency.org)

Dear all,

We would like to introduce you to the two newest members of the TI-S Business Integrity Team. Many of you may have known Christine and Suzanne from when they were working in the Chapter or with another TI-S team respectively, but for those who haven't had a chance to meet them we would like to take the opportunity to introduce them to you!

### **Christine Hosack, Programme Coordinator, Business Integrity (parental leave cover)**

Christine Hosack supports the Business Integrity Team at TI-S with management and coordination of various business integrity projects. Previously, she worked with Transparency International Mongolia on a secondment by GIZ (Deutsche Gesellschaft fuer internationale Zusammenarbeit), supporting the chapter with the development and implementation of a Business Integrity Programme. She has studied Business Administration in Germany and Finland and gathered practical experience through appointments with the private sector as well as international organizations in Germany and Asia.



### **Suzanne Mulcahy, Research Advisor, Business Integrity**



Suzanne Mulcahy recently returned to TI from maternity leave and is currently responsible for research support and development in the area of Business Integrity globally. Primary research interests include the nexus between business and politics, lobbying transparency and integrity and the promotion of good governance at a national and supranational level through national integrity systems. Her key skills include qualitative and quantitative political and social research and analysis, report writing, advocacy planning, project coordination and monitoring and evaluation. Her professional working languages are English, French and German.

Suzanne Mulcahy joined TI in the Policy and Research Department in June 2009, working as an intern in the area of anti-corruption monitoring tools and has since progressed to coordinate large-scale multi-country research and advocacy projects including the European National Integrity Systems (2010-2012) and the Lobbying in Europe (2013-2016) projects. In the context of these projects, she authored two key reports: 'Corruption in Europe: Money, Power and Politics' and 'Lobbying in Europe: Hidden Influence, Privileged Access'.

Prior to joining TI, Suzanne worked in academia and as a research consultant for TNS mrbi, a market and social research company in Ireland. She completed a PhD in Political Science at University College Dublin in cooperation with the Freie Universität Berlin and also holds an

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**Last but not the least,**

**Best wishes to all of you for the New Year!**

**The TI-S BIP team**