



# **B20**

## Task Force on Improving Transparency and Anti-Corruption

Moscow  
2013

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Dear G20 Leaders,

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 Working Group on Improving Transparency and Anti-Corruption 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 Working Group on Improving Transparency and Anti-Corruption 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 Working Group on Improving Transparency and Anti-Corruption 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 Working Group on Improving Transparency and Anti-Corruption 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 Working Group on Improving Transparency and Anti-Corruption 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,

(Signed) The Members of the B20 Working Group on Improving Transparency and Anti-Corruption.

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**B20**  
**TASK FORCE**  
**RECOMMENDATIONS**  
**ON IMPROVING**  
**TRANSPARENCY AND**  
**ANTI-CORRUPTION**

# I.

## Background

Corruption in business transactions distorts competition, deters investment and increases the cost of goods and services. In the fight against these illicit practices, the private sector has a key role to play, both by exercising pressure on 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 G20 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 Task Force on Improving Transparency and Anti-Corruption will build on these recommendations, which all remain relevant, and identify concrete and achievable measures that both companies and governments can take to carry forward the fight against corruption. They will echo the G20 agenda laid out in the Seoul Anti-Corruption Action Plan and the G20 Anti-Corruption Working Group's first monitoring report, which was released in Cannes, to ensure consistency and complementarity in G20 and B20 efforts.

However, proposed actions can only be successful if countries have the proper legal and institutional framework in place to ensure a level playing field. For this reason, the business community continues to urge all G20 countries to ratify, rigorously enforce and monitor the implementation of the UN Convention against Corruption (UNCAC) and the Organisation for Economic Co-operation and Development (OECD) Convention against Bribery of Foreign Public Officials. Two areas of critical importance to business will be sustained efforts by G20 governments to curb the demand-side of bribery – by ensuring that solicitation is properly addressed – and to develop incentivizing measures that support good behaviour by all market participants.

The launch of the Seoul Anti-Corruption Action Plan and the continuous engagement of the G20 Working Group on Anti-Corruption have provided much needed impetus to advance key objectives in the fight against corruption and to foster a strengthened partnership between the public and the private sectors.

THE B20 URGES G20 LEADERS TO REAFFIRM THE MANDATE OF THE G20 WORKING GROUP ON ANTI-CORRUPTION BEYOND THE LOS CABOS SUMMIT AND FOR SUBSEQUENT YEARS WITH A VIEW TO:

- Secure the full implementation of the Seoul Anti-Corruption Action Plan
- Identify and develop new streams of work that will contribute to the Action Plan's objectives
- Maintain a strong and continuous dialogue with the business community, including international governmental and, on specific issues, non-governmental organization

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

## II. Key Policy Messages and Recommendations

The Working Group has identified **six priorities** which hold the most potential for progress in the context of the Los Cabos Summit. For each of these six priority areas, we have developed key recommendations for individual and collective action by governments and business from the G20 and beyond.

### I. Enhancing Transparency in Government Procurement

Public procurement is an area that warrants special attention in the fight against corruption. It accounts for a significant percentage of global GDP and is highly vulnerable to corruption due to the size of the financial flows and the close interaction between the public and the private sectors it generates. In this context, global standards and mechanisms should be established to ensure transparency in government procurement and prevent acts of corruption.

Both business and governments of the G20 recognized procurement as a priority area of focus. In Cannes, G20 members undertook to “adopt fair and transparent government procurement systems” and endorsed a set of broad principles to guide their efforts. Looking ahead, governments and business should ensure that concrete actions are taken to implement these principles.

#### Government-driven actions

ENSURING TRANSPARENCY IN PROCUREMENT IS THE PREROGATIVE OF GOVERNMENTS. IN PARTICULAR, GOVERNMENTS SHOULD:

- Conduct **independent assessments** of their public procurement systems, through OECD Public

Procurement Reviews or other international mechanisms, and publish the results of these assessments.

- Ensure transparency through the whole procurement cycle by: ensuring **public electronic access** to key procurement information and making use of new technologies for monitoring procurement processes; paying special attention to the pre-tendering and execution phases of public contracts, which often lack proper oversight; and following the model of the “well-prepared project”, which takes into account the whole lifecycle cost.
- Signal their clear support for re-initiating negotiations within the **WTO** for a multilateral agreement on worldwide standards for procedures and transparency in government procurement, based on the WTO Government Procurement Agreement.
- Integrate indicators on public procurement effectiveness and transparency in the World Bank’s Doing Business reports.
- Make demonstrated efforts to promote the integrity of public officials and to properly investigate and prosecute public sector corruption.
- Implement rules and mechanisms to prevent and detect illicit acts, for example by requiring public officials working in vulnerable positions to disclose relevant assets.
- **Include, in public procurement projects, clauses requiring companies to certify that they have robust anti-corruption compliance programs in place.**
- Give **positive recognition** of proper compliance by companies, including by allowing “self-cleaning”, i.e. recognizing companies that promptly and effectively remedy past problems.

#### Business-driven actions

ENHANCING INTEGRITY IN PUBLIC PROCUREMENT ALSO REQUIRES ADDRESSING THE SUPPLY SIDE OF BRIBERY. THEREFORE, COMPANIES SHOULD:

- Elaborate a detailed **diagnostic of risks** in public procurement cycles, including in the pre-tendering and execution phases, to help identify vulnerabilities and adequate risk mitigation measures.
- **Set up robust ethics and compliance programs and develop mechanisms to examine and improve their effectiveness.** For this effort, companies should



take into account internationally recognized tools developed by national and international business organizations or under the framework of the G20 (such as the G20 Anti-Corruption Compliance Handbook for Business, currently under preparation).

## Joint public-private actions

GOVERNMENTS AND BUSINESS SHOULD IDENTIFY SPECIFIC MECHANISMS TO ACT JOINTLY AGAINST CORRUPTION IN PROCUREMENT. TOGETHER, THEY SHOULD:

- Enter into “integrity pacts” monitored by an independent third party (e.g. by civil society organizations) and consistent with anti-trust regulations, whereby government agencies and all bidders for a public contract agree to neither pay nor solicit bribes, and not to collude with competitors.
- Enter into sectoral integrity initiatives initiated by the specific sectors and possibly monitored by an independent third party, such as a consultant, whereby participants would define precise rules of behaviour and governance compliant with anti-trust laws and regulations. Those sectoral integrity initiatives would be brought to the knowledge of all stakeholders. The public sector would be expected to do its part by implementing appropriate compliance and training programs to reduce the demand side.
- Develop other joint actions, including independent monitoring, e.g. for work and services contracts in the context of mega-projects such as major sport and cultural events or high-level political summits. Active participation by companies in such integrity pacts or sectoral integrity initiatives could be included as an eligibility requirement for public tenders.

## II. Promoting, Extending and Implementing Collective Action and Sectoral Initiatives

A number of Collective Action and Sectoral initiatives have been launched in recent years to address problems linked to specific country or regional contexts and industry sectors. Experiences from these initiatives should be pooled together to replicate their successes

and address their weaknesses. Additional efforts are needed to increase the number of companies participating in these initiatives and to address the issue of solicitation of bribes by public officials.

Collective Action initiatives in specific country contexts have proven most successful when: they were developed bottom-up to address a specific local issue; there was a strong collaboration between government and the private sector with tangible mechanisms, such as a clear code of conduct that was widely disseminated and supported by a monitoring system; the initiative was recognized, incentivized and supported by the public sector at the top level; and when the initiative was driven by a champion recognized by the public and the private sectors.

Sectoral initiatives bringing together companies from a similar industry are among the most promising approaches to address corruption. They bring together companies that face similar customers, business processes and compliance challenges and encourage them to accept the same standards of compliance. Successful sectoral initiatives require: a clear code of conduct supported by programs and policies; a neutral secretariat function with the ability to broker and facilitate the initiative; resources to operate the secretariat and to follow up with the processes; and a critical mass of companies from that industry.

More generally, we believe deeply that the set-up of credible mechanisms to report the solicitation of bribes will be critical to supporting and enhancing the effectiveness of such Collective Action and Sectoral Initiatives.

## Business-driven actions

THE BUSINESS COMMUNITY SHOULD:

- Invite all private sector participants in their value chains to join existing Collective Action Initiatives in their respective industry sectors and/or to initiate multi-sector initiatives in their respective countries of origin and in all countries in which they operate. Business associations should encourage and promote the adoption by members of effective compliance programs and provide capacity-building assistance to facilitate their development.
- Create a central hub with a user-friendly interface that leverages key tools from the Internet (e.g. videos

Please note, this section II was lead by Peter Solmssen, supported by CL CO O CA, Zindera & Forstnig-Errath

and social networks) to document, measure and share existing Collective Action and Sectoral Initiatives across industry sectors and countries. **The head of such a hub should possess broad experience in anti-corruption, including direct experience in a Collective Action Initiative.**

### Government-driven actions

#### GOVERNMENTS SHOULD:

- **Foster the adoption of codes of conduct** and other available tools by private sector participants through the appointment of **local program managers**, charged with promoting codes and driving their implementation at country level, and of a global program manager, charged with administering communication activities and executing the roll-out of these codes and tools. Governments should encourage state-owned enterprises to participate fully in these efforts.
- **Establish appropriate forms of “high-level reporting mechanisms”** to address allegations of solicitation of bribes by public officials. In particular, governments should ensure the involvement of top authorities and set up such a mechanism, in close cooperation with the support of the private sector and civil society. A pilot project could be set up in a country willing to test such a mechanism.

### Joint public-private actions

#### GOVERNMENTS AND BUSINESS SHOULD:

- Generate public-private partnerships to address the need to untangle the root causes of corruption. To monitor such partnerships, a **neutral secretariat** function should be established with senior level recognition and involvement from the public and the private sectors.

## III. Engaging The Private Sector in the Review Mechanisms of UNCAC and the OECD Anti-Bribery Convention

The private sector has a key role to play in efforts to monitor implementation of the UN Convention Against

Corruption (**UNCAC**) and the **OECD** Anti-Bribery Convention. Both instruments contain a number of provisions that, while addressed to states, have a direct impact on the private sector. Full engagement of the business community in the monitoring processes for these conventions will ensure momentum on the anti-corruption agenda and help implement and monitor agreed work plans.

The terms of reference of the **review mechanism** for the implementation of **UNCAC** provide for at least two instances in which the reviewed state can invite the private sector to actively contribute to its review process: during the self-assessment phase, and during the optional country visit. In the first year of the review mechanism, out of the 24 country reviews that are in the final stages, two countries involved the private sector during their self-assessment stage and eleven countries during the country visit, which formed part of the active dialogue. In the second year, so far, five countries involved the private sector during the self-assessment stage and six countries during the country visit.

The business community’s input has so far greatly contributed to the recommendations made by the **OECD** Working Group on Bribery to help States Parties improve their implementation and enforcement of the **OECD** Anti-Bribery Convention. “Phase 3” evaluations of the Working Group’s peer-review mechanism place an increasing emphasis on the role of the private sector. It is the first round of evaluation that focuses on State Parties’ implementation of the 2009 **OECD** Anti-Bribery Recommendation and its Annex II “Good Practice Guidance on Internal Controls, Ethics and Compliance”, which are both directly relevant to the corporate sector.

### Government-driven actions

#### GOVERNMENTS SHOULD:

- Conduct further analysis of the extent of private sector engagement in the **UNCAC** and **OECD** Working Group on Bribery **peer review processes** to date, in order to determine what has worked well in the past and how participation can be strengthened and made more effective.
- Give the private sector a role beyond providing views prior and during the review, by engaging them in

the follow-up of recommendations coming out of country reviews.

