



**Asia-Pacific  
Economic Cooperation**

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**2019/SOM1/ACT/CF/010**

## **Business Ethics for APEC SMEs Initiative**

Submitted by: United States



**Anti-Corruption and Transparency Experts'  
Working Group Cross Fora Meeting  
Santiago, Chile  
28 February 2019**



Asia-Pacific  
Economic Cooperation

# **Business Ethics for APEC SMEs Initiative**

Medical Device Sector | Biopharmaceutical Sector



APEC  
CHILE 2019

# **PRESENTATION FOR**

# **APEC ACTWG**

# **CROSS FORA SESSION**

*Tricia Van Orden, U.S. Department of Commerce*

*Project Overseer, Business Ethics for APEC SMEs Initiative*

*Santiago de Chile | 28 February 2019*

*12:00 – 13:30*



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# Business Ethics for APEC SMEs Initiative

Medical Device Sector | Biopharmaceutical Sector

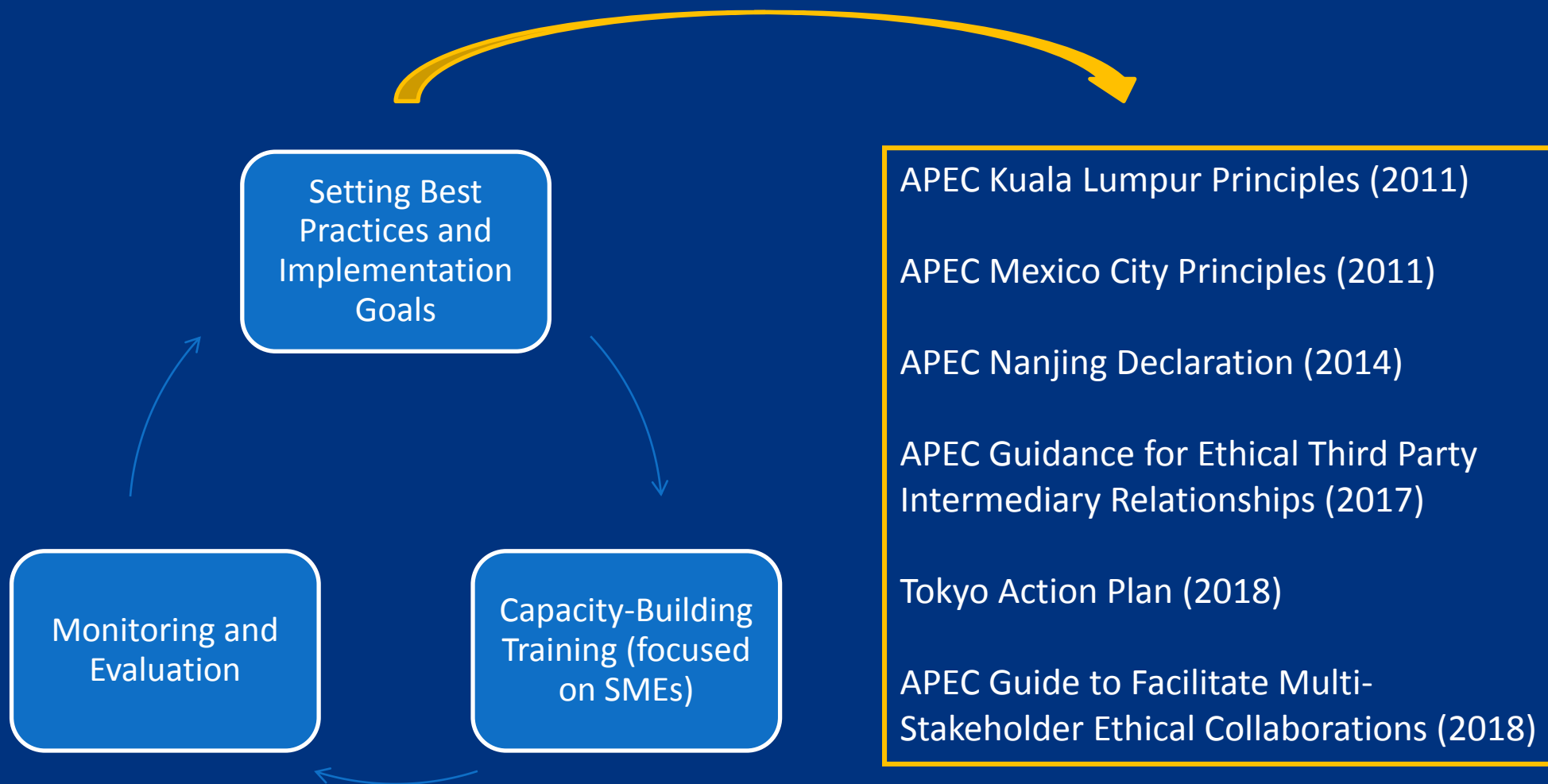


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**PROBLEM:** Unethical behavior undermines consumer trust, creates unfair business conditions, stifles innovation and investment, and leads to differing standards across borders which increase the cost of doing business and heighten legal risk.

**SOLUTION:** To address unethical behavior, the Business Ethics for APEC SMEs Initiative has developed principles and best practices, guidance, training resources, and mentoring programs to strengthen ethical business practices in target sectors.

## SETTING BEST PRACTICES





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# Business Ethics for APEC SMEs Initiative

## Medical Device Sector | Biopharmaceutical Sector



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## NANJING DECLARATION KEY COMMITMENTS

- Double industry association codes of ethics **(ACHIEVED!)**
- Universal industry associations codes of ethics **(83 of 104)**
- Consensus Frameworks in ALL economies **(7 to date)**
- Aligned industry and healthcare professional code of ethics
- Active partnerships among stakeholders in the sectors
- Annual APEC Business Ethics for SMEs Forum **(5 to date)**

