

ACCOUNTABILITY REPORT

G20 ANTI-CORRUPTION WORKING GROUP

NOVEMBER 2015

Accountability Report-G20 Anti-Corruption Working Group

Overview

Identifying corruption as an impediment to economic growth and development, G20 Leaders established the Anti-Corruption Working Group (ACWG) at the Toronto Summit in 2010. The G20 anti-corruption agenda was initiated to tackle the negative effects of corruption on growth and fair trade through leadership by example, pursuing concrete, practical measures that would reflect the G20's clear vision in this area, and through engagement with the private sector.

Since 2010, the work of the ACWG has been guided by two-year Action Plans, and Leaders adopted the current Action Plan for 2015-16 at the Brisbane Summit. The Action Plan provides a solid road map in this very demanding area. Its six topics reflect the priorities of the G20 countries: "Beneficial ownership transparency", "Bribery", "High-risk sectors" "Public sector transparency and integrity," "International cooperation", and "Private sector transparency and integrity."

From the beginning, G20 members undertook to be accountable for the commitments described in the Action Plans by reporting annually upon their steps taken to implement their anti-corruption commitments. The ACWG is focused on effective implementation and enforcement of all outstanding G20 anti-corruption commitments. Each G20 member's response to this year's Accountability Report Questionnaire, and a summary of progress reports received from G20 countries in 2015, is included at Annex 1, and full reports will be made publicly available on the G20 website by the end of November.

For 2015, the Turkish G20 Presidency highlighted three themes that are woven into the Action Plan: "Broadening engagement of the private sector," "Strengthening accountability for public officials," and "Enhancing transparency." Along with the selected themes, the Turkish G20 Presidency and the ACWG focused on broadening the engagement of private sector, which included (i) the adoption of G20 High Level Principles on Private Sector Integrity and Transparency. and (ii) the development of an Anticorruption Education Toolkit for SMEs. These developments will help G20 Members and the private sector to create a cleaner, more accountable business environment, including by raising awareness and capacity of companies, including SMEs, to prevent and combat corruption.

Another high priority area was strengthening the accountability of public officials, which focused on discussions of asset and financial disclosure by senior public officials and to restrict immunities from prosecution.

In the area of transparency, the ACWG adopted G20 Anticorruption Open Data Principles, for endorsement by Leaders, and continued work on transparency of beneficial ownership, including by completing and publishing national written plans to implement the G20 High Level Principles on Beneficial Ownership Transparency.

Business and civil society continue to be important partners for the ACWG in helping to achieve our anti-corruption goals. From the beginning, the ACWG has worked closely with G20 engagement groups to implement the G20 anti-corruption agenda. This close

cooperation continued in 2015 and concretely emerged in the three private sector-related deliverables highlighted above. We will continue to work closely with engagement groups to ensure that the G20 anti-corruption agenda going forward remains focused on concrete actions which can make a real difference to our citizens and businesses.

Key Achievements

Private Sector Transparency and Integrity: Turkey coordinated the development of G20 High Level Principles on Private Sector Integrity and Transparency that highlight important elements of existing international guidelines and principles. The B20 supported by some interested countries developed an Anticorruption Education Toolkit for SMEs. The G20 Presidency, International Chamber of Commerce, and The Union of Chambers and Commodity Exchanges of Turkey promote establishment of a World SMEs Forum (WSF) where the training of the above mentioned toolkit will be delivered to the SMEs.

Private Sector Engagement: The ACWG and the Financial Action Task Force (FATF) held a joint Experts' Meeting on Combatting Corruption in Paris on 17 October 2015. For the first time, experts from financial institutions were also invited to exchange views, knowledge and experiences on combating corruption and the laundering of related proceeds. Participants in the robust dialogue included 103 delegates from 29 jurisdictions and 7 organisations as well as 16 representatives from the private sector.

Beneficial Ownership: G20 members developed individual country written plans to implement the G20 High Level Principles on Beneficial Ownership Transparency and agreed to publish those plans. In cooperation with each G20 member, the World Bank created Individual Country Profiles on Company Ownership.

Asset - Financial Disclosures and Immunities: G20 members completed and agreed to publish updated Asset Disclosure Country Profiles.

Procurement: The ACWG developed G20 High Level Principles for Promoting Integrity in Public Procurement, for adoption by the Leaders.

Open Data: Under the coordination of Mexico, the G20 ACWG created G20 Anti-Corruption Open Data Principles, for adoption by the Leaders.