- Create a structured and transparent process including a platform to enable the private sector to provide input and feedback throughout the review process.
- Engage the private sector in an inclusive way through local business associations and similar organizations to ensure that the views expressed are representative.
- Determine how best to involve the private sector in an actual upcoming review (noting the interest of Mexico in volunteering as a pilot country in its forthcoming UNCAC review).

### Joint public-private actions

#### GOVERNMENTS AND BUSINESS SHOULD:

- Develop and promote coordinated partnerships, including between the public and private sectors, to leverage resources for advancing technical assistance efforts.
- Engage in discussions on how companies can join forces with public institutions of the countries where they do business and/or with international organizations to “invest” in public anti-corruption infrastructure.

## IV. Encouraging Cross-fertilization within the Private Sector and Between the Public and Private Sectors, through Training and Capacity-building Activities

Many companies have dedicated significant resources to the development of effective ethics and compliance programmes to ensure that their employees share a culture of compliance and understand what is expected by ethical business conduct. The private sector has the capacity to share best practices, training material and resources to support the implementation of integrity programmes and control procedures, and to raise awareness in both the public and private sectors. **Business reciprocally calls on governments to share their experience of developing similar programmes aimed at ensuring ethical conduct on the part of their officials.**

Sharing best practices in executing compliance programs within the private sector, and between business and governments, could be a low-cost and immediate measure to improve the compliance environment.

### Business-driven actions

#### TO ENCOURAGE SUCH CROSS-FERTILIZATION,

#### BUSINESS SHOULD:

- Develop a **pool of trained private-sector compliance officers** in various parts of the world, comparable to what already exists in jurisdictions where compliance efforts may be more advanced due to increased anti-corruption enforcement.
- Provide concrete practical training on anti-corruption compliance, including “train the trainers” and other educational programs provided by experienced individuals with direct business experience. These programs should draw from international anti-corruption instruments (i.e. UNCAC and the OECD Anti-Bribery Convention) and could build on existing anti-corruption compliance resources, such as the International Chamber of Commerce’s Fighting Corruption: International Corporate Integrity Handbook and the upcoming anti-corruption compliance handbook for the private sector welcomed by the G20 Working Group on Anti-Corruption.

### Government-driven actions

#### GOVERNMENTS SHOULD:

- Consider **giving formal recognition to individuals and companies which have successfully followed a structured training program.**

### Joint public-private actions

#### GOVERNMENTS AND BUSINESS SHOULD:

- Encourage intergovernmental organizations involved in the fight against corruption (i.e. UNODC and OECD) to support the development of such compliance training programs by participating in relevant parts of the curriculum and contributing training materials such as the UN Global Compact-UNODC E-Learning Tool and other resources produced under

the umbrella of the Anti-Corruption Academic Initiative and the International Anti-Corruption Academy.

## V. Encouraging the Adoption of Business Codes of Conduct, with a Specific Focus on SMEs

Growing awareness of the damages of corruption has motivated global companies to adopt increasingly comprehensive codes of conduct and compliance programs to deter and detect bribery and corruption. The same, however, cannot be said of small and medium-sized enterprises (SMEs), through which the majority of business is conducted worldwide. Although smaller enterprises have similar obligations to abide by anti-bribery laws, they do not have the same human and financial resources as multinational companies to ensure compliance with such laws.

Smaller businesses are especially vulnerable to extortion and often face the difficult choice between losing essential business and refusing to engage in corrupt practices. The exposure of SMEs to corruption is also a problem for larger companies as SMEs may be a weak link in their supply chain. While there are already a number of model codes tailored to their particular circumstances, SMEs are a difficult constituency to address because of their sheer number. More effective outreach could be done by companies, via their supply chains, chambers of commerce and government bodies such as export credit agencies.

### Government-driven actions

#### GOVERNMENTS SHOULD:

- Ask their export credit agencies to require companies, including SMEs, to have adequate anti-corruption programs as a condition for receiving credit and other financial services. To assist SMEs in fulfilling this requirement, export credit agencies should step up anti-corruption training for SMEs.
- Introduce on a pilot basis a white-list system for fast track access to finance through loan programs or export-based support (notably in the context of G20 work on “financial inclusion”). To benefit from

white-listing, SMEs should represent that they have adequate anti-corruption systems in place.

### Business-driven actions

#### COMPANIES SHOULD:

- Engage SMEs through their supply chains and provide them with concrete support in the adoption of best practices in resisting corruption, including possibly through an industry sector supply chain initiative.

### Joint public-private actions

#### GOVERNMENTS, IN COLLABORATION WITH BUSINESS

#### ASSOCIATIONS, SHOULD:

- Support efforts to broadly disseminate model codes tailored to SMEs.
- SMEs should represent that they have adequate anti-corruption programs in place as a condition for participating in public procurement.

## VI. Strengthening the legal and regulatory framework on anti-corruption

Business recognizes the importance of effective enforcement of anti-bribery laws and believes that cooperation between companies and enforcement authorities is crucial to the ultimate success of this effort. To that end, it is critical to eliminate the specific disincentives that currently discourage such cooperation and, conversely, to create incentives for companies to take a proactive role in the fight against corruption.

Specifically, the Working Group has worked to identify immediate and concrete solutions and/or tools for addressing the following challenges: encouraging and incentivizing compliance efforts and voluntary disclosure by companies and avoiding double and parallel enforcement in multi-jurisdiction cases from discouraging companies to self-report and cooperate actively in the investigation phase.

## Government-driven actions

### GOVERNMENTS SHOULD:

- Introduce clear and concrete system of leniency for companies that self-report corruption cases and/or cooperate in the investigation phase with relevant authorities.
- Establish a framework for addressing multiple jurisdiction issues and effectively implement Article 4.3 of the OECD Anti-Bribery Convention (on “Jurisdiction”) and Articles 48 and 49 of UNCAC (on “Law enforcement cooperation” and “Joint investigations”).
- Develop or revise relevant national rules, regulations, legislation or prosecutorial guidelines, as appropriate and permissible, to implement the principle of “Ne Bis In Idem”: to take into account as a final judgment the closing of an anti-bribery investigation of a company in a foreign jurisdiction, including by means of a non-prosecution agreement, a deferred prosecution agreement, or a negotiated settlement, consent decree, or plea agreement; and to avoid duplicative penalties, sanctions and disgorgement of profit by different jurisdictions whether applied by criminal authorities or civil regulators.

## Joint public-private sector actions

### GOVERNMENTS AND BUSINESS SHOULD:

- Identify, with the support of UNODC and ICC, good practices in G20 countries and beyond to incentivize companies’ self-reporting and cooperation in the investigation phase, taking into account the variety of legal frameworks in the G20 and ongoing projects to encourage the reporting of corruption (e.g. the Legal Incentives for Corporate Integrity Project run by UNODC and sponsored by the Siemens Integrity Initiative).

Siemens Integrity Initiative / UNODC Project mentioned

# III. Action Agenda for Los Cabos

The need for concrete and continuous action by G20 governments and business remains as strong as ever. The B20 strongly urges G20 leaders at Los Cabos to give a clear and permanent mandate to the G20 Working Group on Anti-Corruption in order to lock in and further advance the considerable progress that G20 countries have made, both individually and collectively. In particular, business invites the G20 to develop further the Seoul Anti-Corruption Action Plan in order to: ensure its full implementation by all G20 countries; and tackle areas so far not covered, for example, illicit flows, transparency in international payments, and corruption in the organization of major sport events. We highlight below our most pressing recommendations, with a focus on key actions and decisions that can be taken at the Los Cabos Summit and in the lead-up to the next G20/B20 summit in 2013.

I. Key priorities for G20 governments should be to streamline their public procurement processes, to address the demand-side of bribery, and to encourage and further incentivize business action against corruption.

### PROPOSED IMMEDIATE ACTIONS:

- G20 leaders should reaffirm (at Los Cabos) the mandate of the G20 Working Group on Anti-Corruption with a view to secure the full implementation of the Seoul Anti-Corruption Action Plan, to identify and develop new streams of work, and to maintain a strong and continuous dialogue with the business community.
- All G20 governments should commit (at Los Cabos) to conduct independent assessments of their public procurement systems, through OECD Integrity Reviews

and other mechanisms, and to publish the results (by 2013).

- The G20 should adopt common principles on **asset disclosure** for public officials in vulnerable positions (at Los Cabos) and all governments should timely implement them (by November 2012).
- G20 governments should agree to develop a compendium of best practices in the fight against solicitation (at Los Cabos), establish appropriate forms of **“High Level Reporting Mechanisms”** to address allegations of solicitation of bribes by public officials (by mid-2014), and endorse the setting up of a pilot project in a country willing to test such mechanisms (by November 2012).
- The G20 should develop and endorse common principles on enforcement of foreign bribery legislation (by November 2012).
- One pilot country, this year, preferably Mexico, should be identified (at the Los Cabos summit) to explore, in cooperation with the private sector, possible engagement processes and mechanisms during its upcoming **UNCAC review** process (by the beginning of the next review year in July 2012), and in the follow-up of the recommendations from the review process (by September 2012).

#### FOLLOW-UP ACTIONS:

- G20 governments, with the support of the OECD and input from the private sector, could devise a checklist for transparent process during the pre-tendering and execution phases (by 2013).
- G20 governments should introduce measures asking companies, including state-owned enterprises, **to certify that they have a robust anti-corruption compliance program** in place as an eligibility requirement to participate in public tenders and to benefit from export financing (by end-2013).
- Governments, in cooperation with UNODC and technical assistance providers, should agree on a model review process for private sector involvement in the **UNCAC review mechanism** (by April 2013) and assess the effectiveness of the selected approach (by mid-2013).
- **Export credit agencies** of G20 countries should develop anti-corruption training programs tailored to SMEs (by end-2013).

- Governments should address issues related to article 4.3 of the OECD Anti-Bribery Convention and articles 48 and 49 of UNCAC concerning multiple jurisdiction, law enforcement cooperation, joint investigations and coordinated sanctions and evaluate the need to revise national rules (by mid-2013).

## II.

Key priorities for the business community **should be to increase its participation in Collective Action and Sectoral Initiatives**, to encourage cross-fertilization through the sharing of best practices and training materials and to engage SMEs through supply chains.

#### PROPOSED ACTIONS:

- Companies should **invite participants in their value chain to join existing Collective Action Initiatives** in their respective sectors and/or to initiate multi-sector initiatives (ongoing).
- The B20 should select a head of the **Collective Action hub initiative** (by mid-2013) charged with designing and developing a central hub that will provide information on existing Collective Action Initiatives (by mid-2014).
- The business community should develop **training materials** on anti-corruption compliance (by end-2012) and deliver a “train the trainers” program aimed at compliance officers from the private sector (by mid-2013).
- Companies should **engage SMEs** through their supply chains and provide them with concrete support in the adoption of best practices in resisting corruption, including possibly through an industry sector supply chain initiative (by end-2013).

III.  
Key priorities for joint government and business action should be to develop further a platform of dialogue, to promote participation in integrity pacts, to support efforts to raise SME business integrity standards, and to identify good practices to facilitate active cooperation between companies and enforcement authorities.