## MONITORING & EVALUATION

### *INDICATORS FOR SUCCESSFUL CODE IMPLEMENTATION*

Code Governance

Code Alignment

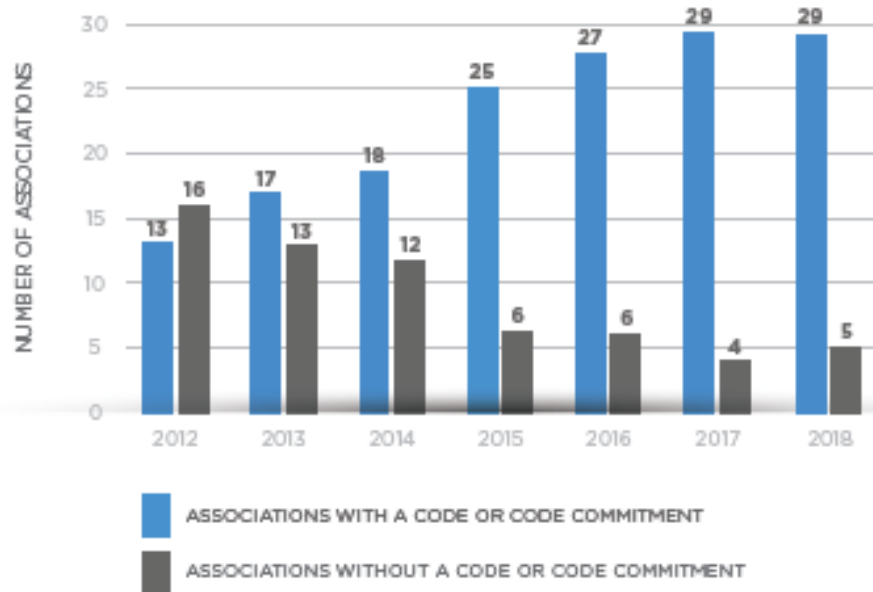
Member Company Adherence

External Stakeholder Engagement

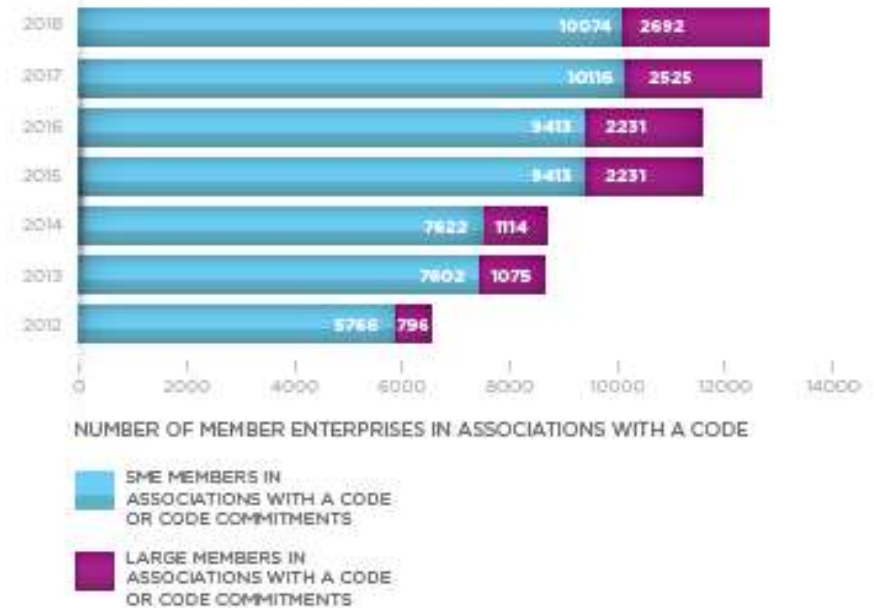
# MONITORING & EVALUATION

## MEDICAL DEVICE SECTOR

**INDUSTRY ASSOCIATIONS WITH A CODE OR CODE COMMITMENT**



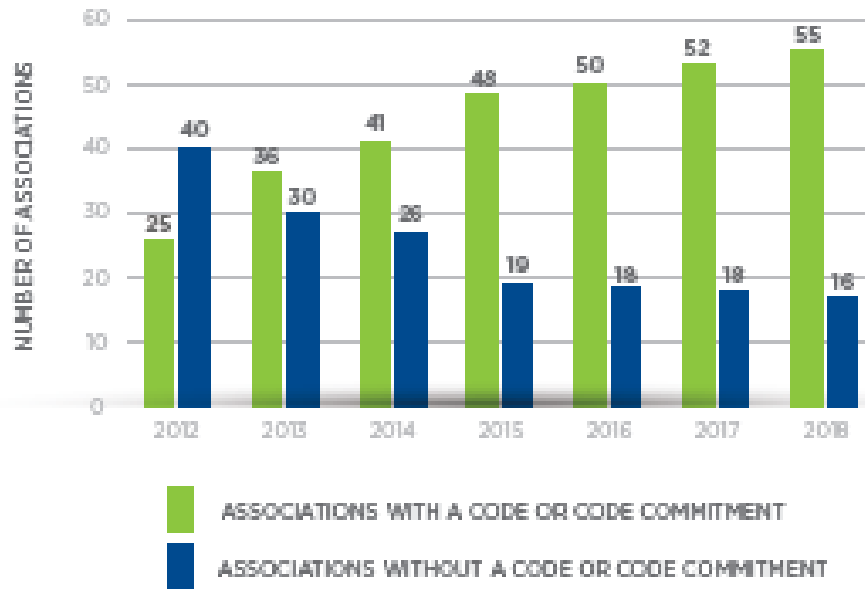
**ENTERPRISE MEMBERSHIP OF ASSOCIATIONS WHO HAVE ADOPTED A CODE OR CODE COMMITMENT**



