



G20 Themes #2

Anti-Corruption

Goal on Anti-Corruption

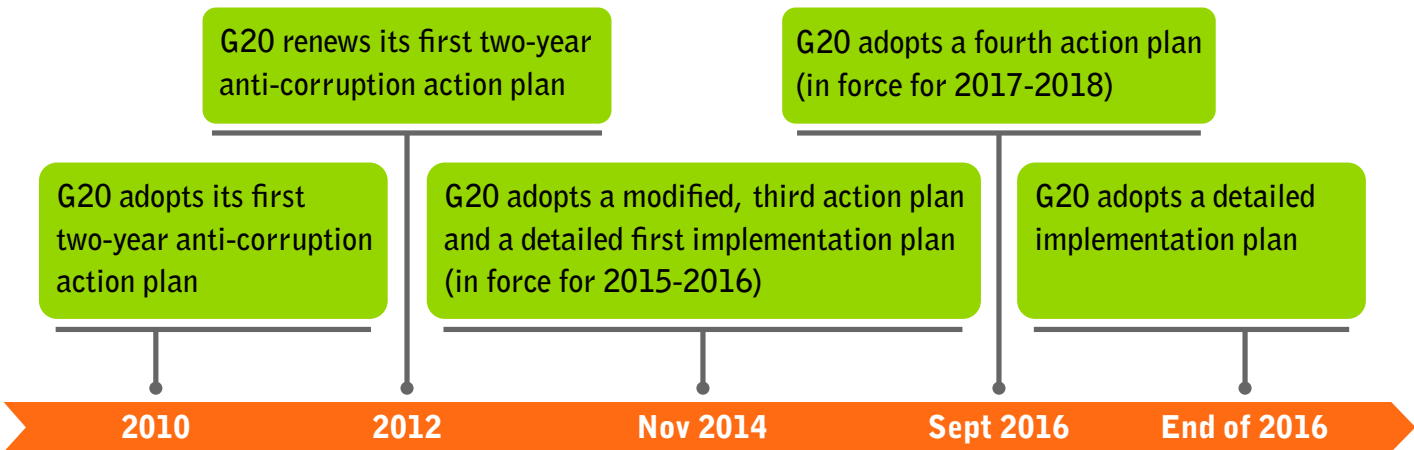
Tackling corruption is crucial to the G20’s goal of generating inclusive growth and establishing a cleaner, safer, more sustainable economic framework. Opacity in the global financial system hides corrupt and criminal acts, such as asset flight, bribery and money laundering. The cross-border nature of the problem requires global solutions, ones that the G20 must lead on.

In 2010 G20 Leaders requested a new G20 Anti-Corruption Working Group to focus on ‘areas that include, but are not limited to’:

«adopting and enforcing strong and effective anti-bribery rules, fighting corruption in the public and

private sectors, preventing access of corrupt persons to global financial systems, cooperation in visa denial, extradition and asset recovery, and protecting whistleblowers who stand-up against corruption.»¹

In 2010 the G20 adopted its first two-year anti-corruption action plan, renewed in 2012. The G20 members adopted a modified, third action plan in November 2014 for the term 2015-2016 and in Hangzhou adopted a fourth plan for 2017-2018. A detailed implementation plan will likely be adopted by the end of 2016.



What it means

The G20 Anti-Corruption Action Plan 2017-2018 prioritises the following areas:

1. Practical cooperation: The G20 seeks to improve the way they work together so as to enforce anti-corruption and anti-money laundering legislation across borders, and return stolen assets. New efforts to deny safe haven to corrupt officials who have fled to another country were elaborated under the Chinese presidency.

2. Beneficial ownership transparency: Collecting, verifying and sharing information on the real people who

own and control companies (as opposed to nominees or other companies) makes it harder for corrupt people to hide their identity in transactions. The G20 commits to increase efforts to adhere to global standards on transparency where most countries are currently not compliant.

3. Private Sector transparency and integrity: The G20 commits to support efforts to increase integrity in the private sector with particular attention on Small and Medium-sized Enterprises, and the non-financial professional services sector (such as lawyers, accountants, real estate agents).

4. Bribery: The G20 commits to criminalising domestic and foreign bribery and ensuring implementation of legislation. The group commits to look into possibly ensuring all four remaining G20 countries ratify the OECD foreign bribery convention.

5. Public Sector transparency and integrity: The G20 commits to improve transparency and accountability in the public sector. This includes future work on citizen engagement, strengthening anti-corruption authorities, public-private partnerships, conflicts of interest and immunities and the use of open data building on the G20 Open Data Principles.

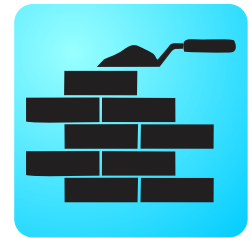
6. Vulnerable sectors: In the past, the G20 has focused on “vulnerable sectors”, defined as extractive

industries, forests and fisheries, customs and construction. The G20 commits to continue work on vulnerable sectors, but it is not yet clear whether the specific sectors will be the same or will change.