**PROPOSED ACTIONS:**

- Governments and business should work together to further step up the G20/B20 dialogue, also through the creation of a devoted permanent platform, through which both actors could develop and implement realistic commitments (by end-2012).
- Governments and business should commit to enter integrity pacts and other joint sectoral initiatives (ongoing) and establish active participation by companies in such initiatives as an eligibility requirement for participating in public tenders.
- Relevant G20 government bodies and business associations should devise a strategy to disseminate model codes of conduct tailored to SMEs and encourage SMEs to implement an anti-corruption program as a condition for participating in public procurement (by end-2013).
- Governments and business should identify good practices to incentivize self-reporting by companies and active cooperation with enforcement authorities, and where appropriate carry out pilot projects (by end-2012). ♦

# The B20 strongly urges the establishment of a permanent G20 Working Group on Anti-Corruption through future G20 Presidencies

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>The B20 strongly urges G20 leaders at Los Cabos to give a clear and permanent mandate to the G20 Task Force on Anti-Corruption. The B20 Task Force is committed to cooperate with the G20 countries in the full implementation of the Seoul Action Plan and in the work for its extension after 2012. The B20 Task Force 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.</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>The launch of the Seoul Anti-Corruption Action Plan and the continuous engagement of the G20 Task Force on Anti-Corruption have provided much needed impetus to advance key objectives and to foster a strengthened partnership between the public and private sector.</li> </ul>		<ul style="list-style-type: none"> <li>Forward momentum on the anti-corruption agenda</li> </ul>	
CRITERIA FOR SUCCESS		ACCOUNTABLE FOR RECOMMENDED ACTION	
<ul style="list-style-type: none"> <li>Proper legal and institutional framework among member countries to ensure a level playing field</li> </ul>		<ul style="list-style-type: none"> <li>The leaders of the G20 countries</li> </ul>	
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>The people of the respective G20 countries</li> <li>The private sector of the respective G20 countries</li> <li>The leaders of the respective G20 countries</li> </ul>			
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>G20 leaders should reaffirm the mandate of the G20 Task Force on Anti-Corruption with a view to secure the full implementation of the Seoul Anti-Corruption Action Plan, to identify and develop streams of work, and to maintain a strong and continuous dialogue with the business community including international governmental and on specific issues, non-governmental organizations</li> <li>Formal letter to the G20 Leaders, signed by the B20 CEO's that demands the establishment of a permanent G20 Working Group on Anti-corruption through future G20 Presidencies</li> <li>Press release on the demand for the G20 Working Group on Anti-Corruption</li> <li>Engagement by the B20 Task Force to work closely with the upcoming Russian and Australian Presidencies on their priorities with regard the agenda of the G20 Task Force on Anti-Corruption</li> <li>G20 Leaders should maintain a strong and continuous dialogue with the business community including international governmental and on specific issues, non-governmental organizations</li> </ul>	<ul style="list-style-type: none"> <li>By Los Cabos</li> <li>Before Los Cabos</li> <li>During Los Cabos</li> <li>By October 2012</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>The sensitivity around the issue of corruption means that policy-makers may not want to properly address it</li> <li>In the current difficult global economic climate, corruption may not be top-most priority in the minds of policy-makers</li> </ul>	<ul style="list-style-type: none"> <li>The G20 Leaders; G20 and B20 Task Force on Anti-Corruption; International Chamber of Commerce and the World Economic Forum</li> </ul>



The G20 should streamline their **public procurement processes** to address the demand-side of bribery and to encourage and further **incentivize business** against corruption.

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>The B20 calls on the G20 to identify points of contacts within at least five G20 governments for the B20 to partner with to explore the development/implementation of the B20 public procurement recommendations.</li> </ul>			
RELEVANCE	EXPECTED IMPACT		
<ul style="list-style-type: none"> <li>The public procurement is an area that warrants special attention in the fight against corruption. It accounts for a significant percentage of global GDP and is highly vulnerable to corruption due to the size of the financial flows between the public and the private sectors.</li> </ul>	<ul style="list-style-type: none"> <li>This initiative will raise the standards of public procurement and reduce bribery risks for large private sector companies.</li> </ul>		
CITERIA FOR SUCCESS	ACCOUNTABLE FOR RECOMMENDED ACTION		
<ul style="list-style-type: none"> <li>Global standards and mechanisms should be established to ensure transparency in government procurement.</li> </ul>	<ul style="list-style-type: none"> <li>G20 countries</li> <li>The private sector of the respective G20 countries</li> </ul>		
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>The private sector of the respective G20 countries</li> <li>The leaders of the respective G20 countries</li> </ul>			
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>Conduct independent assessments of their public procurement systems, through OECD Integrity Reviews and other mechanisms and to publish the results</li> <li>Introduce measures asking companies, including state-owned enterprises, to represent that they have robust anti-corruption compliance programs in place as an eligibility requirement to participate in public tenders and to benefit from export financing</li> <li>Encourage best practice sharing and cross-training between the public and private sectors in the design and execution of compliance programs, to reduce supply on the private side, and to reduce demand on the public side</li> </ul>	<ul style="list-style-type: none"> <li>During 2013</li> <li>By 2013</li> <li>During 2013</li> </ul>	<ul style="list-style-type: none"> <li>Lack of interest/motivation among companies or public sector</li> </ul>	

## Piloting possible private sector engagement processes and mechanisms in the **UNCAC** review process and beyond.

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>• A state party to the United Nations Convention against Corruption (UNCAC) (potentially Mexico) to be identified as a pilot country to explore possible processes and mechanisms for involvement of the private sector in the UNCAC review process. Further, mechanisms for private sector support to the implementation of recommendations emerging from the review process worldwide to be identified.</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• As recognized in the November 2010 G20 Anti-Corruption Action Plan, “business is a stakeholder in anti-corruption efforts, and its engagement on the issue is essential”. The private sector has a key role in the implementation of the UNCAC.</li> </ul>		<ul style="list-style-type: none"> <li>• Forward momentum on the anti-corruption agenda; Stronger anti-corruption legislation and infrastructure and more fair and level playing field in the pilot country and beyond through replication of good practices identified.</li> </ul>	
CRITERIA FOR SUCCESS		ACCOUNTABLE FOR RECOMMENDED ACTION	
<ul style="list-style-type: none"> <li>• Engagement processes and mechanisms identified and piloted for a thorough and active private sector participation in the review process and support by the private sector to the implementation of the recommendations coming out of the review process, such mechanisms could refer to the private sector’s participation in the peer reviews of Parties’ implementation of the OECD Anti-Bribery Convention.</li> </ul>		<ul style="list-style-type: none"> <li>• The government of the pilot country; private sector in the pilot country.</li> </ul>	
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>• The people of the pilot country</li> <li>• The private sector in the pilot country</li> </ul>		<ul style="list-style-type: none"> <li>• The government of the pilot country</li> <li>• Other UNCAC States parties</li> </ul>	
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>• The pilot country to announce its willingness to pilot the recommendation</li> <li>• The government of the pilot country to explore, in cooperation with the private sector, possible engagement processes and mechanisms in the UNCAC review process</li> <li>• Model review process with private sector involvement</li> <li>• The government of the pilot country to explore, in cooperation with the private sector, possible mechanisms for private sector support to the implementation of the recommendations emerging from the review process</li> <li>• Assessment of the effectiveness of the selected approach</li> <li>• Presentation of good practices and lessons learnt</li> </ul>	<ul style="list-style-type: none"> <li>• Los Cabos - June 2012</li> <li>• By the beginning of the next review year in July 2012</li> <li>• During the review process (expected to be finished by April 2012)</li> <li>• By September 2012</li> <li>• By mid-2013</li> <li>• G20 summit and the Conference of the States Parties to the UNCAC in 2013</li> </ul>	<ul style="list-style-type: none"> <li>• Possible delays in the peer review process (responsiveness of the reviewing countries, the private sector etc)</li> <li>• Possible lack of willingness by the private sector to invest in the implementation of the recommendations emerging from the review process</li> </ul>	<ul style="list-style-type: none"> <li>• The pilot government; G20; B20; businesses active in the pilot country; UNODC as the Secretariat of the UNCAC review mechanism</li> </ul>

# Development of capacity-building programs for SMEs

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>Develop public-private compliance partnerships for capacity-building among SMEs in specific industries. The Russian Energy Compliance Alliance (RECA) initiative can be used as a model for such partnerships.</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>Contribute to the capacity-building of smaller companies to develop and implement compliance programs adapted to their resources and needs.</li> </ul>		<ul style="list-style-type: none"> <li>This initiative will raise standards of anti-bribery compliance among SMEs and reduce bribery risks for large companies exposed via their supply chains.</li> </ul>	
CRITERIA FOR SUCCESS		ACCOUNTABLE FOR RECOMMENDED ACTION	
<ul style="list-style-type: none"> <li>Degree of adoption and implementation of anti-bribery code(s)</li> <li>Number of SMEs engaged/trained</li> <li>Number of leading companies participating in a given sector</li> </ul>		<ul style="list-style-type: none"> <li>Private sector in a given industry sector/country</li> <li>G20 national government.</li> </ul>	
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>SMEs that will be more compliant with anti-bribery laws and less vulnerable to extortion</li> <li>Large companies as they will incur less risk with cleaner supply chains</li> </ul>		<ul style="list-style-type: none"> <li>Improvement of compliance standards throughout the particular industry</li> <li>Public sector through compliance dialogue with business</li> </ul>	
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>Liaise with RECA initiative to understand how it could be used a model for this action</li> <li>Identify industry sector and country where RECA-like initiative could be replicated and/or expanded</li> <li>Start compliance dialogue between leading businesses and SMEs to facilitate the exchange of compliance best practices between large companies and their supply chains. Involve the public sector</li> <li>Report back on progress and gain commitment of other G20 countries to replicate the initiative</li> </ul>	<ul style="list-style-type: none"> <li>By Los Cabos</li> <li>By December 2012</li> <li>During 2013</li> <li>At G20 2013</li> </ul>	<ul style="list-style-type: none"> <li>To identify a person/group responsible for this action</li> <li>Identification of a champion company/organization to give impetus to the initiative</li> <li>Lack of interest/motivation among companies or public sector</li> </ul>	

## 1.

# Ensure Transparency in Public Procurement

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>• Governments commit to conduct independent assessments of their procurement systems, for example through OECD procurement reviews or other international mechanisms</li> <li>• Governments commit to put in place effective mechanisms to require public officials in vulnerable positions to disclose relevant assets</li> <li>• Business commits to elaborate a detailed diagnostic of risks in public procurement cycles, including in the pre-tendering and execution phase</li> <li>• Business commits to set up and regularly update ethics and compliance programs, taking into account international and industry standards</li> <li>• Governments and business commit to enter integrity pacts, consistently with anti-trust regulations and to develop specific joint sectoral initiatives</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• Public procurement, which accounts for a significant percentage of global GDP, is highly vulnerable to corruption due to the size of financial flows it generates and the close interaction between the public and private sectors.</li> </ul>		<ul style="list-style-type: none"> <li>• Identify corruption in public procurement so governments can work towards effective prevention and sanction.</li> </ul>	
CRITERIA FOR SUCCESS		ACCOUNTABLE FOR RECOMMENDED ACTION	
<ul style="list-style-type: none"> <li>• G20 governments have undergone and published the review of their procurement and have proper and effective asset disclosure systems in place</li> <li>• B20 companies have effective compliance programs in place</li> <li>• Specific integrity pacts between G20 countries and B20 companies can be identified</li> </ul>		<ul style="list-style-type: none"> <li>• G20 and national governments</li> <li>• The private sector</li> </ul>	
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>• The people</li> <li>• The private sector</li> </ul>		<ul style="list-style-type: none"> <li>• Governments</li> </ul>	
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>• G20 governments commit to procurement reviews by the Los Cabos summit and publish the results by 2013</li> <li>• G20 governments adopt and implement principles on asset disclosure</li> <li>• B20 draft a study mapping the risks of corruption in procurement process.</li> <li>• G20 governments, with the support of the OECD, could devise a checklist for transparent process during the pre-tendering and execution phase</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment in Los Cabos - reviews by 2013</li> <li>• By November 2012</li> <li>• Study by November 2012</li> <li>• Checklist by 2013</li> </ul>	<ul style="list-style-type: none"> <li>• Resources for countries to undergo these reviews</li> <li>• Possible political and institutional challenges to implement internal reforms</li> </ul>	

