



Feedback to G20 ACWG HIGH LEVEL PRINCIPLES AND ACTION PLAN

29 March 2021

Overall, the C20 ACWG appreciates the important work of the G20 ACWG to address corruption as a central challenge to global stability and prosperity, and the focus on corruption during crises, the measurement of corruption, corruption in sports and organized crime through the High-Level Principles. We believe, however, that there is an opportunity for the G20 ACWG to go further in prioritising the issue of corruption in practice. At this stage international agreement on principles or frameworks is not enough - G20 members must commit to clear targets and political actions to ensure corruption is fought in every form and geography.

The G20 ACWG should call upon its members to put additional political muscle behind addressing and prioritising, at the highest level, the collective challenges of: tax havens; beneficial ownership; cooperation between organized crime and the state/political actors; political party financing; and the involvement of the financial system and services sector in facilitating organized crime and corruption. The UNGASS meeting on corruption will reaffirm existing commitments, as did the Crime Congress this year. Now is the time to hold countries accountable for prioritising these issues in their political agendas.

An important element of all of this is community participation in the monitoring, prevention and risk measurement related to corruption through open data and open platforms where citizens can ensure transparency and accountability. The C20 and civil society globally can support governments to make their pledges related to corruption real, but this requires close cooperation to ensure that citizens are meaningfully involved in these efforts.

Over the last several weeks, the C20 ACWG worked with its members to review the draft G20 ACWG documents policy documents. Below is a synthesis of the feedback received.

Feedback to “Corruption related to Organized Crime concept note and second draft of G20 high-level principles”

Specific feedback to Background and Rationale:

- There is an urgent need for a clear and detailed **definition** of Organized Crime (and mafia-type organizations). As mentioned in the draft, “the United Nations Convention against Transnational Organized Crime does not provide a definition of organized crime [...]” Having a clear understanding and alignment on the different types of crimes and organizations would help to identify more appropriate repression tools, but also how organized crime-related corruption could be different for different criminal groups.
- In particular, such a definition needs to clearly describe the different **categories of criminality**. Reaffirming the 18 categories identified by the Fourth UN Survey of Crime Trends and Operations of Criminal Justice Systems in 1994 can be useful to individually address each category of crime.
- Further it would also be useful to note the role that **technology** can have in facilitating crime and corruption (fraud, identity theft, privacy) and precluding crime and corruption (smart contracts, insurance and real estate titles through blockchain applications and technologies). Of special and rising concern is the online, internet or web-based crime that may not be attached to a particular country or region, with numerous national and international examples arising, particularly in the context of the Covid-19 pandemic, given the the role of distance based work, commerce and societal interaction.
- Suggested addition to the Rationale: “Through corruption, organized criminal groups seek to [...] conceal illegally obtained proceeds of their criminal enterprises, *undermine justice and rule of law, distort economies, and in extreme circumstances, capture states, and damage the environment*”.
- The focus on the interconnectedness of organized crime and the need for a strongly aligned transnational strategy to fight it is highly appreciated. It might be useful to stress the interlinkages among countries further, to hold each country accountable and responsible: for example, money may be derived from one country and then either laundered, banked or invested in another country that is apparently less corrupt; or, vice versa, businesses from less corrupt countries engage in corrupt behaviours in other countries. This means that **no country is immune and all countries are responsible** and all G20 members should be requested to adhere to the Protocols supplementing UNTOC.

Specific feedback to Principle 2 (on Anti-money Laundering Standards):

- We suggest an additional focus on trade-based money laundering and transfer pricing. These methods of money laundering are frequently difficult to detect and countries need additional support to identify and investigate these crimes. In addition, more comprehensive training is needed in this area for law enforcement and financial intelligence units.
 - We suggest adding to the introduction box “*Risk-based approaches and preventive mechanisms and tools, such as effective customer identification, should be put in place to protect the integrity of the financial system, of public contract systems and of the shipping and other cargo services*”.
- We suggest adding a focus on increased scrutiny of the banking system, especially as most large international banks granting other banks via corresponding bank accounts access to the global financial systems are situated in the G20 countries. Large banks need to conduct thorough and regular Know-Your-Customer and Know-Your-Customers-Customer investigations and monitoring when it comes to smaller banks that open corresponding bank

accounts to participate in the international money exchange systems. These smaller banks are often an instrument for local or transnational organized crime groups which insert themselves with their ownership via offshore type companies and proxies.