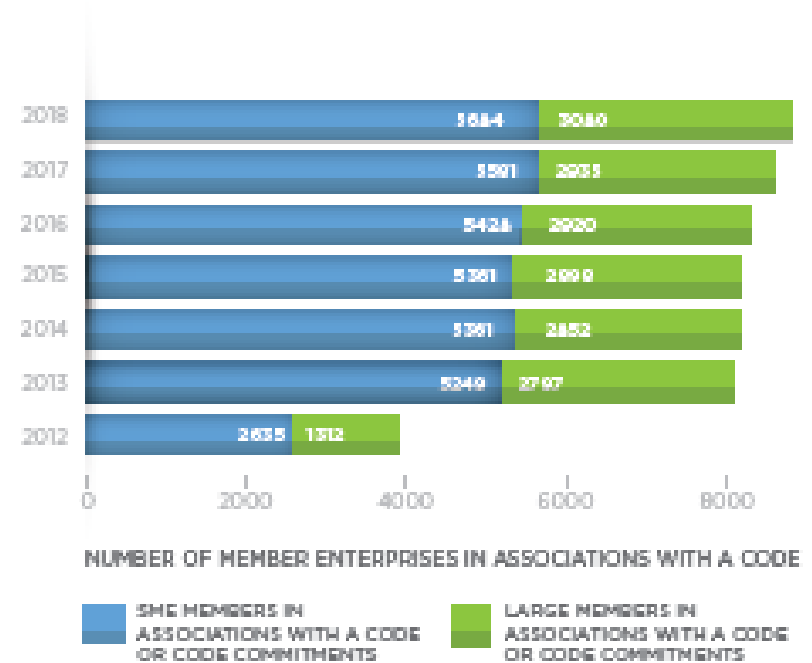
# MONITORING & EVALUATION

## BIOPHARMACEUTICAL SECTOR

INDUSTRY ASSOCIATIONS WITH A CODE OR CODE COMMITMENT



ENTERPRISE MEMBERSHIP OF ASSOCIATIONS WHO HAVE ADOPTED A CODE OR CODE COMMITMENTS







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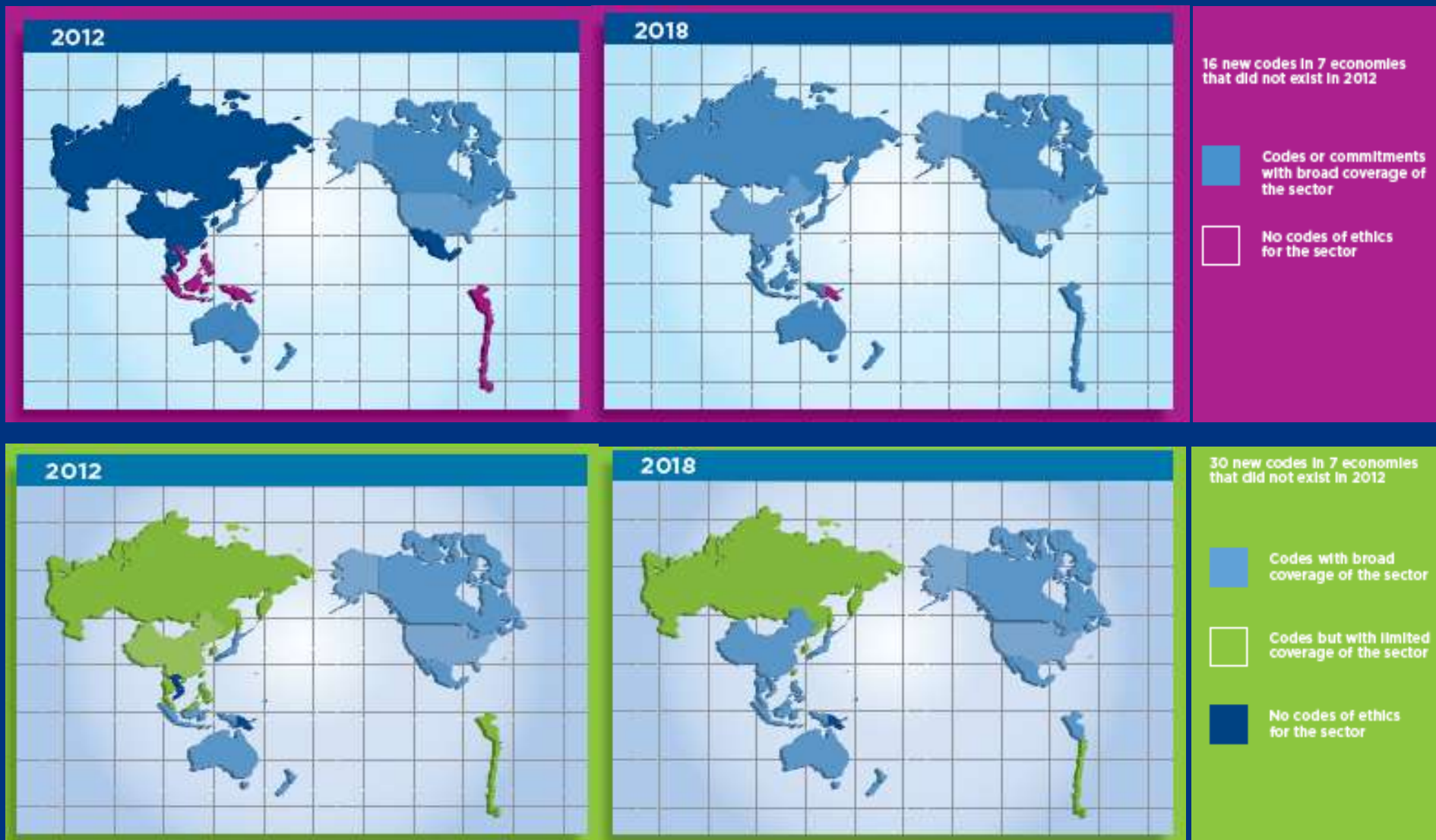
# Business Ethics for APEC SMEs Initiative