## 2. a)

# Collective Action Initiatives

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>• Invite all private sector participants to join existing Collective Action initiatives in their respective sectors/industries or initiate multi-sector initiatives in their respective countries of origin and all countries in which they operate.</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• Sectoral initiatives are among the most promising approaches to address corruption</li> <li>• They associate companies with the same customers and same characteristics to accept the same rules of behaviours and to establish relevant and harmonized integrity standards</li> </ul>		<ul style="list-style-type: none"> <li>• Collective Action initiatives facilitate discussions with stakeholders, either governmental or non-governmental organizations, and have a stronger impact in the adoption of anti-corruption initiatives.</li> </ul>	
CRITERIA FOR SUCCESS			
<ul style="list-style-type: none"> <li>• Detailed plan to invite participants to Collective Action initiatives in place and communicated to participants</li> <li>• Recognition and support from public sector at the top level</li> <li>• Support from a strong champion with recognized experience in the private sector</li> <li>• Reach critical mass with at least two key local players by industry</li> </ul>			
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>• Individual companies</li> <li>• Associations in each sector</li> </ul>		<ul style="list-style-type: none"> <li>• Public sector</li> </ul>	
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>• Companies to invite participants in their value chain</li> <li>• Associations to include compliance clauses in their statutes and demand adherence</li> <li>• Public sector to provide recognition to associations and companies</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Possible lack of recognition from public sector at the highest level</li> <li>• Possible lack of adequate training options to support members in respective implementation efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Government should encourage state-owned companies to replicate the same efforts described for private companies</li> </ul>

## 2. b)

# Documentation of Private Sector-led Collective Action Initiatives

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>Document, measure and share the existing private sector-led Collective Action initiatives through a central hub for reference to all countries/sectors.</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>Easier, faster and more effective sharing of Collective Action initiatives and results</li> <li>Standardization of actions</li> </ul>		<ul style="list-style-type: none"> <li>Stronger share of knowledge and participation from private companies and interested associations.</li> </ul>	
CRITERIA FOR SUCCESS			
<ul style="list-style-type: none"> <li>Hub in place with a friendly interface accessible to every interested party that leverages key tools from the internet (e.g. videos and social networks) and stays up to date</li> <li>Head of the initiative appointed with an adequate calibre and relevant experience</li> <li>Sufficient funding to execute plan</li> </ul>			
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>Private sector</li> <li>Associations with a relevant role in the Collective Actions initiatives</li> </ul>			
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>B20 companies to select a head of the hub initiative               <ul style="list-style-type: none"> <li>Must have broad experience in anti-corruption, possess a large network</li> </ul> </li> <li>Head of hub to design and develop the hub to provide information on existing Collective Action initiatives on a website</li> </ul>	<ul style="list-style-type: none"> <li>One year</li> <li>Two years</li> </ul>	<ul style="list-style-type: none"> <li>Potential lack of addressing of local issues due to a top-down approach</li> <li>Lack of enough funding to make it sustainable</li> <li>Difficulty in selecting the right selection of head of the hub initiative</li> </ul>	<ul style="list-style-type: none"> <li>Features that characterize effective initiatives should include senior management commitment, appointment of dedicated managers and implementation of procedures</li> </ul>

## 2. c)

# Adoption of Codes of Conduct and Other Tools

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>• Communicate and foster the adoption of codes of conduct and other tools available to private sector participants in order to ingrain anti-corruption in each organization’s corporate culture.</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• To leverage existing tools and to ensure the adoption of current codes of conduct can have a stronger impact than developing new initiatives.</li> </ul>		<ul style="list-style-type: none"> <li>• Adoption of business codes of conduct in the private sector based on internationally recognized and accepted principles for companies in all countries, especially in developing economies.</li> </ul>	
CRITERIA FOR SUCCESS			
<ul style="list-style-type: none"> <li>• Ensure all existing tools are well communicated and existing codes of conduct are well known and adopted by key private sector participants</li> <li>• Codes of conduct adapted to each country nuances</li> </ul>			
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>• G20 and OECD governments</li> </ul>		<ul style="list-style-type: none"> <li>• Owner of the code of conduct itself (e.g. PACI, ICC)</li> </ul>	
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>• Appointment of Local Program Managers for each country with the task of promoting codes and driving their implementation locally</li> <li>• G20 to establish a global program manager to administer the communication activities and execute the roll-out of tools and codes:                             <ul style="list-style-type: none"> <li>- The function may be played by the government, private sector or associations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• One year</li> <li>• Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of a large network for program managers to facilitate a broad communication</li> <li>• Promotion of codes should not be confrontational</li> </ul>	<ul style="list-style-type: none"> <li>• Governments should require adherence to code of conducts as a prerequisite to participating in public procurement tenders or receiving other benefits such as export credits, when appropriate</li> <li>• Must address also passive corruption not just active corruption</li> </ul>

## 2. d)

# High-level Reporting Mechanisms

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>Continue establishing appropriate forms of high-level reporting mechanisms to address allegations of solicitation of bribes by government officials.</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>The establishment of a national high-level reporting mechanism to deal with allegations of solicitation of bribes is proposed in response to longstanding business concerns about the lack of effective methods to address the demand side of bribery.</li> </ul>		<ul style="list-style-type: none"> <li>Such a mechanism would be intended to provide a means for cleansing procurement processes when there are substantive allegations of corrupt behaviour.</li> </ul>	
CRITERIA FOR SUCCESS			
<ul style="list-style-type: none"> <li>Resolution of concerns about bribe solicitation in a timely manner, so that government procurement proceeds without prolonged delays and suspicions of impropriety</li> <li>Appointment of two key positions: conveyor, neutral person in charge of building trust amongst appropriate parties; and ombudsman, who must be reasonably high level and not personally involved in decisions</li> <li>Must be perceived as preventive not punitive</li> </ul>			
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>Private sector companies to establish and monitor committee</li> <li>Senior leadership from public sector support required</li> <li>Support from NGOs in the set-up of the committee</li> </ul>			
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>Government to ensure involvement from top authorities</li> <li>Government to establish committee and ensure appropriate seniority of chairperson</li> <li>Chairman to foster the propensity of companies to use these mechanisms</li> <li>Set up a pilot in a country that is willing to test these mechanisms</li> <li>Set up of a credible mechanism for reporting with no possibility for retaliation</li> </ul>	<ul style="list-style-type: none"> <li>One year</li> <li>Two years</li> <li>Two years</li> </ul>	<ul style="list-style-type: none"> <li>Reporting might be seen to linked to law enforcement preventing its use from companies</li> <li>Reporting might, as well, be seen too anonymous so that it can be acted upon.</li> <li>Perception might be seen as punitive instead of preventive</li> <li>Reporting of solicitation must be above of the procurement agencies</li> </ul>	<ul style="list-style-type: none"> <li>Senior leadership involvement is necessary, ideally from the head of state, but also works at the minister level</li> <li>Work with the government to ensure proper interpretation of laws</li> </ul>



## 2. e) Public and Private Sector Partnerships

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>• Generate public sector and private sector partnerships to address the need to collaborate in anti-corruption initiatives.</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• Partnerships between the public and private sectors are key to untangling the real root causes of corruption.</li> </ul>		<ul style="list-style-type: none"> <li>• Common understanding of root causes of corruption shared amongst involved private and public parties.</li> </ul>	
CRITERIA FOR SUCCESS			
<ul style="list-style-type: none"> <li>• Strong collaboration between government and private sector with tangible mechanisms such as specific partnerships and monitoring systems.</li> </ul>			
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>• Government senior leadership</li> <li>• Individual companies</li> </ul>		<ul style="list-style-type: none"> <li>• Chief executives from key companies</li> </ul>	
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>• Private sector and government to establish a neutral secretariat function</li> <li>• Private sector to gain government and senior level recognition and involvement</li> <li>• Secretariat to establish monitoring system:                             <ul style="list-style-type: none"> <li>- Communicate partnerships</li> <li>- Scale-up partnerships</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• One year</li> <li>• Two years</li> <li>• Two years</li> </ul>	<ul style="list-style-type: none"> <li>• Probable lack of resources to monitor these partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Recognition from top government authorities</li> <li>• Support from chief executives</li> <li>• Must have a natural mechanism to monitor closely, especially in multiparty initiatives and actions</li> </ul>

### 3.

## Engage the Private Sector to Participate in Peer Reviews Required by the UNCAC and Continue Consultation with the OECD Working Group on Bribery in the Context of its Monitoring Mechanism

DESCRIPTION OF ACTION			
<ul style="list-style-type: none"> <li>• Encourage G20 countries and beyond to ensure full engagement of the business community in the international anti-corruption processes, including UNCAC's and OECD's</li> <li>• Recommend that the role and contribution of the private sector in the UNCAC peer review process be further explored in order to determine what contribution the private sector can make, what type of private sector involvement in the reviews is beneficial, and what kind of engagement processes and mechanisms need to be developed</li> <li>• Recommend that the role and contribution of the private sector in the implementation of recommendations coming out of the review process be further explored</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• As recognized in the November 2010 G20 Anti-Corruption Action Plan, "business is a stakeholder in anti-corruption efforts, and its engagement on the issue is essential". The private sector has a key role to play in efforts to monitor the implementation of the UNCAC and the OECD Anti-Bribery Convention.</li> </ul>		<ul style="list-style-type: none"> <li>• The full engagement of the business community in the international anti-corruption processes will ensure forward momentum on the anti-corruption agenda and help monitor/implement agreed work plans. Ultimately, this will help develop stronger anti-corruption legislation and infrastructure and create level playing fields for businesses.</li> </ul>	
CRITERIA FOR SUCCESS		ACCOUNTABLE FOR RECOMMENDED ACTION	
<ul style="list-style-type: none"> <li>• All G20 countries undergoing UNCAC review process have involved the private sector</li> <li>• Pilot country has identified, together with the private sector, engagement processes and mechanisms for a thorough private sector participation in the review process and in the implementation of the recommendations coming out of that process</li> </ul>		<ul style="list-style-type: none"> <li>• G20 and national governments</li> <li>• The private sector</li> </ul>	
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>• The people</li> <li>• The private sector</li> <li>• Governments</li> </ul>			
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>• One pilot country, this year, preferably in Mexico, to explore, in cooperation with the private sector, possible engagement processes and mechanisms 1) in the review process and 2) in the implementation of the recommendations</li> <li>• Model review process with private sector involvement</li> <li>• Assessment of the effectiveness of the selected approach</li> </ul>	<ul style="list-style-type: none"> <li>• 1) By the beginning of the next review year in July 2012</li> <li>• 2) By September 2012</li> <li>• During the review process (expected to be finished by April 2013)</li> <li>• By mid-2013</li> </ul>	<ul style="list-style-type: none"> <li>• Possible delays in the peer review process (responsiveness of the reviewing countries, the private sector, etc.)</li> <li>• Possible funding gap for the post-review implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>• The pilot government; G20; B20; businesses active in the pilot country; UNODC as the Secretariat of the UNCAC review mechanism; other technical assistance providers upon request</li> </ul>