- Strengthening “regulatory and supervisory regimes for financial and designated non-financial businesses and professions (DNFBPs)” should be further developed. Designated Non-Financial Businesses and Professionals (DNFBs) play a critical role in the laundering of money. These enablers include tax professionals, lawyers, financial advisors, banks and financial institutions, company formation agents, register agents, notaries, business trustees, trust and corporate service providers and other providers of tax evasion schemes. Countries should address the problems these enablers pose by:
 - Promoting awareness of these enablers;
 - Distributing information on the role of these enablers and methods for identifying their actions;
 - Developing legal and regulatory framework to disrupt the actions of these enablers;
 - Develop strategies to deter the actions of enablers;
 - Promote both domestic and international efforts to address the actions of enablers.

Specific feedback to Principle 3 (on Beneficial Ownership):

- Beneficial Ownership Transparency needs to be extended as Beneficial Property Ownership Transparency, as most money generated by organized crime ultimately buys real estate/land mostly in the G20 countries. Property registries need to be fully transparent and matched against sanctions lists and organized crime related criminal convictions. Interlinking corporate ownership BO databases with real estate ownership registries would greatly help asset recovery efforts, too. Unified corporate - property registries need to be fully accessible to the public while on the law enforcement side banking databases have to be added into the mix.
- Beneficial Ownership Registers should be open to the public, not only to the competent authorities. The Open Government Partnership in 2019 recognised the importance of pushing for "a common vision of simple access by business, civil society, and other government actors to public, open data of corporate beneficial ownership that is linked transnationally".
 - Suggest editing the introductory paragraph to: “Furthermore, the *public* availability of this information can enable law enforcement or other administrative or regulatory authorities to uncover and seize wealth accumulated by organized criminal groups and corrupt actors, *and for civil society and media to conduct monitoring activities that support law enforcement and regulatory authorities.*”
 - Suggest editing the second paragraph to: “The lack of *open*, accurate and timely beneficial ownership data [...]” and a reference to the 2015 G20 Anti-Corruption Open Data Principles.
 - Suggest editing the first bullet point to: “Put in place mechanisms that allow *for public registers of open beneficial ownership data to ensure access to adequate* [...]”
- Governments should ban any public sector institution from establishing an economic relationship (through public procurement or grant processes) with companies whose beneficial owners are not recognisable.
- A large number of countries including many G20 members have enacted beneficial ownership laws. These laws vary in effectiveness and have issues regarding verification measures, accuracy, and reliability. The G20 should take a leading role in advising countries in establishing strengthening beneficial ownership laws by:
 - Establishing international standards;
 - Promoting best practices;
 - Promoting international cooperation and facilitating exchange of information;

- Working with private sector information technology experts to solve registration issues.

Specific feedback to Principle 4 (on Public Procurement):

- A reference to the G20 Principles of Open Data for Anti-Corruption can be added next to the reference to article 9 of UNCAC and the G20 Principles for Promoting Integrity in Public Procurement, since these Principles add information on the value of open data and registries of public contracts.
 - Suggested addition to that paragraph: “Similarly, the G20 Principles for Promoting Integrity in Public Procurement, adopted in 2015, recognize the importance of transparency, integrity and fairness in procurement systems and call for stronger procurement systems. *In addition, the 2015 G20 Anti-corruption Open Data Principles recognize the value and attributes of open data, and acknowledge the effectiveness of its use in public procurement.*”
- Transparency and control tools must be combined with simple and fast award systems. This is crucial to engage civil society in the process. Civil society must clearly perceive the benefits of the existence of anti-corruption procedures applied to procurement, while it usually only perceives the bureaucratic burden of them.
- “G20 countries should enhance governance and increase transparency in public procurement, at the pre-tender, tender and contract management stages of the process”. It is suggested to also add the “implementation stages” to this list- after contract management stages. This information can be helpful for identifying if contractors are consistently not delivering or are unqualified for the work they have been awarded.
- “Ensuring transparent, open-data bidding process”. We would suggest that we should not limit the scope of the bidding process but rather strengthen this recommendation to encompass the entire process of awarding public contracts, since, as the draft also mentions a few lines below, “organized criminal groups might bias the content of tenders and obtain public contracts by influencing politicians or bribing the officials involved in the procurement procedures.”
- “Carefully training and selecting the officials working with the award of public contracts” and keeping and publishing a public register of all companies awarded contracts.

