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# **The Role of the G20 and B20 in the fight against corruption**

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# The Role of the G20 and B20

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- Background to the Anti-Corruption Working Group
- Seoul Anti-Corruption Action Plan
- Monitoring Progress
- Role of the B20
- Where we are now – 2012 highlights
- Where next – renewed Action Plan

# Background G20 - ACWG

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- G20 Anti-Corruption Working Group Created at G20 Toronto Summit, June 2010
- G20 Seoul Summit: approval of Anti-Corruption Action Plan with a two year mandate, November 2010
- Working Group Co-chaired in 2011 by France and Indonesia, and by Mexico and the United Kingdom in 2012
- Annual Monitoring Reports
- Strong involvement of
  - international organisations (World Bank, OECD, UNODC, IMF and FATF)
  - business – through the B20 process
- Mandate renewed at Los Cabos Summit in June 2012, with a renewed Action Plan commissioned
- Renewed Action Plan published November 2012

# Seoul Action Plan Priorities



An ambitious two year Action Plan, including:

- Ratification and implementation of UNCAC and strengthen the individual reviews in line with the current Terms of Reference of the Review Mechanism.
- Adopt and enforce laws and other measures against international bribery, such as the criminalization of bribery of foreign public officials.
- Prevent corrupt officials from accessing the global financial system and from laundering their proceeds of corruption, and to update and implement the FATF standards.
- Prevent corrupt officials from travelling abroad with impunity and consider how to deny entry and safe haven.
- Support the recovery of proceeds of corruption abroad.
- Protect whistleblowers who report suspected corruption.
- Strengthen the effective functioning of anti-corruption bodies or enforcement authorities.
- Promote integrity, transparency, accountability and the prevention of corruption in the public sector.



ANNEX III

## G20 Anti-Corruption Action Plan

### *G20 Agenda for Action on Combating Corruption, Promoting Market Integrity, and Supporting a Clean Business Environment*

Corruption threatens the integrity of markets, undermines fair competition, distorts resource allocation, destroys public trust, and undermines the rule of law. Corruption is a severe impediment to economic growth, and a significant challenge for developed, emerging and developing countries. As leaders of major trading nations, we have a special responsibility to prevent and tackle corruption, to establish legal and policy frameworks that promote a clean business environment and to continue to assist G20 countries in their capacity building efforts to combat corruption.

Building on our Leaders' declarations, the G20 commits to supporting a common approach to an effective global anti-corruption regime, the principles of which are enshrined in the provisions of the United Nations Convention against Corruption (UNCAC); showing collective leadership by taking action in high priority areas that affect our economies; and to directly engaging our private sector stakeholders, who represent the leading share of global businesses, in the development and implementation of innovative and cooperative practices in support of a clean business environment. In that respect, the G20 agreed in Toronto to establish a Working Group to make comprehensive recommendations for consideration by Leaders in Korea in November 2010 on how the G20 could continue to make practical and valuable contributions to international efforts to combat corruption and lead by example.

In this regard, we recognize the importance of building upon and complementing existing global mechanism, i.e., the UNCAC, including other international instruments such as the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* and regional instruments.

To this end the G20 will lead by example in key areas, including but not limited to, as follows:

1. To ratify or accede, and fully implement the UNCAC by G20 countries as soon as possible, to invite non-G20 states to ratify or accede to the UNCAC and to strengthen the individual reviews in line with the current Terms of Reference of the Mechanism for the Review of Implementation of the UNCAC, by ensuring that our individual reviews, under the new implementation review mechanism, are conducted in an effective and thorough manner, and endeavor to enhance the level of transparency and inclusivity.
2. To adopt and enforce laws and other measures against international bribery, such as the criminalization of bribery of foreign public officials, and begin by 2012 the necessary discussions to lead to, on a voluntary basis, more active engagement within the OECD Working Group on Bribery with regards to the standards of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or to the ratification of the Convention. G20 countries will as well promote the effective implementation of Article 16 on bribery of foreign public officials and public international organizations of the UNCAC.
3. To prevent corrupt officials from accessing the global financial system and from laundering their proceeds of corruption, we call upon the G20 to further strengthen its effort to prevent

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# Monitoring progress



		Aus.	Arg.	Brz.	Can.	Cl
International Cooperation	Prompt and effective MLA	✓	✓	✓	✓	
	Instances of use of UNCAC as basis for MLA or extradition	✓	✓	X	X	
	CRO basis for extradition	✓	✓	✓	✓	
Asset Recovery	CRO predicate for money laundering	✓	✓	✓	✓	
	Measures to identify and trace proceeds of CRO	✓	✓	✓	✓	
	Measures to freeze proceeds of CRO	✓	✓	✓	✓	
	Measures to confiscate proceeds of CRO	✓	✓	✓	✓	

G20 Anti-Corruption Action Plan – Combating Corruption, Promoting Market Integrity, and Supporting a Clean Business Environment  
First Monitoring Report