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

DESCRIPTION OF ACTION			
<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 programs, control procedures and raise awareness in both the public and private sectors</li> <li>• Have business reciprocally call on governments to share their programs with the private sector environment</li> </ul>			
RELEVANCE		EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• 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 programs within companies.</li> </ul>		<ul style="list-style-type: none"> <li>• Levelling of the playing field</li> <li>• Reduction of private-to-private bribery</li> <li>• Reduction of private-to-public bribery</li> </ul>	
CRITERIA FOR SUCCESS			
<ul style="list-style-type: none"> <li>• Increased anti-corruption compliance throughout the world.</li> </ul>			
MAIN BENEFICIARIES AND DECISION-MAKERS			
<ul style="list-style-type: none"> <li>• MNEs and SMEs</li> <li>• International business organizations such as the ICC</li> <li>• International organizations such as the UNODC and the OECD</li> <li>• National governments</li> </ul>			
ACTIVITIES	TIMELINE	MAIN BARRIERS FOR IMPLEMENTATION	SUPPORT REQUIRED FROM STAKEHOLDERS
<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" program, 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 program for compliance officers delivered within 12 months of Los Cabos</li> </ul>	<ul style="list-style-type: none"> <li>• Challenges in reaching targets throughout the world</li> </ul>	<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 program</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>

## 5. Encourage the Adoption of Business Codes of Conduct – Specific Focus on SMEs

DESCRIPTION OF ACTION		
<ul style="list-style-type: none"> <li>• G20 countries to support efforts to broadly disseminate model codes tailored to SMEs. SMEs should be encouraged to have such codes in place as a condition for participating in public procurement</li> <li>• G20 Export Credit Agencies to harmonize and step-up anti-corruption training for SMEs</li> <li>• Develop a supply chain initiative as a pilot in one key sector for G20 countries</li> <li>• Introduce on a pilot basis a white-list system for fast-track access to finance based on anti-corruption certification for SMEs (business)</li> </ul>		
RELEVANCE	EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• SMEs are a key engine of growth in emerging economies</li> <li>• SME development is curtailed by corruption</li> <li>• SMEs can pose a risk to large companies via the supply chain</li> <li>• SMEs need to raise their anti-corruption standards</li> <li>• Multinationals need to mitigate risk posed by SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• Higher standards of business integrity among SMEs</li> <li>• Integrity becomes winning proposition for SMEs</li> <li>• More level playing field for businesses large and small</li> </ul>	
CITERIA FOR SUCCESS	ACCOUNTABLE FOR RECOMMENDED ACTION	
<ul style="list-style-type: none"> <li>• More tailored anti-corruption materials and resources available to SMEs</li> <li>• Greater understanding by SMEs of the business case for anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• G20 and national governments</li> <li>• The private sector</li> </ul>	
MAIN BENEFICIARIES AND DECISION-MAKERS		
<ul style="list-style-type: none"> <li>• Society via improved economic environment</li> <li>• SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• Multinationals</li> <li>• Governments</li> </ul>	
ACTIVITIES	TIMELINE	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>• Relevant G20 institutions and chambers of commerce to devise strategy to disseminate model codes appropriate for SMEs and encourage anti-bribery programs for participation in public procurement</li> <li>• G20 ECAs to develop anti-corruption training programs tailored for SMEs</li> <li>• G20 ECAs to consider requiring company anti-corruption programs as a condition for receiving credit and other financial services</li> <li>• B20 companies to develop a supply chain initiative: choose sector, develop harmonized customer requirements; roll-out</li> <li>• Explore white-list concept and certification standard for SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• By end-2012</li> <li>• By end-2013</li> <li>• By end-2013</li> <li>• By end-2013</li> <li>• By end-2013</li> </ul>	<ul style="list-style-type: none"> <li>• G20, B20, ICC, TI</li> <li>• G20, ICC</li> <li>• G20</li> <li>• B 20</li> <li>• B20, TI</li> </ul>

# 6. Strengthen the Legal and Regulatory Framework on Anti-Corruption

DESCRIPTION OF ACTION		
<ul style="list-style-type: none"> <li>• Identify good practice to incentivize companies' self-reporting and cooperation in the investigation phase. Encourage the introduction of clear and concrete systems of leniency</li> <li>• Establish a framework for addressing multiple jurisdiction issues and effectively implement Art. 4.3 of the OECD and Articles 48 and 49 of UNCAC. Develop or revise national rules as appropriate and permissible to implement relevant principle and rules with respect to such issues</li> </ul>		
RELEVANCE	EXPECTED IMPACT	
<ul style="list-style-type: none"> <li>• As recognized in the November 2010 G20 Anti-Corruption Action Plan, "business is a stakeholder in anti-corruption efforts and its engagement on the issue is essential". Business is committed to fight solicitation and to cooperate in the fight against corruption.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the number of corporations that are prepared to take an active role in the fight against corruption. Incentivize self-reporting and cooperation in the investigation phase.</li> </ul>	
CITERIA FOR SUCCESS	ACCOUNTABLE FOR RECOMMENDED ACTION	
<ul style="list-style-type: none"> <li>• Identify practical tools and clear, concrete and uniform system of leniency and for dealing with duplication of jurisdiction and settlements issue.</li> </ul>	<ul style="list-style-type: none"> <li>• G20 and national governments</li> <li>• The private sector</li> <li>• ICC, OECD, UNODOC</li> </ul>	
MAIN BENEFICIARIES AND DECISION-MAKERS		
<ul style="list-style-type: none"> <li>• The people</li> <li>• The private sector</li> </ul>		<ul style="list-style-type: none"> <li>• Governments</li> </ul>
ACTIVITIES	TIMELINE	SUPPORT REQUIRED FROM STAKEHOLDERS
<ul style="list-style-type: none"> <li>• Identify good practice to incentivize self-reporting and cooperation and where appropriate carry out pilot projects</li> <li>• Address issues related to Article 4.3 of OECD and Articles 48 and 49 of UNCAC and evaluate revision of national rules</li> </ul>	<ul style="list-style-type: none"> <li>• By end-2012</li> <li>• By mid-2013</li> </ul>	<ul style="list-style-type: none"> <li>• G20, B20, ICC, OECD, UNODOC</li> <li>• G20, B20, ICC, OECD, UNODOC</li> </ul>

## **G20 ANTI-CORRUPTION WORKING GROUP 2012 MONITORING REPORT**

*“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.”*

Seoul G20 Anti-Corruption Action Plan

### **Background**

1. In June 2010, at the Toronto summit G20 Leaders agreed *“to establish a Working Group to make comprehensive recommendations for consideration by Leaders in Korea on how the G20 could continue to make practical and valuable contributions to international efforts to combat corruption”*. The G20 Anti-Corruption Action Plan was developed by the Working Group at its first meeting in Jakarta and adopted at the Seoul summit in November 2010.
2. The Action Plan requires *“reports, agreed within the working group, on individual and collective progress made by G20 countries in the implementation of the Action Plan to be submitted on an annual basis to the G20 Leaders for the duration of the Action Plan”*. The first Monitoring Report was endorsed at the Cannes summit in November 2011. This document is the second Monitoring Report, covering the year to November 2012.
3. The Working Group has convened three times in 2012: in London in February, in Puerto Vallarta in April and in Paris in October. The Puerto Vallarta meeting was held alongside the High-level Anti-Corruption Conference, sponsored by the Organization for Economic Cooperation and Development (OECD), the United Nations Office on Drugs and Crime (UNODC), the World Economic Forum (WEF) and the Mexican Presidency of the G20. In Paris, the Working Group held its second joint meeting with Financial Action Task Force (FATF) anti-corruption experts as well as a meeting of denial of entry experts. We have also continued our productive dialogue with the B20 Task Force on Improving Transparency and Anti-corruption on issues of shared interest and we are grateful to them for their input.
4. The Working Group would also like to express its thanks to the World Bank, OECD, UNODC, International Monetary Fund (IMF) and FATF for their participation in Working Group meetings as observers and for the valuable technical advice to the Working Group to support the progress outlined in this report.
5. The first section of this report highlights some specific examples of significant individual country progress that the Working Group agreed should be recognised. The second section of this Report provides an assessment of the collective progress made by the Working Group and the G20 in the implementation of the Action Plan and signals what further work is required. A snap shot of individual country progress against the main aspects of the Action Plan can also be found at the end of the report.

6. In 2012, the Working Group has sought to sustain progress across the full range of issues set out in the Seoul Action Plan and further elaborated in the Cannes Monitoring report. The objective is to ensure that countries have in place an effective anti-corruption framework, including necessary laws and institutions; that countries implement the necessary measures to prevent corruption; and that when corruption occurs, appropriate steps are taken against the corrupt and the proceeds of their crimes. The challenge we have set for ourselves for the second year of the Action Plan, which was echoed in the G20 Leaders Declaration of the Los Cabos summit, has been to close the implementation and enforcement gaps, thereby continuing, as G20 countries, to “lead by example” in the fight against corruption.
7. G20 Leaders agreed at the Los Cabos summit in June 2012 to extend the mandate of the Working Group for a further two years to the end of 2014 and requested that the Working Group prepare a comprehensive action plan for adoption alongside this report by the end of 2012. This action plan is contained in a separate document.

### Summary of progress in 2012: Individual progress

8. Further significant progress has been made in the year since the first Monitoring Report in respect of the adoption of legislation, in the following G20 countries:
  - Argentina strengthened its anti-money laundering regime by introducing the offences of financial bribery and insider trading, among others, into the Criminal Code in December 2011.<sup>1</sup> Public procurement rules were also updated to enhance transparency and efficiency.<sup>2</sup>
  - Australia introduced changes to extradition and mutual legal assistance legislation to improve cooperation with international partners and has announced measures to strengthen the ability of the Australian Commission for Law Enforcement Corruption (ACLEI) to combat corruption.<sup>3</sup> A domestic pilot of the Extractive Industries Transparency Initiative (EITI) was also announced and three states/territories also enacted improvements to whistleblower protection laws.
  - Brazil amended its anti-money laundering legislation in June 2012, moving to an “all crimes” approach to AML and increasing the activities that will be subject to AML rules and controls. In addition, a Freedom of Information Law came into force May 2012.<sup>4</sup>
  - Canada tabled a Bill in June 2012 that contains measures that may further restrict access to Canada to corrupt foreign officials and their family members.<sup>5</sup> Canada’s government also issued an enhanced Values and Ethics Code for the Public Sector in 2012.<sup>6</sup> In July 2012, Canada announced that a conviction of bribing a foreign public official under section 3 of the *Corruption of Foreign Public Officials Act*, is one of the offences which will render bidders ineligible to procure with the Department of Public Works and Government

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<sup>1</sup> Laws 26.773 and 27.744

<sup>2</sup> Decree 893/2012

<sup>3</sup> Extradition and Mutual Assistance in Criminal Matters Legislation Amendment Act 2012

<sup>4</sup> Law 12.527

<sup>5</sup> <http://www.parl.gc.ca/LegisInfo/BillDetails.aspx?Language=E&Mode=1&billId=5683267>

<sup>6</sup> <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=25049>

Services Canada. If this conviction occurred during the life of the contract or lease, it may be grounds for terminating for default.