## Medical Device Sector | Biopharmaceutical Sector



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### PROGRESS: MEDICAL DEVICE (TOP) / BIOPHARMACEUTICAL (BOTTOM)



# CONSENSUS FRAMEWORKS



**International Alliance of Patients' Organizations**  
A global voice for patients

**Consensus Framework for Ethical Collaboration between Patients' Organisations, Healthcare Professionals and the Pharmaceutical Industry**

A Consensus Framework established for ethical collaboration between patients' organisations, healthcare professionals and the pharmaceutical industry, in support of high quality patient care. This Consensus Framework and the accompanying resources are intended to serve as a toolkit for those associations, groups and alliances who wish to develop their own policies. It neither aims to be comprehensive nor does it constitute a single common policy of the organisations involved. The individual policies of the participating organisations set out each organisation's detailed commitments and offer more diverse and in depth information and guidance.

Logos: IFPMA, fip International Pharmaceutical Federation, WMA

GLOBAL-LEVEL CONSENSUS  
FRAMEWORK (2014) – 7 PARTIES



Logos: Set medicines coalition, Health Canada, Association Médicale Canadienne, Canadian Medical Association, Association des infirmières et infirmiers du Canada, Canadian Pharmaceutical Association, Association des pharmaciens du Canada, Innovative Medicines Canada, Médecaments Innovatifs Canada

