

Mme. Florence Jeanblanc-Risler,  
Special Representative of the Director General of  
The Treasury for International Affairs,  
Ministry of Economy, Finance and Industry,  
Republic of France.

Mr. Mochammad Jasin,  
Vice-Chair,  
Corruption Eradication Commission (KPK),  
Republic of Indonesia.

11 February 2011

Dear Madame Jeanblanc-Risler and Mr Jasin,

We the undersigned organisations welcome the ongoing work of the G20 to combat corruption, and in particular the detailed Anti-Corruption Action Plan announced in Seoul last November. These efforts are crucial in order to secure sustainable development based on the rule of law and a sound, well regulated, accountable, financial system. Through our work in exposing and fighting corruption we have seen how it perpetuates poverty, impedes economic growth, results in denial and violations of basic rights to communities, distorts markets and fosters instability. Working together, the G20 countries can play a crucial role in tackling this scourge.

We have noted with appreciation that the G20 has emphasised its intention to reach out to all relevant stakeholders, including the business sector and civil society. The G20 Working Group on Corruption should lead by example, and practise transparency and inclusivity in its own dealings. As part of this process, we as civil society organisations with relevant expertise would welcome the opportunity to participate in consultation meetings and procedures, and recommend that the Working Group should publish its schedule of meetings and draft recommendations as follows:

- All G20 Working Groups should seek input from international organisations, governments and civil society on a regular basis and develop systems and processes for on-going transparent consultations.
- The terms of reference as well as the names of the principal government officials who serve as members of G20 Expert and Working Groups should be made public 6 months prior to the Summit.
- Meeting notices should be released 20 days before scheduled meetings.

It is welcome that the G20 has stated that it will hold itself accountable for its commitments. This should include concrete action points, with clear benchmarks and timeframes.

The Anti-Corruption Action Plan agreed in Seoul is broad and encompasses a range of important policy solutions, as well as providing some concrete benchmarks. Drawing on our expertise we have a number of suggestions for how G20 members can effectively implement the Action Plan.

#### **1. Ratification and Implementation of UN Convention Against Corruption (UNCAC)**

- Include country visits of the review teams and full and open civil society participation (Art. 13) as part of the country review process and promptly make the full review reports publicly available online (according to national access to information

legislation and Art. 10) in order to set an example and establish best practice. The government self-assessments should also be promptly published. These measures are currently voluntary under the Terms of Reference for the review mechanism.

- Provide technical assistance to developing countries to implement UNCAC.

## **2. Adoption and enforcement of international anti-bribery measures**

- Implement and enforce laws criminalising foreign bribery and prohibiting off-book accounts by 1st January 2012 in accordance with the OECD Convention Against Bribery of Foreign Public Officials and the UNCAC, without loopholes which make allowances for facilitation payments.
- Ensure that such laws properly cover company subsidiaries and the activities of intermediaries.
- Ensure that sufficient resources are provided to investigators and prosecutors, whistleblowers are protected and sufficient fines against companies who commit bribes are levied in order to create a successful deterrent to bribery.
- Ensure that export credit agencies enforce rules forbidding bribery, fraud or collusion. Encourage companies to adopt sound anti-corruption programmes and report on them according to the UN Global Compact – Transparency International Reporting Guidance.
- Ensure that beneficiaries of government rescue packages, economic stimulus funds and multilateral lending facilities publicly report on their use and their implementation of anti-corruption programmes.
- Sign up to and implement the Extractive Industries Transparency Initiative (EITI) and consider additional measures such as adopting the Natural Resource Charter.

## **3. Anti Money Laundering**

- Oblige banks and other institutions in major financial centres to undertake enhanced due diligence (in accordance with Financial Action Task Force (FATF) Recommendations) on customers who are Politically Exposed Persons (PEPs), as well as their family members and associates. Oblige financial institutions to publicly disclose their subsidiaries and branches registered in offshore financial centres.
- Oblige banks to have a senior level committee carry out an annual review of their PEP customers, in addition to on-going enhanced due diligence.
- Implement global mandatory national-level public registers of the beneficial owner of companies. Implement global mandatory national-level registers of trusts, to include the settler, the trustees, the letter of wishes, and the beneficiaries. Trustees should be required to provide information to the relevant authorities relating to all capital and income disbursements made to beneficiaries of trusts for which they are responsible for the purposes of tax information exchange with the national authorities of the countries where those beneficiaries are ordinarily resident for tax purposes.
- Implement sanctions against non-cooperative financial centres.
- For any G20 state that does not have a criminal offence of tax evasion, consider creating one, and call on FATF to make the criminal offence of tax evasion a predicate offense for money laundering.
- Call on FATF to develop a new methodology for its mutual evaluations that focuses more attention on the effective implementation and enforcement of laws and regulations, not just that they are in place.