- China amended its Criminal Procedure Law in March 2012, including changes aimed at improving the enforcement and prosecution of corruption and bribery cases.
- France created a new offence of bribery committed in relation with match-fixing and online gambling in February 2012<sup>7</sup> and in May 2012 introduced new Rules of Government Ethics whereby members of the Government are required to make a declaration of interest statement and disclose gifts received.
- Germany brought into force in December 2011 the Act to Optimise the Prevention of Money Laundering.<sup>8</sup> This Act revises many aspects of the AML Act, including provisions on beneficial owners or due diligence measures to be taken in higher-risk scenarios such as business connections with politically exposed persons (PEPs). Since August 2012, Germany provides information federal government on financial commitments on a new, user-friendly, online platform.
- India introduced a Public Procurement Bill, 2012 which empowers the Government of India to prescribe a Code of Integrity which proposes to include provisions for the disclosure of conflicts of interest. The Bill further provides for a procuring entity to exclude a bid if it determines that a bidder has a conflict of interest.
- Indonesia launched its National Strategy and Plan of Action on the Prevention and Eradication of Corruption for 2012-25 through Presidential Decree no.55/2012.
- Italy: Chamber of Deputies approved Bill S-2156 B in June 2012, for the prevention and enforcement against corruption in the Public Administration including the establishment of a new Anti-Corruption Authority, whistleblower protections, better risk identification and management, and the introduction of anti-corruption plans including enhanced regulations on conflict of interests. The Bill includes an increase in statutory sanctions and longer statute of limitations, new charges applicable to cases of active and passive corruption in the private sector as well as rules on extortion by civil servants. In June 2012 the Parliament also approved the acts authorizing the ratification of the Council of Europe Criminal Law and Civil Law Conventions on Corruption.
- Japan promulgated in March 2012 the subordinate decrees implementing revisions to Japan's anti-money laundering legislation made in April 2011 that require enhanced due-diligence for high-risk transactions.
- Korea enacted new legislation on the proceeds of crime in April 2012 and new anti-money laundering legislation has been enacted and will come into force in March 2013.
- Mexico enacted a Federal Anti-Corruption Law in Public Procurement in June 2012. A draft Bill for a Federal Law on the Prevention and Identification of Transactions with Resources from Illicit Origin was also presented to the Senate.

<sup>7</sup> Loi n° 2012-158 du 1er février 2012 visant à renforcer l'éthique du sport et les droits des sportifs.

<sup>8</sup> Gesetz zur Optimierung der Geldwäscheprävention - GwGOptG



- Russia introduced to Federal Parliament a draft law on disclosure by civil servants of their expenses and deeds. This draft law also contains provisions on enhanced and outgoing monitoring of financial accounts of national Politically Exposed Persons (PEPs) in line with a FATF recommendation.
- South Africa promulgated the Companies Amendment Act and Regulations in May 2011, which prescribe specific requirements for South African companies to put measures in place to prevent corruption. The requirements include the strengthening of the ethics function within companies and the enhancement of transparency measures.
- Turkey enacted a new Ombudsman law in June 2012 and amended its criminal code (articles 252, 254 and 255) in July 2012 to extend the scope of prosecution of domestic and foreign bribery cases.<sup>9</sup>
- US enacted legislation<sup>10</sup> in April 2012 which increases transparency in financial disclosure reporting for members of the US Congress. In August 2012 the US Securities and Exchange Commission adopted final rules to implement provisions of the Dodd-Frank Act requiring the disclosure of payments to the US or foreign governments by resource extraction issuers registered with the SEC. Other new legislation<sup>11</sup> requires the Secretary of State to make ineligible for entry any foreign government officials and their immediate family members where the Secretary has credible information that such individuals have been involved in “significant corruption, including corruption related to the extraction of natural resources”. Bills are also pending in Congress which would strengthen federal whistleblower protections.

## Summary of progress in 2012: Collective progress and continuing activities

### i. UNCAC

9. The UN Convention against Corruption (UNCAC) forms the core of the Action Plan. In the Declaration from the Los Cabos G20 summit, G20 leaders reiterated their commitment to the ratification and full implementation of UNCAC. This remains an important objective. Thus far seventeen G20 countries have ratified and are implementing UNCAC.
10. Building on our commitment at Cannes to lead by example in ensuring the transparency and inclusivity of UNCAC reviews by considering the voluntary options in accordance with the Terms of Reference of the Mechanism, Leaders agreed at Los Cabos that, in accordance with the Terms of Reference of the review mechanism, G20 countries will involve the private sector and civil society in the UNCAC review process on a voluntary basis. The involvement of the private sector was a recommendation made by the B20. A number of G20 countries that have completed or are currently undergoing the review of their implementation of UNCAC have already involved the private sector both in the production of the Self-Assessment and during country visits, and State Parties and have reported the positive contribution that has resulted. We note further that

<sup>9</sup> Ombudsman Law, No: 6328.

<sup>10</sup> Stop Trading on Congressional Knowledge Act of 2012  
[http://www.oge.gov/About/Legislative-Affairs-and-Budget/Authorizing-Legislation/STOCK-Act-\(PDF\).](http://www.oge.gov/About/Legislative-Affairs-and-Budget/Authorizing-Legislation/STOCK-Act-(PDF).)

<sup>11</sup> Section 7031c of Public Law 112-74

so far the majority of State Parties to UNCAC that are undergoing or are about to undergo their Peer Reviews have opted to make use of most or all of the voluntary options.

11. We welcome the work of the Mechanism to Review the Implementation of UNCAC, and note the importance of the review process for helping identify technical assistance needs.
- ii. Criminalisation of foreign bribery and the Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions (Anti-Bribery Convention)**
12. By criminalising foreign bribery we show that we are ready to take responsibility for the action of our citizens and companies overseas as we do in our own countries. Alongside the requirement in UNCAC to criminalise foreign bribery, the Anti-Bribery Convention, supported by the OECD Working Group on Bribery, is the benchmark.
  13. At Los Cabos, G20 leaders reiterated the commitment regarding countries not yet parties to the Anti-Bribery Convention to more active engagement with the OECD Working Group on Bribery on a voluntary basis. This builds on the pledge made at Cannes to enact, proactively implement and enforce legislation criminalizing foreign bribery by the end of 2012 as well as to engage within the OECD Working Group on Bribery by actively participating in its plenary meetings and jointly hosting conferences and seminars with the OECD. In addition, G20 leaders commit to enforcing all anti-corruption legislation, and specifically to pursue those who receive and solicit bribes as well as those who pay them, in line with our countries' legislation. The G20 Anti-Corruption Working Group will continue to consider how this can best be achieved.
  14. Almost all of the G20 countries have met the commitment made at Cannes to criminalise foreign bribery by the end of 2012. A majority have extended this commitment to include the liability of legal persons. A number of G20 countries have investigated, charged, prosecuted and successfully obtained convictions for and, in some cases, imposed sanctions on those found guilty of foreign bribery and/or other criminal offences related to foreign bribery. However, effective enforcement by all G20 countries of their foreign bribery laws is paramount.
  15. Most but not all of the G20 countries not party to the Anti-Bribery Convention have achieved greater engagement with the OECD Working Group on Bribery by attending its meetings. These include China, India and Indonesia.
- iii. Combatting the laundering of the Proceeds of Corruption**
16. The implementation and enforcement of effective anti-money laundering (AML) controls are essential to prevent the corrupt from being able to enjoy the proceeds of their crimes. The Cannes Monitoring Report restated G20 support for the Financial Action Task Force (FATF) on the synergies between AML and anti-corruption efforts, in particular joint meetings of FATF and G20 Anti-Corruption experts (the first of which took place in Paris in 2011) and the identification of jurisdictions with strategic AML/Counter-Terrorism Financing (CTF) deficiencies. The Report looked forward to the revision of the FATF recommendations on issues such as customer due diligence, beneficial ownership, transparency in

cross-border wire transfers, enhanced due diligence measures on PEPs and the inclusion of the UNCAC standards into the FATF recommendations.

17. The revised FATF standards were adopted in February 2012. In Los Cabos, G20 leaders welcomed the adoption of the revised FATF standards and looked forward to their implementation, as well as to progress made by FATF in identifying and monitoring high-risk jurisdictions with strategic AML/CTF deficiencies and the use of AML/CFT tools in the fight against corruption, improving transparency of corporate vehicles, increasing cooperation against tax crimes and addressing the risks posed by tax havens. We look forward to the completion in 2013 of the update of the FATF assessment process for the next round of mutual evaluations, which are to have a more intensive focus on effectiveness of implementation.
18. We welcome also the extensive work by FATF on guidance, typologies and best-practices related to corruption in response to the call by the G20, specifically *Corruption - A reference guidance and information note on the use of the FATF Recommendations to support the fight against corruption* (which is currently being updated to reflect the new *FATF Recommendations*)<sup>12</sup>; the typologies report *Laundering the proceeds of corruption*, published in July 2011<sup>13</sup>; *Specific risk factors in laundering the proceeds of corruption - Assistance to reporting institutions* published in June 2012<sup>14</sup>; *Best Practices: Confiscation (Recommendations 3 and 38)* paper, originally issued in February 2010 is being updated to include a section on asset recovery<sup>15</sup>. We noted that a best-practices paper, which will offer further detail about how the FATF Recommendations can be leveraged to combat corruption, would be useful.
19. The second joint meeting of the Working Group and FATF anti-corruption experts was held in Paris in October. The discussion focused on specific issues in relation to international cooperation, specifically in the context of money laundering cases involving the proceeds of corruption and asset recovery. Countries participating presented on a range of related actions, including asset tracing and financial investigations; asset freezing and seizing; and asset confiscation. Delegates also contributed to a draft outline for a FATF best practices paper on the use of FATF Recommendations in the fight against corruption. The ongoing cooperation between Working Group and FATF anti-corruption experts was warmly supported and will continue.
20. In recognition of the importance of tackling AML, a number of G20 countries brought into force new AML legislation that expands the number of relevant offences or amends and strengthens sections of existing legislation in furtherance of AML efforts, including in relation to CTF. Examples include criminalising insider trading and regulating overseas estate agents. Other G20 Members introduced regulations on preventing the transfer of criminal proceeds specific to financial institutions.

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<sup>12</sup> <http://www.fatf-gafi.org/topics/corruption/documents/name,1611,en.html>

<sup>13</sup> <http://www.fatf-gafi.org/topics/corruption/documents/laundryingtheproceedsofcorruption.html>

<sup>14</sup> <http://www.fatf-gafi.org/topics/corruption/documents/specificriskfactorsinthelaundryingofproceedsofcorruption.html>

<sup>15</sup> <http://www.fatf-gafi.org/topics/fatfrecommendations/documents/bestpracticesconfiscationrecommendations3and38.html>

21. We note the efforts by some financial services regulators to conduct examinations of financial institutions' approach to money-laundering risk in higher risk situations including politically exposed persons. These reports have highlighted the considerable scope for improvement of the management of such risks and we encourage jurisdictions that have not undertaken such reviews to consider doing so.

#### **iv. Denial of Entry**

22. Denying entry to corrupt officials and those who corrupt them further limits the ability of such individuals to travel abroad and enjoy the proceeds of their crimes. In 2011, the Working Group carried out a review of existing practices and barriers to denial of entry and Leaders committed to develop with a view to adoption a set of principles relating to the denial of entry to corrupt officials and those who corrupt them, and during 2012 consider how to promote their implementation by all G20 members. These principles were prepared by the Working Group and endorsed by Leaders in Los Cabos.<sup>16</sup>
23. To begin efforts towards implementation and specifically the "frameworks for cooperation", a meeting of Working Group representatives and experts was held alongside the 3<sup>rd</sup> Working Group meeting. Experts presented on denial of entry systems, discussed hypothetical case studies, identified obstacles and opportunities for cooperation and individual action, and initiated an informal expert network.

#### **v. International cooperation**

24. Effective international cooperation is essential in the fight against corruption and for the recovery and return of assets. This includes law enforcement, prosecutorial and judicial authorities as well as financial intelligence units. In this context, we reiterate our support for the work of Egmont Group, CARIN and the StAR/Interpol focal points initiative.
25. Much international cooperation relies on treaties to provide a legal basis – for extradition, mutual legal assistance and asset recovery. UNCAC (and potentially other international instruments) may be used as a treaty basis in each of these respects and we call on all state parties to UNCAC to make full use of these provisions. Similarly, we encourage State Parties to consider using the provisions in UNCAC whereby State Parties may transmit, without prior request, relevant information to a competent authority in another State Party where they believe that such information could be of assistance.
26. In respect of mutual legal assistance, we have now produced a step-by-step guide to assist authorities seeking Mutual Legal Assistance from any of the G20 countries. The commitment to produce this guide was made in the 2011 Monitoring Report and the guide is now available online.<sup>17</sup> We will consider broadening the scope of this work to cover additional aspects of international cooperation.