Foreign Bribery: The ACWG published a G20 Foreign Bribery Self-Assessment Report, compiled by the OECD.

International Cooperation - Asset Recovery: World Bank updated G20 Asset Recovery Country Profile in collaboration with each G20 member, for publication.

Denial of Entry Experts Network: The United States organized the first meeting of the G20 Denial of Entry Experts Network.

High Risk Areas – Extractives: In cooperation with the G20 members, the UK developed a good practices paper on Targeted Approaches to Addressing Corruption in the Extractives Sector.

High Risk Areas - Fisheries and Primary Forestry: In cooperation with members, the World Bank developed a G20 ACWG Note Addressing Corruption in Forests and Fisheries.

High Risk Areas – Customs: In cooperation with members, Mexico developed a “Integrity in Customs Self-Assessment Questionnaire,” which will form the basis for further work in this area.

Progress made up to date

UNCAC

The Group welcomed the ratification of UNCAC by Germany (12 November 2014) and continues to encourage Japan to ratify and implement the UNCAC as a priority. The ACWG also shared views on the facilitation and cost effective implementation of UNCAC, as well as on the follow-up of past recommendations from the first cycle and countries’ review reports to be published.

Private Sector Transparency and Integrity

The ACWG continues to closely work with the private sector on anti-corruption efforts. In this context, the Fifth G20-OECD High Level Conference “Placing Integrity at the Heart of Business Culture” was organized jointly by the G20 Turkish Presidency and the OECD in Istanbul in March 2015. Additionally, the ACWG conducted a dialogue with financial institutions at the Third Joint Experts Meeting of the ACWG and the FATF on 17 October in Paris, to discuss the role of financial institutions in and experiences with identifying and managing the risks related to corruption and the proceeds thereof.

Turkey coordinated, with input from the OECD and others, the preparation of G20 High Level Principles on Private Sector Integrity and Transparency, to highlight important aspects of existing international guidelines and principles. The Principles are not intended to create new standards or represent any form of legally binding requirement for business. Rather, the High-Level Principles aim to complement existing standards and guide and encourage the compliance, ethical behaviour, and integrity of businesses in G20 countries. The ACWG adopted the principles at its 3rd Meeting on 15-16 October in Paris and sent them to the Sherpas for their consideration and possible endorsement by G20 Leaders at the Antalya Summit.

In addition, as a G20 deliverable under the Turkish Presidency, the B20 with the support of some interested countries, developed an Anticorruption Education Toolkit for SMEs, referred by the group for the commendation of G20 Leaders at the Antalya Summit.

Furthermore, G20 Presidency, International Chamber of Commerce, and the Union of Chambers and Commodity Exchanges of Turkey promote establishment of an International Centre for Ethics and Integrity for the Business Community under the World SMEs Forum (WSF), which will build capacity to promote a clean, sustainable business environment for private sector enterprises, in particular SMEs.

Beneficial Ownership

G20 Leaders, at the Brisbane Summit, adopted G20 High Level Principles on Beneficial Ownership Transparency, which included a commitment for countries to submit written plans that outline concrete steps to implement the Principles. In order to continue this important workstream, and to fulfill ACWG member countries’ commitments, ACWG

members submitted their national implementation plans and agreed to have those plans published on G20 official website.

With regards to the company ownership guides, the World Bank has worked with countries and utilized countries' input to prepare Individual Country Guides on Company Ownership Transparency. Development of these guides fulfills an important item of the 2015-2016 ACWG Action Plan and will be published on the World Bank website after the October Meeting.

Asset-Financial Disclosures and Immunities

The World Bank continues to closely work with remaining countries to update and/or validate Asset Disclosure Country Profiles for publication by the Antalya Summit on G20 official website.

The ACWG continues to focus on the important issue of ensuring the accountability of public officials, including related to disclosures by senior officials and limiting immunities. To this end, during the 3rd meeting the Group discussed the commitment language proposed by the United States to be included in outcomes of 3rd ACWG Meeting.

Procurement

Upon the request by G20 countries, the OECD prepared a Compendium of Good Practices for Integrity in Public Procurement. In order to continue this priority area of work, and in line with the compendium, the ACWG developed G20 Principles for Promoting Integrity in Public Procurement. Following discussions at both the 1st and 2nd meetings, and after comments by countries, final "G20 Principles for Promoting Integrity in Public Procurement" were adopted as of July 2015 by the ACWG and sent to the Sherpas for their consideration and possible endorsement by G20 Leaders at the Antalya Summit. These general principles are applicable to all G20 Members, as the principles have the flexibility to apply given differences in form of government, legal framework and level of development of the public procurement systems. These principles complement international recommendations, including the OECD Recommendations on Public Procurement.