## **4. Entry of corrupt officials into G20 countries**

- Deny entry and safe haven to corrupt officials for example in cases where the individual has been convicted of corruption offences or where there is credible evidence to believe that they are involved in corruption, subject to a fair and accessible appeals system for any excluded individual.

- Those who knowingly facilitate corrupt officials, such as those who pay bribes, or lawyers, agents and financial experts who knowingly facilitate the movement of illicit flows or broker corrupt deals should also face appropriate sanctions imposed following due process.
- Ensure that effective communication systems and sufficient resourcing is in place within governments to enable the timely sharing of pertinent information on corrupt officials and those who corrupt them.
- The G20 Working Group on Corruption should examine the feasibility of freezing the assets of corrupt officials in G20 countries, as well as the possibility of prohibiting G20 nationals and companies from doing business with corrupt officials.

## **5. International cooperation**

- Assist with requests based on foreign non-conviction-based confiscation orders, in certain circumstances (such as death, flight, or absence of the perpetrator), and where the order is issued pursuant to a transparent, fair and credible process for establishing that the subject of the order is proceeds of corruption.
- Facilitate the sharing of information between law enforcement agencies with respect for relevant privacy and data protection laws and due process procedures.
- Publish annual information on the number of requests for cross-border legal assistance received from each jurisdiction, including preliminary enquiries, and the proportion fulfilled.
- The G20 Working Group on Corruption should be a mechanism for the sharing of good practice in anti-corruption actions, drawing from cases on which G20 Members are working on.

## **6. Recovering the proceeds of corruption**

- Take concrete steps to facilitate the success of the World Bank and UNODC Stolen Assets Recovery Initiative, including fully supporting all legal actions aimed at recovering stolen assets, including assets transferred to trusts and assets owned or used by political leaders still in office.
- Create escrow accounts managed by the World Bank and/or Regional Development Banks for frozen assets and ensure the swift transfer of all frozen assets to these accounts.
- Create a fund to assist developing countries in their asset recovery efforts.
- Put in place legal frameworks that would enable victims of corruption and civil society to take asset recovery cases to court, both in the countries from where the assets have been stolen and in the countries where the assets are deposited.
- Enact and implement new laws or regulation that require identification of suspicious assets and make it easier to freeze those funds where there is limited capacity in the requesting country to make an appropriate request. One possible example is the "Duvalier law" recently passed in Switzerland.

## **7. Protection of whistleblowers**

- Assess existing whistleblower protection legislation in all G20 countries against best practice principles, such as those developed by international experts and published by Transparency International in 2009.
- Enact and implement whistleblowing legislation and enforcement mechanisms that comply with best practice by the end of 2012. Such legislation should cover the public and private sector, protect whistleblowers against reprisals and ensure a fair compensation for damage, support the establishment of appropriate and reliable reporting channels and provide for an independent review.
- Promote whistleblowing as an effective tool against corruption and malpractice by lending support to public information campaigns and collecting and publishing data about the public benefit of whistleblowing.

- Ensure that if a whistleblower faces a real risk of imminent harm or persecution for exposing corruption, and his home country is unable or unwilling to provide adequate protection, that he or she has access to effective asylum procedures.

#### **8. Effective functioning of anti-corruption bodies and enforcement authorities**

- Direct appropriate levels of financial resources towards the enforcement function of anti-corruption agencies and ethics commissions to prosecute corruption, fraud, mismanagement and violations of conflict of interest laws by government employees and officials.
- Ensure that anti-corruption agencies have the necessary supportive legal framework to operate effectively granting the appropriate powers and authority to carry out investigations, if they have an investigative function.
- Ensure that anti-corruption agencies are independent from the Executive and have the ability to investigate a country's government and leadership.

#### **9. Preventing corruption in the public sector**

- Follow the U.S. example and introduce a requirement for companies listed on their stock exchanges and operating in the extractive sector to publish all payments they make to foreign governments. This should be complemented by a global accounting standard requiring multinational corporations in all sectors and geographical regions to report profits, taxes and other financial details on a country-by-country basis.
- Improve the transparency of aid flows by publishing comprehensive, comparable, timely, understandable and forward-looking information. The International Aid Transparency Initiative (IATI) meets these requirements and all G20 countries should endorse it.
- Ensure aid allocations benefit countries that have shown a clear and continued commitment to transparency and anti-corruption measures and make a percentage of aid available for transparency, civil society participation, supervisory and audit programs (this applies to donors and recipients). Multilateral organisations should grant or lend funds to support the same principles.
- All G20 members (donor and recipients) should adopt UNCAC Article 9 on procurement and budget transparency and endorse aid programmes that provide funding to increase budget transparency, disclosure of natural resource revenues, and the coverage of the UNCAC (country signature, ratification and implementation).