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<sup>16</sup> <http://www.g20.org/images/stories/docs/canalsherpas/anticorrupt/g20denial-1.pdf>

<sup>17</sup> <http://www.g20.org/images/stories/docs/canalsherpas/anticorrupt/g20mla.pdf>

## vi. Recovery of Proceeds of Corruption

27. The G20 is committed to the recovery and return the proceeds of corruption. The aftermath of events in the MENA region in 2011 has further highlighted the importance of this, and we reiterate our support for the World Bank/UNODC Stolen Asset Recovery Initiative, StAR. We note the launch of the Arab Forum on Asset Recovery and the publication by some countries of guides on domestic asset recovery mechanisms.<sup>18</sup>
28. In Los Cabos, the G20 renewed its commitment to deny safe haven to the proceeds of corruption and to the recovery of stolen assets. To support this goal, we have now published information to assist authorities in other countries that wish to trace assets in our countries.<sup>19</sup>
29. At Cannes, G20 countries agreed key elements of an effective asset recovery framework and a set of principles for asset recovery to be implemented by G20 members. This work on implementation of the asset recovery framework is ongoing and will continue into next year.
30. Most but not yet all G20 countries have designated an appropriate authority or authorities responsible for mutual legal assistance requests and investigative cooperation, including relating to asset recovery, and established contact points in the UNODC, Star/INTERPOL Focal Point Initiative and CARIN and/or other initiatives.

## vii. Whistleblower protection

31. The Anti-Corruption Action Plan highlighted the importance of protecting from discriminatory and retaliatory action those who report in good faith suspected acts of corruption, with a commitment made that G20 countries that have not already done so would enact and implement whistleblower protection rules by the end of 2012. As the annex to this Monitoring Report shows, this process is not yet complete. The commitment nevertheless remains in place and the Working Group will continue to monitor this, with a view to completion by the end of 2014.
32. The 2011 Monitoring Report noted G20 support for the compendium of best practices and guiding principles for whistleblower protection legislation prepared by the OECD as a reference for enacting and reviewing, as necessary, whistleblower protection rules. The Working Group agreed that this guide is a potentially valuable resource to any jurisdiction undergoing a similar process, and it has therefore been made publicly available.<sup>20</sup>

## viii. Effective functioning of anti-corruption authorities

33. For anti-corruption bodies and enforcement authorities to function effectively they need not only to be properly resourced and provided with proper independence, but must also be allowed to remain free from undue influence either from within government or beyond. We reiterate our commitment that where such freedom from undue influence is curtailed, we will speak out to express our concern.

<sup>18</sup> [www1.worldbank.org/finance/star\\_site/Arab-Forum/Country-Guides.html](http://www1.worldbank.org/finance/star_site/Arab-Forum/Country-Guides.html)

<sup>19</sup> [www.g20.org/images/stories/docs/canalsherpas/anticorrupt/g20assettracing.pdf](http://www.g20.org/images/stories/docs/canalsherpas/anticorrupt/g20assettracing.pdf)

<sup>20</sup> [www.oecd.org/dataoecd/42/43/48972967.pdf](http://www.oecd.org/dataoecd/42/43/48972967.pdf)

34. The Working Group noted the activities of the International Corruption Hunters Alliance initiative, the International Association of Anti-Corruption Authorities, and other regional groups aimed at improving cooperation between authorities and dissemination of good practices. Discussions of the Working Group on the effective functioning of anti-corruption authorities have been assisted by analysis prepared by the World Bank.

**ix. Prevention of Corruption in the Public Sector: Integrity, Honesty and Accountability of Public Officials**

35. The 2011 Monitoring Report specifies commitments aimed at promoting education and training; establishing and enforcing codes of conduct for public officials including the management of conflicts of interest and adopting and implementing financial and asset disclosure systems for officials.
36. Financial and asset disclosure requirements for public officials are an important tool for the prevention of corruption and can aid detection and enforcement. Building directly on the work by Asia-Pacific Economic Cooperation (APEC) to develop principles for financial and asset disclosures by public officials, which were endorsed by APEC Ministers in Hawaii 2011 and Leaders in Vladivostok in 2012<sup>21</sup>, the G20 leaders endorsed the Working Group's principles for financial and asset disclosure systems for public officials at the Los Cabos Summit<sup>22</sup>. These principles aim to produce disclosure frameworks that are fair, transparent, targeted, adequately resourced, useful and enforceable and meet either or both objectives of ensuring government decision making is not compromised by conflicts of interest, and consequently increasing trust in public institutions; and/or providing information and evidence for the detection, investigation, imposing administrative remedies for and/or prosecution of corruption.
37. In respect of education and training, the Working Group notes the valuable role that initiatives such as the Anti-Corruption Curriculum Initiative supported by UNODC, the Judicial Integrity Group, the International Anti-Corruption Academy<sup>23</sup> (which is supported by a number of G20 countries) and other relevant initiatives<sup>24</sup> play in achieving our objectives in this area. We will continue to promote initiatives that support the prevention of corruption through education in the public and private sector.

**x. Prevention of Corruption in the Public Sector: Public Procurement**

38. Public procurement is a significant proportion of the economy in all G20 countries, as it is in most others. The 2011 Monitoring Report, echoing Article 9 of UNCAC, identifies fair and transparent government procurement systems as essential to the prevention of corruption and sets out steps that we will take to achieve this.

<sup>21</sup> [www.apec.org/Meeting-Papers/Ministerial-Statements/Annual/2011/2011\\_amm/2011\\_governance.aspx](http://www.apec.org/Meeting-Papers/Ministerial-Statements/Annual/2011/2011_amm/2011_governance.aspx); [www.apec.org/Meeting-Papers/Leaders-Declarations/2012/2012\\_aelm/2012\\_aelm\\_annexE.aspx](http://www.apec.org/Meeting-Papers/Leaders-Declarations/2012/2012_aelm/2012_aelm_annexE.aspx)

<sup>22</sup> [www.g20.org/images/stories/docs/canalsherpas/anticorrupt/g20assetdisclosure.pdf](http://www.g20.org/images/stories/docs/canalsherpas/anticorrupt/g20assetdisclosure.pdf)

<sup>23</sup> [www.iaca.int/](http://www.iaca.int/)

<sup>24</sup> For example the U4 Anti-Corruption Resource Centre [www.u4.no](http://www.u4.no)

39. In order to deliver on our commitment to “systematically publishing all relevant, non-confidential information relating to the entire procurement process” we will ensure that at the central government level in our countries there is internet access to appropriately detailed information concerning:
- Public procurement laws and policies, including the legislation defining the use of exceptions;
  - Selection and evaluation criteria;
  - Additional available information regarding awards of contracts and contract modifications the operation of our procurement system, including the amount of tenders advertised electronically and the use of exceptions to competitive tendering
40. In addition, we will take steps to manage conflict of interest situations that public officials in charge of public procurement may incur, which may involve the employment of mechanisms, such as the use of technological solutions, to prevent, discover and remediate such situations. We ask the relevant multilateral international organisations to develop good practices in the field of public procurement anti-corruption policies, measures, and legislation for consideration by the Working Group.
41. During the year the Working Group requested and received input from the World Bank on the possible development of quantitative and actionable procurement transparency indicators to benchmark the complexity of and to track compliance with respect to the public procurement legal framework. We encourage the World Bank to consider further what options exist for using indicators of this type to measure and promote anti-corruption activities.

**xi. Prevention of corruption in the public sector: fiscal transparency**

42. UNCAC Article 9.2 highlights the importance of transparency and accountability in the management of public finances as a preventative measure against corruption. At Cannes, G20 countries committed to publish their budgets in a timely, comprehensive and reliable way, ensuring that their content is accessible and understandable to the general public, and to allow for the publication of relevant International Financial Institutions' (IFIs) reports on G20 countries' public sector finances when authorized by the country.
43. In respect of our undertaking to adopt good practices in fiscal transparency, consistent with the principles of clarity of roles and responsibilities, transparent budget processes, public availability of information, and assurance of integrity, with reference to the IMF Code of Good Practices on Fiscal Transparency, we will continue to identify priority actions individually and collectively that will support this commitment.
44. We will, in addition, seek ways to strengthen further the norms for and practices in fiscal transparency. We call on the multilateral international organisations that undertake assessments of fiscal transparency and public financial management systems to review and strengthen their assessment mechanisms. We note in this context that the IMF Code on Fiscal Transparency is currently under review, as is the operation of the fiscal Reports on the Observance of Standards and Codes (ROSC), as well as the process underway to update the Public Expenditure and Finance Accountability (PEFA) framework and introduce a mechanism for quality

assurance in PEFA assessments. We ask that the relevant organisations provide an update to the Working Group on the progress made.

45. As regards new efforts to promote greater transparency in public financial management systems, we note the establishment with the support of the IMF and World Bank of the Global Initiative on Fiscal Transparency (GIFT). We note the development by GIFT of high-level principles for fiscal transparency and arrangements for supporting multi-stakeholder processes at national level. We will continue to monitor the development of the GIFT initiative.
46. We note the potential link of work of the Open Government Partnership to many aspects of the prevention of corruption in the public sector and we will explore areas of overlap.

## **xii. Governance of international organisations**

47. International organisations are responsible for significant public funds and should operate with transparency, effective internal safeguards and the highest standards of ethics and integrity. We will continue to work with the international organisations to support the full implementation of the UN Institutional Integrity Initiative. We welcome the joint efforts of the World Bank, Asian Development Bank, African Development Bank, Inter-American Development Bank and European Bank for Reconstruction and Development to develop and implement a cross-debarment policy for companies and individuals that have been found to have engaged in fraudulent or corrupt practices. We will explore means to promote greater cooperation between national authorities and International Organisations in fraud and corruption cases.

## **xiii. Business engagement**

48. The involvement of business is essential in the fight against corruption. The High-level Anti-corruption Conference held in Puerto Vallarta and sponsored by the Organization for Economic Cooperation and Development (OECD), the United Nations Office on Drugs and Crime (UNODC), the World Economic Forum (WEF) and the Mexican Presidency of the G20 provided a valuable opportunity for G20 governments, businesses and civil society representatives to share views and experiences and discuss common objectives. In Los Cabos, G20 leaders welcomed the continuing engagement from the Business 20 (B20) on anti-corruption and transparency. The B20 published its recommendations<sup>25</sup> in June 2012 and we look forward to the continued involvement of businesses from all G20 countries.

## **xiv. Collective action and sectoral initiatives**

49. Collective action and sectoral initiatives have proven to be an important part of the global fight against corruption. In the Seoul Action Plan, the G20 set itself the goal of identifying new multi-stakeholder initiatives for improvements in propriety, integrity and transparency and further work to this end remains to be done. We note the complementary recommendations in this respect made by the B20.

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<sup>25</sup> <http://b20.org/documentos/B20-Task-Force-Recommendations.pdf>



50. We renew our commitment to improving transparency in certain sectors such as the extraction of natural resources and construction and to support or implement initiatives such as Extractive Industries Transparency Initiative (EITI) and Construction Sector Transparency Initiative (CoST). We particularly encourage companies in the extractive industries to disclose their payments to governments in countries where they operate.

### **Accountability**

51. The G20 will continue to hold itself accountable for the commitments it makes and to report on individual and collective progress made in their implementation. G20 leaders agreed at the Los Cabos summit to extend the mandate of the Anti-Corruption Working Group to the end 2014. In this context, the Working Group will prepare its third monitoring report at the end of 2013.