		Aus.	Arg.	Brz.	Can.	Chn.	Fr.	Ger.	India	Indo.	It.	Jap.	Kor.	Mex	Rus	SAF.	SAR.	Spa.	Tur.	UK	US	
International Cooperation	Prompt and effective MLA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Instances of use of UNCAC as basis for MLA or extradition	✓	✓	X	X			X	X				X	X		X					X	
	CRO basis for extradition	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Asset Recovery	CRO predicate for money laundering	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Measures to identify and trace proceeds of CRO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Measures to freeze proceeds of CRO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Measures to confiscate proceeds of CRO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Legislation for protection of whistleblower	in the private sector	✓	X	X	✓	✓	✓	X	X	X	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	
	in the public sector	✓	X	X	✓	✓	✓	X	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Strengthening ACAs	Existence of specialized authorities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Functions of ACAs	1) prevention	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		2) research and coordination	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	✓	X
		3) investigation	✓	✓	✓	✓	X	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓
		4) prosecution	✓	X	✓	✓	X	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	X
5) asset recovery		✓	X	X	✓	X	✓	✓	X	X	X	X	✓	✓	✓	✓	✓	✓	X	✓	X	
Public sector integrity	Codes of conduct for public officials (PO)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Training of PO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Mandatory reporting by PO for alleged acts of corruption	✓	✓	✓	X	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Measures to prevent conflicts of interest	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	
	Asset disclosure by PO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	
	Measures for integrity of public procurement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Public private partnerships	Legal right to public access to government information	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	UNCAC Gap and Compliance analysis undergone or requested	✓	X	X	X	X	X	X	X	X	X	✓	X	X	X	X	X	X	X	X	X	
	OECD Integrity Review	X	X	X	X	X	X	X	X	X	X	✓	X	X	X	X	X	X	X	X	X	
	Participation in other anti-corruption initiatives	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

- Annual Monitoring Report provides transparency – highlights individual country and overall G20 progress

# The B20



- B20 established a task group examining anti-corruption and transparency
- Over two years, emerging alignment in priorities and effective dialogue (including events in Paris (2011) and Puerto Vallarta (2012)).

- Areas considered included:
  - Private sector participation in UNCAC reviews
  - Best practice anti-corruption practices
  - Public-private partnerships
  - capability building to support SMEs
- B20 Recommendations presented to the G20

#### 4. Create Business Programmes, Including Training, to Encourage Cross-fertilization within the Private Sector and Between Public and Private, with a Specific Focus on Capacity-building

<b>Description of action</b>		<b>Relevance</b>	
<ul style="list-style-type: none"> <li>Identify how the private sector can share best practices, training materials, education and resources to support the implementation of integrity programmes, control procedures and raise awareness in both the public and private sectors</li> <li>Have business reciprocally call on governments to share their programmes with the private sector environment</li> </ul>		When considering the present corruption/anti-corruption situation, one arrives at the conclusion that our most important priority should not be to add new international conventions or other legal instruments. Rather, priority should be on further awareness raising of the need to fight corruption and the promotion of more effective implementation anti-corruption compliance measures by companies through concrete and down-to-earth training and education programmes within companies.	
<b>Criteria for success</b>		<b>Expected Impact</b>	
Increased anti-corruption compliance throughout the world.		<ul style="list-style-type: none"> <li>Leveling of the playing field</li> <li>Reduction of private-to-private bribery</li> <li>Reduction of private-to-public bribery</li> </ul>	
<b>Main beneficiaries and decision-makers</b>			
<ul style="list-style-type: none"> <li>MNEs and SMEs</li> <li>International business organizations such as the ICC</li> </ul>		<ul style="list-style-type: none"> <li>International organizations such as the UNODC and the OECD</li> <li>National governments</li> </ul>	
<b>Activities</b>	<b>Timeline</b>	<b>Main barriers for implementation</b>	<b>Support required from stakeholders</b>
<ul style="list-style-type: none"> <li>Develop training materials on anti-corruption compliance, drawing on the ICC's <i>Fighting Corruption: International Corporate Integrity Handbook</i> and the upcoming G20 anti-corruption compliance handbook for the private sector</li> <li>Develop and deliver a "train the trainers" programme, provided by business people for compliance officers</li> </ul>	<ul style="list-style-type: none"> <li>Materials developed within six months of the Los Cabos summit</li> <li>A first train-the-trainers programme for compliance officers delivered within 12 months of Los Cabos</li> </ul>	Challenges in reaching targets throughout the world	<ul style="list-style-type: none"> <li>In the long-term view and based on experience, public sector to consider giving recognition (or endorsement) of training/education efforts of individuals and companies that have successfully completed a structured training programme</li> <li>Need for strong link with public sector on this effort, as represented by the major specialized anti-corruption organizations (UNODC, OECD), with aim of adding weight/ their authority by participating in the proposed curriculum</li> </ul>

## Where we are now - 2012 Highlights

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- Endorsement by the G20 countries of the principles for denial of entry of corrupt officials, and convening experts meeting
- Endorsement by the G20 countries of the principles for financial and asset disclosure systems for relevant officials to prevent, identify and appropriately manage conflict of interests
- Publication of a guide on Mutual Legal Assistance from G20 countries, as well as information on asset tracing profiles
- Engagement with business in the fight against corruption including, in accordance with the Terms of Reference of the review mechanism, involvement of the private sector and civil society in the UNCAC review process on a voluntary basis
- Renewal of the mandate (extension) of the ACWG for two years to the end of 2014
- Second Monitoring Report and renewed Action Plan published in November 2012

# Where next: the renewed action plan

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- Builds on the commitments made, as G20 renews its pledge to implement fully the commitments in the Seoul Action Plan
- A focus on closing the implementation and enforcement gap, for example:
  - Sharing best practice, guidance and information on enforcement and asset recovery
  - Denial of entry experts network
  - Building on international cooperation efforts and MLA guidance
- Also areas where there are opportunities to work with the private sector, in particular the B20, for example:
  - identifying best practices to encourage voluntary self-reporting
  - identifying enforcement measures that are effective in changing behaviour of bribe payers
  - identifying best practices from sectoral initiatives and carrying our risk-mapping of those areas and sectors at greatest risk
- Russia have taken on the G20 Presidency in 2013 and will co-chair with Canada, and will be followed by the Australian Presidency in 2014