Open Data

Mexico and Canada drafted guiding principles on the area of open data, which were circulated prior to the both 1st and 2nd meeting of the ACWG, were discussed and adopted in October by the ACWG and sent to the Sherpas for their consideration and possible endorsement by G20 Leaders at the Antalya Summit. The G20 Anti-Corruption Open Data Principles are in line with the G20's mandates around Open Data and supports the key global efforts to address challenges through a coordinated approach, and building on the progress already made by international Open Data experts around the definition of key principles. The Principles were designed specifically to meet the goals of the G20 and needs of the ACWG, while also promoting interoperability and equivalence with other efforts around International Open Data principles that are currently being discussed at the global level.

Fiscal and Budget Transparency

The ACWG asked the OECD and the World Bank to prepare an analytical report by the January Meeting on 2016, based on relevant case studies and G20 country experiences, as well as existing international standards such as the OECD Best Practices in Budget Transparency and the IMF Code of Good Practices in Fiscal Transparency, in order to identify good practices in promoting fiscal and budget transparency in G20 countries.

Foreign Bribery

The co-chairs thanked the OECD for its continued work to finalize the G-20 Foreign Bribery Self-Assessment Report. Taking into account comments from delegations, the OECD compiled a final version and eventually the Report published on G20 official website. In addition, separately, OECD provided the Group with a note, for members' consideration and discussion at the October meeting that contains ideas for potential next steps on foreign bribery.

On voluntary disclosure in bribery cases, members determined that whether and how to go forward requires further collective discussion, given the novelty of practice in this area and its incorporation into the agenda of other fora such as the Working Group on Bribery. UNODC and OECD prepared a paper on information about practice in this area, using available sources and taking into account the comments at the meeting.

India and Indonesia updated the Group on continued consideration of anti-bribery legislation.

During the October meeting in Paris, the Group was briefed by the WGB Chair on WGB's efforts and perspectives as well as areas of mutual support between the WGB and the G20 ACWG, including possible guidance on criminalisation of foreign bribery. The Group discussed the possibility of a joint meeting between the WGB and the ACWG

International Cooperation: Asset Recovery

The Group discussed the proposed "G20 Principles for the Disposition and Return of Confiscated Proceeds of Corruption" at the 3rd meeting on 15-16 October in Paris, which were updated after comments and discussions during the 2nd meeting. The Group did not finalize consideration of a draft principles and will take the issue up again in 2016. To that end, the World Bank and UNODC, working with interested delegations, will compile information about models and good practices established in this area, for discussion at the Group's meetings in 2016.

In full compliance with G20 Asset Recovery Principles adopted by G20 Leaders, the World Bank updated G20 Asset Recovery Country Profiles in collaboration with each G20 member country. The Profiles will be published on the G20 official website.

The World Bank reported that the Egmont Group, which is comprised of FIUs, continues its work to incorporate corruption into its operations. Also, the World Bank updated the group on developments to create a Gold or Silver Notice at INTERPOL, in order to use the INTERPOL notice channels for operational cooperation to assist with asset recovery.

Finally, Co-chairs decided to share within the ACWG through outcomes the information on the Global Focal Points network and its upcoming meeting in Delhi.

International Cooperation: Denial of Entry Experts Network

At the 2012 summit in Los Cabos, Mexico, the G20 Leaders Declaration endorsed the “G20 Common Principles for Action: Denial of Safe Haven” and initiated a denial of entry experts’ network. At the 2013 summit in St Petersburg, G20 leaders announced they had established a Denial of Entry Network contact list, comprised of experts in all G20 jurisdictions, to facilitate the sharing of information on corrupt officials. Building on this, first meeting of the G-20 Network of Experts in Denial of Entry took place in Paris October 14, just before the 3rd Meeting of the ACWG.

Co-chairs sent finalized readout of meeting to ACWG, then will post it to be published on G20 ACWG website by the Summit.

High Risk Areas: Extractives

The UK developed a note on targeted approaches to address corruption in the extractives sector by taking into account comments and discussions from the 2nd and 3rd meeting of the ACWG. Additionally, the OECD described the key findings of a typology study circulated to the Group, on corruption risk along the extractives value chain and outlined areas for possible support to the G20 ACWG, including on-going work on incentives to avoid corruption in this sector.