## G20 ANTI-CORRUPTION ACTION PLAN 2013 - 2014

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.

G20 Leaders established the G20 Anti-Corruption Working Group in Toronto in 2010 and endorsed the first Anti-Corruption Action Plan in Seoul later that year. At the Los Cabos summit, Leaders renewed the mandate of the Working Group and called for a revised Action Plan to be developed.

The G20 renews its pledge to implement fully the commitments found in the Seoul Anti-Corruption Action Plan, the Cannes Monitoring Report and subsequent Leaders' declarations adopted at the Summits in Cannes and Los Cabos, noting in particular the commitment in the Los Cabos communiqué to "closing the implementation and enforcement gap".

Reflecting these commitments and statements, we the G20 will further develop our work as follows:

1. The remaining three G20 countries will ratify and fully implement the **UNCAC** as soon as possible. G20 countries will lead by example in enhancing the transparency and inclusivity of their UNCAC reviews by making use on a voluntary basis of the options in the terms of reference to the UNCAC review mechanism, namely allowing country visits, involving the private sector and civil society in reviews and publishing in full the reports of reviews. We undertake each to respond to those deficiencies that are identified in our peer reviews and to make these responses publicly available.
2. Recognising the importance of our commitments to tackle **foreign bribery**, we will continue in our efforts to adopt and enforce laws and other measures against foreign bribery, which will include establishing the liability of legal persons. We will continue our active engagement on a voluntary basis with the OECD Working Group on Bribery with a view to ensuring the high standards of criminalisation and enforcement of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and exploring adherence to the Convention.
3. Promoting **effective enforcement of legislation against domestic and foreign bribery** is critical to tackling corruption. To this end, in 2013 we will share best practices and information to demonstrate how enforcement activity is being pursued. We will work with the private sector to identify enforcement measures that are particularly effective in changing the behaviour of bribe payers.
4. Having committed to pursue those who **receive and solicit bribes** as well as those who pay them, we will review and consider possible mechanisms for tackling solicitation, including the solicitation of facilitation payments, and will consult with and encourage business to improve current anti-corruption practices. We will identify best practices to encourage businesses to voluntarily self-report suspected breaches of bribery laws.
5. To deny safe haven to the proceeds of corruption and to facilitate asset recovery, we will further strengthen our efforts to **combat money laundering**. We will

continue our support of the work conducted by FATF on proceeds of corruption, which remains essential, and the dialogue between the Anti-Corruption Working Group and FATF corruption experts. G20 members welcome the adoption of the revised FATF standards, which include areas of particular importance to the fight against corruption, such as those relating to beneficial ownership information, customer due diligence and company formation, and look forward to their implementation and to the completion in 2013 of the update of the FATF assessment procedure with specific focus on effectiveness. G20 countries will share experiences on how to promote implementation by regulated entities of measures to combat money-laundering, consistent with domestic law, including through horizontal/thematic reviews of the treatment of high risk customers and business relationships. In 2013 we will share best practices to demonstrate how anti-money laundering enforcement activity is being pursued.

6. We commit to continue our efforts to **deny entry and safe haven** in our jurisdictions to corrupt officials and those who corrupt them. Building on the principles for denial of entry endorsed at Los Cabos in 2012, we will establish a denial of entry experts' network and continue to develop frameworks for cooperation.
7. To support the **recovery of proceeds of corruption stowed abroad**, we will continue to benchmark ourselves against the agreed asset recovery principles/framework, share good practice and guidance on asset recovery, and continue engagement with the UNODC and World Bank's Stolen Asset Recovery (StAR) Initiative. In 2013 we will develop national guides on international cooperation on asset recovery and make them publicly available. We will also review experiences in G20 countries with regard to promoting the transparency of legal entities in order to identify good practices.
8. We will strengthen **international cooperation** to assist our own and others' efforts to tackle corruption and bribery and facilitate asset recovery. To this end, G20 countries will:
  - encourage and share information on relevant technical assistance in this area among G20 countries and developing country partners;
  - exchange experiences of using networks to communicate with foreign counterparts and consider the extent to which there are networks, contact points, including designating central authority contact points as required by UNCAC, and other mechanisms in place to ensure the fullest levels of international cooperation between all appropriate government and law enforcement agencies, including FIUs, as well as judicial authorities;
  - consider possible ways of facilitating the cooperation and sharing of information between domestic authorities and the integrity offices of international organisations;
  - consider the current use of civil and administrative channels for international cooperation in corruption and asset recovery cases.
9. The G20 countries that do not already have whistleblower protections will enact and implement **whistleblower** protection rules, drawing on the principles developed in the Working Group, for which Leaders expressed their support in Cannes and also take specific actions, suitable to the jurisdiction, to ensure that those reporting on corruption, including journalists, can exercise their function without fear of any harassment or threat or of private or government legal action for reporting in good faith.

10. We reiterate our strong belief that anti-corruption authorities should be allowed to operate free from undue influence and provided with proper independence. We will examine the state and effectiveness of **anti-corruption authorities** in the light of previous work in this area. We will also consider how to promote and protect the crucial role of the independence of the judiciary in combatting corruption.
11. To build on our commitments made in Seoul and Cannes, we will continue to promote integrity, transparency, accountability and the prevention of **corruption in the public sector**, including in the management of public finances, for example by:
- ensuring high levels of fiscal and budget transparency by adopting and implementing measures with reference to international standards and good practices for government fiscal transparency taking into account UNCAC Article 9, the IMF Code of Good Practices in Fiscal Transparency and the OECD Best Practices on Budget Transparency;
  - building on the common principles adopted in Los Cabos for financial and asset disclosure systems for public officials, beginning, for the purpose of peer learning, by considering G20 countries current systems in light of these principles, and exchanging relevant experiences;
  - ensuring we have in place systems of procurement based on transparency, competition and objective criteria in decision-making to prevent corruption, and by the end of 2014, continuing our analytical work in this area and developing and sharing good practices in the field of public procurement anti-corruption policies, measures, and legislation including, for example, electronic procurement;
  - continuing to promote education and training initiatives that support the prevention of corruption through education in the public and private sector;
  - exploring the effect on anti-corruption efforts of immunities from prosecution for public officials
12. The G20 countries will continue to exercise our voice in the governance of **international organisations** and will consider proposals for action going forward. We will work with the IOs/IFIs in their efforts to develop minimum criteria for measures to combat corruption in IO/IFI funded projects and operations and seek to ensure the adoption and implementation of such measures.
13. **Business** is an important stakeholder in anti-corruption efforts and transparency within the private sector is critical. We will explore the potential and effectiveness of integrity pacts between business and governments and other mechanisms for sharing anticorruption expertise among businesses and governments and we will work with the B20 to achieve this. We call on representatives from the business community to develop capacity building programmes tailored to small- and medium-sized enterprises, including through supply chains and to report back on progress in early 2014.
14. We reiterate our support for **public-private partnerships** to combat corruption in specific sectors such as extractives industries and construction and our support for or implementation of initiatives such as EITI and CoST. We will share experiences and best practices from existing sectoral initiatives and carry out a risk-mapping analysis of those areas and sectors at greatest risk, including considering sectors identified by the B20 as a priority, as well as, where appropriate, cross-cutting issues such as the awarding of rights, licences or other similar benefits.

Leading by example, the G20 holds itself accountable for its commitments. We commit to continue the meetings and work of the G20 Anticorruption Working Group, and submit on an annual basis to G20 leaders for the duration of this action plan reports, agreed within the working group, on individual and collective progress made by G20 countries in the implementation of the Action Plan.

## 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 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

and combat money laundering, and invite the Financial Action Task Force (FATF) to continue to emphasize the anti-corruption agenda as we urged in Pittsburgh and report back to us in France on its work to: continue to identify and engage those jurisdictions with strategic Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT) deficiencies; and update and implement the FATF standards calling for transparency of cross-border wires, beneficial ownership, customer due diligence, and due diligence for “politically exposed persons”.

4. To prevent corrupt officials from being able to travel abroad with impunity, G20 countries will consider a cooperative framework to deny entry and safe haven in our jurisdictions to corrupt officials and those who corrupt them. To that end, G20 experts will examine the possibility to develop common principles for national measures to deny entry of corrupt officials, taking into account existing practices and barriers, and recommend frameworks for bilateral cooperation on the application of this authority.
5. To strengthen international cooperation and to lead by example through our own efforts to tackle corruption and bribery, the G20 will promote the use of the UNCAC, particularly those provisions related to extradition, mutual legal assistance and asset recovery and offer technical assistance where needed, and encourage the signing of bilateral and multilateral treaties on extradition, mutual legal assistance and asset recovery. We will endeavor to address the technical assistance requirements identified by state parties through the implementation of the review mechanism of the UNCAC to further promote implementation of the Convention.
6. To support the recovery of proceeds of corruption stowed abroad, all G20 countries will adopt measures related to, inter alia, preventing and detecting transfers of proceeds of crime; measures for direct recovery of property; mechanisms for recovery of property through international cooperation in asset tracing, freezing and confiscation; measures for special cooperation in voluntary disclosure; and return and dispose of assets as enshrined in Chapter V of the UNCAC. To this end, G20 countries will by the time of the 2011 Summit in France, establish clear and effective channels for mutual legal assistance, and other forms of international cooperation, on corruption and asset recovery, in particular, if they have not done so already, designate an appropriate authority responsible for international mutual legal assistance requests relating to corruption and asset recovery; establish points of contact for law enforcement and international cooperation on corruption cases; and develop specialized expertise for asset recovery in an appropriate agency.
7. To protect whistleblowers, who report in good faith suspected acts of corruption, from discriminatory and retaliatory actions, G20 countries will enact and implement whistleblower protection rules by the end of 2012. To that end, building upon the existing work of organizations such as the OECD and the World Bank, G20 experts will study and summarize existing whistleblower protection legislation and enforcement mechanisms, and propose best practices on whistleblower protection legislation.
8. To strengthen the effective functioning of anti-corruption bodies or enforcement authorities in the prevention and fight against corruption and enable these authorities to carry out their function free from undue influence, G20 countries will take as soon as possible the necessary actions to implement Article 6 (anti-corruption body or bodies) and Article 36 (specialized authorities) of the UNCAC.

9. To promote integrity, transparency, accountability and the prevention of corruption, in the public sector, including in the management of public finances.

The G20 will exercise its voice in the governance of international organizations to encourage that they operate with transparency, high ethical standards, effective internal safeguards and the highest standard of integrity. To that end, we call for continued dialogue among international organizations and national authorities on defining good practices and ways forward on this objective.

Business is a stakeholder in anti-corruption efforts, and its engagement on the issue is essential. The G20 will encourage public-private partnerships and offers a significant opportunity for developing and implementing initiatives that engage the private sector in the global fight against corruption.

To this end, the G20 will:

- strengthen corporate efforts, by extending an invitation to the private sector to meet during the French Presidency, to examine best practices and other forms of business engagement in combating corruption and to consider how G20 corporations could share their on-going efforts.
- combat corruption in specific sectors, by working with industry and civil society to identify vulnerabilities in commercial transactions in a subset of specific sectors, with the goal of recommending multi-stakeholder initiatives for improvements in propriety, integrity and transparency by the end of 2011, for consideration by Leaders and implementation thereafter as appropriate.

Leading by example, the G20 holds itself accountable for its commitments. Beyond our participation in existing mechanisms of peer review for anti-corruption standards, reports, agreed within the working group, on individual and collective progresses made by G20 countries in the implementation of the Action Plan will be submitted on an annual basis to the G20 Leaders for the duration of this Action Plan.

In this context, the Anti-Corruption Working Group will prepare a first monitoring report for the Leaders at next Summit in France.