



Wednesday, June 06, 2012

Felipe Calderón Hinojosa

President of Mexico
Residencia oficial de los Pinos
Casa Miguel Alemán, Col. San Miguel Chapultepec,
C.P. 11850, Distrito Federal, México

Dear President Calderón,

We are writing to you in your role as Chair of the leaders of the G20 nations. We respectfully request that the Secretariat circulate this letter to all G20 Leaders.

The business community would like to acknowledge your unfailing support in the fight against corruption and to express sincere appreciation for the excellent example you display to other Heads of State.

Corruption in business transactions distorts competition, deters investment and increases the cost of goods and services. The impact of corruption on doing business globally is staggering: estimates show that the cost of corruption equals more than 5% of global GDP (approximately USD 3 trillion) and that corruption increases the cost of doing business globally by up to 10% on average. In absolute numbers, the amount of total bribes paid is conservatively estimated to be US\$ 1 trillion. Clearly, this represents a formidable obstacle to the socio-economic development of many countries. In the fight against these illicit practices, the private sector has a key role to play, both by supporting governments to take action and by taking appropriate measures to address these challenges. G20 leaders explicitly recognized the need to strengthen their partnership with business in the Seoul Anti-Corruption Action Plan in 2010.

The recommendations adopted in Cannes by the B20 last November set a clear framework in which the business community can coordinate its action. In their Cannes Declaration, G20 leaders commended the enhanced engagement of the private sector in the fight against corruption.

In preparation for the Los Cabos Summit, the B20 Working Group on Improving Transparency and Anti-Corruption built on these recommendations all of which remain relevant and identified concrete and achievable measures that both companies and governments can take to carry the fight against corruption forward.

To ensure consistency of G20 and B20 efforts, these recommendations echo the G20 agenda laid out in the Seoul Anti-Corruption Action Plan. They also reflect the work currently being undertaken by the G20 Anti-Corruption Working Group under the leadership of Mexico and the United Kingdom.

The need for concrete and continuous action by G20 governments and business remains as strong as ever. In addition to the proposed actions outlined in our Recommendations Paper, we highlight five immediate steps that represent significant opportunities for the G20 Leaders to contribute toward Improving Transparency and anti-corruption.

1. The B20 Working Group on Improving Transparency and Anti-Corruption strongly urges the G20 Leaders to ambitiously review the Seoul Action Plan, extend its two year mandate and direct the Anti-Corruption Working Group to continue working on its implementation. In return, the B20 commits to continued dialog, interaction, and support with the creation of a parallel B20 Working Group on Improving Transparency and Anti-Corruption.

2. The B20 Working Group on Improving Transparency and Anti-Corruption calls on all G20 countries to adhere to and robustly enforce the international legal framework against corruption, such as the United Nations Convention against Corruption and OECD Anti-Bribery Conventions. It calls on the G20 to identify a pilot country (potentially Mexico) to explore



possible areas for enhancement of the private sector role in the United Nations Convention against Corruption peer review process and any follow up implementation. The B20 is ready to cooperate with G20 countries to ensure common global standards and a level playing field for business wherever it operates. It also commits to mobilizing resources to actively support both the peer level review and the post review implementation process.

3. The B20 Working Group on Improving Transparency and Anti-Corruption calls on the G20 to streamline and improve procurement processes by committing to conduct independent assessments of these processes, by adopting a common set of principles on the asset disclosure of public officials, and by promoting and encouraging the use of integrity pacts. In return, the B20 is ready to work in co-operation with the G20 governments to conduct independent assessments of public procurement systems through the use of OECD Integrity reviews and other such mechanisms.

4. The B20 Working Group on Improving Transparency and Anti-Corruption calls on the G20 to support the further development of Collective Action and Sectoral initiatives and additionally establish appropriate forms of "High Level Reporting Mechanisms" to address allegations of solicitation of bribes by public officials, and endorse the setting up of a pilot project in a country willing to test such mechanisms. In return, the B20 will increase its participation in Collective Action and Sectoral initiatives and will invite participants in their value chain to join existing Collective Action initiatives in their respective sectors and/or to initiate multi-sector initiatives. The B20 should also select a head of a Collective Action hub charged with designing and developing the central hub that will provide information on existing Collective Action initiatives.

5. The B20 Working Group on Improving Transparency and Anti-Corruption calls on the G20 to support the development of anti-corruption capacity-building programs tailored to small-medium enterprises (SMEs) in specific industries. In return, the B20 commits to working with governments in developing capacity building programs for SMEs

We are now at a moment when the world is looking to the G20 to make a stronger commitment to work together with the B20 to address the major challenge of corruption that is prevailing in our global economy.

The B20 Working Group on Improving Transparency and Anti-Corruption, with the support of the International Chamber of Commerce and the World Economic Forum, remains committed to lead and facilitate business engagement with G20 leaders at Los Cabos and beyond, to further advance the global anti-corruption agenda.

We appreciate your consideration of our recommendations and look forward to working with the G20 to advance an agenda that is both effective and ensures progress.

Yours sincerely,

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