High Risk Areas: Fisheries and Primary Forestry

During the October meeting the World Bank presented an updated version of the G20 ACWG Note Addressing Corruption in Forests and Fisheries which identifies corruption-related risks.

High Risk Areas: Customs

The Group received and supported a plan proposed by Mexico for ACWG work in this area. Mexico circulated a draft of self-assessment questionnaire on G-20 practices in this area for finalization in October and after receiving comments from the members, “Integrity in Customs Self-Assessment Questionnaire” adopted in Paris Meeting on 15-16 October for completion

Mexico also disseminated to the Group for the October meeting a first draft of a “Strategic Paper on Best Practices to Identify Successful Strategies for Preventing and Countering Corruption in Customs” after the Washington meeting. This Strategic Paper was prepared to support the G20’s work on anti-corruption, particularly in the context of preventing and countering corruption in Customs. The objective is to describe the problem of Customs corruption and discuss general approaches for mitigation. This particular document is not intended as technical guidance but as a strategic, high-level position paper. The document was prepared by the World Customs Organization and the ACWG agreed to finalize by the January Meeting on 2016.

High Risk Areas: Construction

The ACWG continue to work closely with CoST initiative on their anti-corruption efforts in this field. At the 2nd meeting of ACWG in Washington, CoST provided an update on their workstreams to the ACWG.

Follow Up Work

Private Sector Transparency and Integrity;

- Identifying and sharing practices for providing incentives for businesses to self-report breaches of corruption laws in G20 countries
- Assessing what other steps could be taken to provide guidance to the private sector on anti-corruption in partnership with the B20 and other G20 engagement groups

Beneficial Ownership;

- Continue to work with the Financial Action Task Force (FATF), the World Bank and the OECD to support the implementation of the relevant FATF recommendations on beneficial ownership transparency
- Publish members' written plans to implement the G-20 High Level Principles on Beneficial Ownership Transparency

International Cooperation;

- Completing a self-assessment of the operation of G20 asset recovery regimes including successes and challenges
- Identify and sharing good practices and tools in asset recovery in G20 countries
- Sharing good practices for promoting international cooperation in civil and administrative procedures related to corruption and consider next steps
- Identifying and sharing practices for the denial of entry to corrupt officials and those who corrupt them across all G20 jurisdictions, including criteria used for denial of entry and discussion of domestic frameworks
- Developing a collective G20 agenda to promote effective asset recovery
- Continue to cooperate with and support for the work of the FATF on anti-corruption and anti-money laundering, including by continuing the dialogue between the ACWG and FATF anti-corruption experts

Procurement;

- Preparing a practical toolkit for G20 governments on integrity in public procurement
- Conducting analytical work on procurement practices, and consider next steps

Open Data;

- Preparing G20 compendium of good practices and lessons learned on open data and its application in the fight against corruption
- Completing self-assessments of open data frameworks and initiatives, with reference to the G20 Open Data Principles, and considering next steps

Foreign Bribery;

- Continue to encourage the two remaining countries that have not done so yet to criminalize domestic and foreign bribery and continue the countries that have not done so yet to establish the liability of legal persons, which may be criminal, civil or administrative

- Encouraging G20 Members to ratify OECD Anti-Bribery Convention and actively participate in the OECD Working Group on Bribery with a view to exploring possible adherence to the OECD Anti-Bribery Convention
- Preparing a G20 toolkit on codes of conduct and disciplinary measures for public officials to assist in the fight against bribery and corruption
- Examining the role played by intermediaries in facilitating corruption including existing analytical work

Preventing and combating corruption in high-risk areas;

- Completing a self-assessment of G20 customs administrations, based on international standards such as the World Customs Organization's Revised Integrity Development Guide
- Completing a scoping study of best practices for promoting integrity in customs administrations in G20 countries
- Identifying next steps to combat corruption in their customs administrations building on the results of the scoping study
- Developing best practices to identify and address risks of corrupt payments in the extractive industries, and consider next steps, including the possibility of developing high-level principles for corruption mitigation in the extractives sector
- Considering and promoting anti-corruption initiatives within the fisheries and primary forestry sector
- Reviewing existing initiatives aimed at promoting transparency and integrity in the construction sector, and considering next steps, including how the G20 can add value in this area