**CANADIAN CONSENSUS FRAMEWORK FOR ETHICAL COLLABORATION**

CANADIAN CONSENSUS  
FRAMEWORK (2016) – 6 PARTIES

# CONSENSUS FRAMEWORKS



PERU – 24 PARTIES



VIET NAM – 9 PARTIES



PHILIPPINES – 3 PARTIES



CHINA – 25 PARTIES



AUSTRALIA – 60+ PARTIES

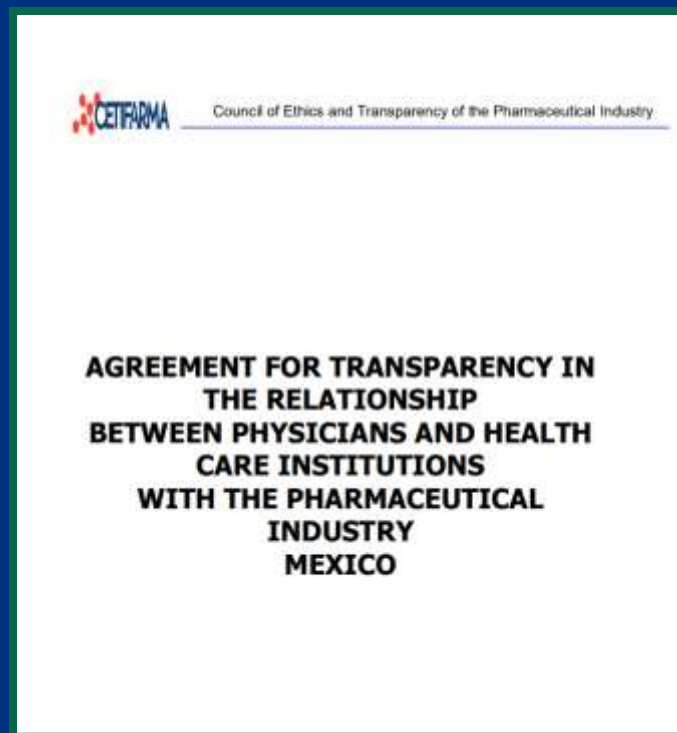


JAPAN – 8 PARTIES

# CONSENSUS FRAMEWORK DEVELOPMENT



**CHILE – PARTIES  
COORDINATING SINCE 2018**



**MEXICO – UPDATING 2007 TRANSPARENCY  
AGREEMENT INTO FRAMEWORK APPROACH**

## 2018 APEC BUSINESS ETHICS FOR SMES FORUM

235 Delegates / 24 APEC and Non-Member Economies



# **Business Ethics for APEC SMEs Initiative**

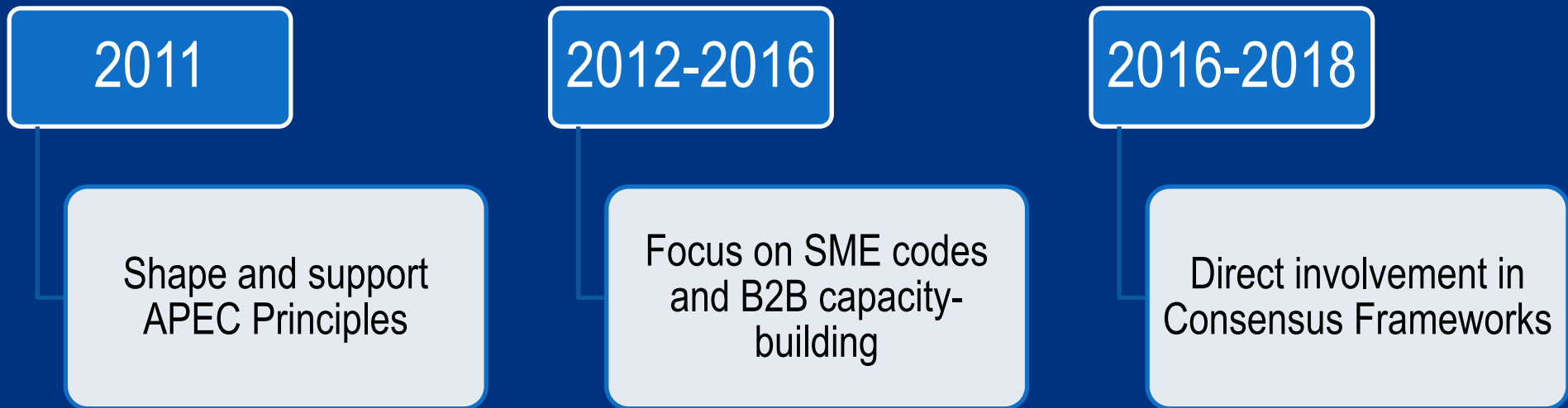
Medical Device Sector | Biopharmaceutical Sector

**2019 APEC BUSINESS ETHICS FOR SMES FORUM**

**9 – 10 September | Santiago de Chile**



## THE ROLE OF GOVERNMENT IN THE BUSINESS ETHICS FOR APEC SMES INITIATIVE



**2019: Contribute to a compendium of examples from the region of government actions to encourage positive ethical behavior**

## **GOVERNMENT INCENTIVES COMPENDIUM**

### **POTENTIAL EXAMPLES:**

- **Procurement**
- **Product / Service regulatory approval**
- **Enforcement-based incentives**
- **Government-supported capacity building (SME trainings)**
- **Leveraging trade agreements**
- **Convening power (Consensus Frameworks)**



## **GOVERNMENT INCENTIVES COMPENDIUM**

### **REAL-WORLD EXAMPLES:**

- **New Zealand government requires all medical device suppliers to adhere to MTANZ code of ethics**
- **Argentina Law No. 27401 requires the existence of an corporate integrity program for infrastructure firms before contracting with the national government**
- **Philippines Department of Health Administrative Order No. 2015-0053 specifies implementing guidelines for companies to adhere to the APEC Kuala Lumpur Principles and the APEC Mexico City Principles**

## THE ROLE OF GOVERNMENT IN THE BUSINESS ETHICS FOR APEC SMES INITIATIVE

### DISCUSSION QUESTIONS

- Do you see collaboration opportunities between this initiative and the ACTWG, or for your member economy?
- Are there examples from your economy of positive incentives to promote ethical behavior in the business community?
- Does your economy have government supported anti-corruption or integrity training programs, particularly for SMEs?
- Does your agency collaborate with your health ministry/officials?