#### **10. Governance of international organizations**

- Encourage international organizations to adopt, revise and implement internal anti-corruption strategies and access to information standards that ensure the highest levels of transparency, accountability and integrity in their processes and programmes, for example by implementing the Global Transparency Initiative's Transparency Charter.
- Rigorously implement the G20's previous commitment to merit-based, fair selection procedures for senior management of International Finance Institutions.

#### **11. Public/private partnerships, including sector specific projects**

- Drawing on the experience of sectoral multi-stakeholder initiatives, such as the Extractive Industries Transparency Initiative (EITI) and the Construction Sector Transparency Initiative (CoST), the G20 Working Group on Corruption should explore options for improving accountability and transparency throughout the supply chain of companies. This should include examining the possibility of an EITI-style multi-stakeholder initiative to cover the allocation of natural resource concessions, to ensure transparency and fairness in the access to natural resources, as well as stability in host countries.

We thank you for considering our recommendations and look forward to working with you. Should you have further questions, please do not hesitate to contact: Angela McClellan, Transparency International (+49-30 343 820 673 or amcclellan@transparency.org) or Robert Palmer, Global Witness (+44-20 7492 5860 or rpalmer@globalwitness.org).

Signed by:

Global Witness	International
Transparency International (represents 90 national chapters)	International
CAFOD	International
Christian Aid	International
CIVICUS (represents 450 member organisations)	International
EarthRights International	International
Eurodad (represents 58 member organisations)	International
Human Rights Watch	International
Latindadd (represents 17 member organisations)	International
ONE	International
Publish What You Pay (represents 600 member organisations)	International
Tax Justice Network	International
VSO	International

Integrity Watch Afghanistan	Afghanistan
Water Governance Institute	Afghanistan
Asociacion Civil por la Igualdad y la Justicia	Argentina
Rainbow Warriors Core Foundation	Aruba
Uniting Church in Australia, Synod of Victoria and Tasmania	Australia
Australian Council for International Development (represents 70 member organisations)	Australia
Center for Economic and Social Development	Azerbaijan
Bangladesh Bar Association	Bangladesh
Bangladesh NGOs Network for Radio and Communication	Bangladesh
Coastal Development Partnership	Bangladesh
Community Development Friend	Bangladesh
CNCD-11.11.11	Belgium
Qualicidade Institute	Brazil
Africa Development Interchange Network	Cameroon
Centre for Law and Democracy	Canada
Canadian Council for International Cooperation	Canada

Groupe d'Action de Paix et de Formation pour la Transformation	Central African Republic
Corporación Ocasá	Columbia
Egyptians Against Corruption	Egypt
SHERPA	France
Whistleblower-Netzwerk	Germany
Professionals For Humanity	Ghana
Council on Geopolitics	Hungary
Gram Bharati Samiti	India
Life Line to Business	India
Indonesia Corruption Watch	Indonesia
International NGO Forum on Indonesian Development (INFID)	Indonesia
CRBM	Italy
Genuine Democratic Alternatives	Liberia
Mexicanos Contra La Desigualdad, GCAP Mexico	Mexico
Alliance for Aid Monitor Nepal	Nepal
Global South Initiative	Nepal
African Network for Environment and Economic Justice	Nigeria
Development Dynamics	Nigeria
Helping Hands Group Nigeria	Nigeria
Obong Denis Udo-Inyang Foundation	Nigeria
Serap	Nigeria
Zero Corruption Coalition	Nigeria
PILDAT'	Pakistan
Grupo de Trabajo Contra la Corrupción	Peru
Universidad Coherente	Peru
Anti-Corruption Trust of Southern Africa	South Africa
Open Democracy Advice Centre	South Africa
The Fight Against Corruption	South Africa
Group for Economic Social and Cultural Rights Studies	Sudan
Berne Declaration	Switzerland
“Lalenok Ba Ema Hotu” (LABEH)	Timor Leste
Uganda National NGO Forum	Uganda
ARTICLE 19	U.K.
Association for Accountancy and Business Affairs	U.K.
BOND (represents 370 member organisations)	U.K.
Corruption Watch	U.K.
Platform	U.K.
Public Concern at Work	U.K.
Tax Research	U.K.
Tearfund	U.K.
The Corner House	U.K.
Tiri	U.K.
TORO Creative Union	Ukraine
Campaign for America’s Future	U.S.
EG Justice	U.S.
Friends of the Earth - U.S.	U.S.

Global Financial Integrity	U.S.
New Rules for Global Finance	U.S.
Pacific Environment	U.S.