7. International organisations: The G20 commits to supporting international organisations in its efforts to expand their work on anti-corruption.

8. Capacity Building: The G20 commits to support countries’ implementation of the UN Convention against Corruption (UNCAC), the first global, legally binding UN Convention, and other anti-corruption initiatives through technical assistance.

Sectors vulnerable to corruption



Limitations regarding commitments

The G20 is an important decision-making body for a number of reasons. It has produced guides, studies and high-level principles on a range of issues such as the following:

- Guiding Principles on Enforcement of the Foreign Bribery Offence (2013) ([download](#))
- High-Level Principles on Asset Disclosure by Public Officials (2012) ([download](#))
- [High-Level Principles for Promoting Integrity in Public Procurement \(2015\)](#)
- [High Level Principles on Beneficial Ownership Transparency \(2014\)](#)
- [Anti-Corruption Open Data Principles \(2015\)](#)

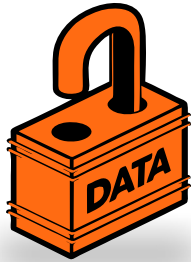
In addition, the G20 makes legislative recommendations and commitments to which civil society and other stakeholders can hold them accountable and which can raise the international bar in ways such as these:

- *“The remaining three G20 countries will ratify and fully implement the UNCAC as soon as possible.”*
- *“The G20 countries that do not already have whistleblower protections will enact and implement whistleblower protection rules”*
- *“We will continue efforts to deny entry and safe haven in our jurisdictions to corrupt officials and those who corrupt them.”²*

However, the G20 Principles are not binding and whilst there has been some progress over time, implementation of commitments by G20 member countries is weak. Transparency International [assessed the state of implementation](#) of the G20 Beneficial Ownership Principles one year after adoption and found only one country (the UK), had an effective system in place. Equally, since the Anti-Corruption Working Group was adopted, commitments have been issued that encourage all G20 countries to ratify the OECD foreign bribery convention. Four countries have yet to do so: India, Indonesia, China and Saudi Arabia.

Progress over time

- In the last three years, India and Saudi Arabia ratified the UN Convention against Corruption in line with commitments, meaning all but Japan have done so. Fifteen of 17 which have undergone reviews are engaging with civil society.
- All but four G20 countries (China, India, Indonesia and Saudi Arabia) have ratified the OECD foreign bribery convention with Russia fully acceding in April 2012. China, India and Indonesia have however begun to engage with the OECD Working Group on Bribery on the issue.
- Several G20 countries have adopted or strengthened whistleblower legislation in line with G20 commitments, [however implementation across the board](#) remains weak.
- The G20 adopted [G20 High Level Beneficial Ownership Principles](#) in 2014 requiring action on secret company ownership. Implementation remains weak across the board but France, South Africa and Australia have all made commitments to set up or consider setting up public beneficial ownership registers, which is the global standard. The UK has already established its own public register.



the G20 Anti-Corruption Working Group by the end of 2016. However, it is clear that the G20 will pay special attention to the “openness” agenda, by supporting efforts to adopt [open contracting principles](#) and open data principles in public financial management. This will reduce the opportunities for taxpayers’ money to be lost to corruption behind poor, bureaucratic systems. China has placed the return of “fugitives” on the agenda, seeking commitments from G20 countries to ramp up efforts to deny allegedly corrupt former public officials safe haven, and to seek their extradition to face trial.

The role of the Engagement Groups³

The **Business 20** (B20) was established in 2012 to provide a platform for major businesses to engage with G20 government representatives. The B20 has established an Anti-Corruption Working Group to operate in parallel with the relevant C20 and G20 working groups. Under the Chinese presidency the group was disestablished, however Germany intends to reinstate it. Transparency International has participated as an expert advisor since the Mexican presidency in 2012.

The **Civil 20** Anti-Corruption Working Group was established by the Russian Presidency in 2013 and continued as a Governance Working Group under the Australia and Turkey presidencies. It too was disestablished under the Chinese presidency. Transparency International intends to continue its work with the G20 Anti-Corruption Working Group and with other partners to advance G20 action on anti-corruption throughout the German presidency in 2017.

Future direction

The implementation details of the new G20 Anti-Corruption Action Plan 2017-2018 will be released by

¹ See here: <http://www.g20.org/English/Documents/PastPresidency/201512/P020151225683214819877.pdf>, page 10, par. 40

² All quotes from G20 Anti-Corruption Action Plan 2013-2014 https://www.oecd.org/g20/topics/anti-corruption/G20_Anti-Corruption_Action_Plan_2013-2014.pdf

³ See „Fundamentals #4“ concerning the different Engagement Groups

Imprint

Published by: Heinrich-Böll-Stiftung e.V.

Editing: Heike Löschmann, Nancy Alexander

Author: Maggie Murphy, mmurphy@transparency.org

Place of publication: www.boell.de

Date of publication: October 2016

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