Specific feedback to Principle 5 (on ICT):

- As mentioned in the introduction too, more specific concrete actions are needed on promoting “the participation of society in tackling corruption related to organized crime.” Some initial recommendations are added below:
 - Put secure feedback mechanisms in place;
 - Ensure accessible freedom of information/right to information laws, using digital methods for citizen reporting and whistleblowing, supporting civil society initiatives, upholding freedoms of expression, association and assembly.
 - It would be important to highlight UNCAC Article 13, that is blocked by some governments. (“Article 13 mandates states parties to ensure participation of civil society and non-governmental organisations in the prevention of and fight against corruption. It refers to the need for measures ensuring public access to information and participation in educational programmes.”)
- ICT tools should also focus on real time analytics for flagging of corruption cases - and track records for barring suppliers with past corruption cases.
- We highly recommend drawing attention back to last year’s “G20 High-Level Principles for Promoting Public Sector Integrity Through the Use of ICT” and measure the progress made by

each country on such principles, identify any barrier to implementing these principles and suggest ways forward based on the results of this analysis.

- Risk assessments must also involve analysis of economic data and indicators from imports, exports, manufacturing that point to criminal activities and money laundering.

Specific feedback to Principle 6 (on Civil Society Participation):

- Specific concrete actions are needed in this section, one example being the implementation of community monitoring systems, and platforms through which the communities can participate around corruption and transparency issues. The C20 ACWG will provide specific recommendations.

Specific feedback to Principles 14 and 15 (on Witnesses and Whistleblower Protection):

- We would suggest an addition to Principle 14: "...implementing specialized witness protection programmes, as well as whistleblower protection programmes [as further discussed under Principle 15, below]." Rationale: To get to the point where there are witnesses (willing to risk testifying) at trial, there first needs to be those willing to report misconduct, i.e. those willing to be "whistleblowers". It is good to have two principles related respectively to witnesses and whistleblowers, but it might help to note that both sets of persons should be afforded protections under law and through well-implemented programs.
- We would suggest removing "in good faith". Good faith motives tests are risky and should be avoided. Reasonable belief is the best practice standard. Motives should be irrelevant in whistleblower laws.
- The following edits are suggested:
 - "G20 countries are called to:
 - Ensure that all whistleblowers are provided protection regardless of whether they are from the private or public sector, or the contractual relationship they have. Facilitate reporting through the establishment of confidential and anonymous reporting channels. They should offer a combination of various reporting channels;
 - Ensure the existence of measures to prevent retaliation, such as establishing clear policies and procedures to protect the identity of whistleblowers;
 - Provide support in case of retaliation through protection against civil or criminal liability, the reverse burden of proof standard that exclude consideration of whistleblowers' motives, penalties and individual accountability for retaliation, compensation for damages for the reporting person who faced retaliation including attorneys fees, exempt whistleblowers from the application of loser-pays rules in retaliation cases, interim relief, and physical protection.
 - Adopt frameworks to providing rewards, based on a percentage of any recovered amount(s), to the whistleblower(s) / reporting person(s); similarly, rewards or compensation may be considered to cover [the costs of providing] physical protection [for the reporting person(s)]."

Specific feedback to Principle 16 (on International Cooperation)

- It is suggested that the ACWG specify the importance of accessing historical data too - to review trends over time that may speak to cases of corruption.

Specific feedback to Principle 17 (on Extradition):

- We should make special note that extradition can violate human rights when it happens in countries with levels of human rights abuses.

Feedback to “G20 Action on Sport Integrity and Draft G20 High Level Principles on Corruption and Sport”

Specific feedback to the Concept Note:

- We welcome the holistic approach to sports that has been adopted by the G20 Action on Sport Integrity. However, this approach does run the risk of failing to capture nuances and specificities of certain integrity hotspots. One area specified by the plan relates to the manipulation of sports and illegal betting (principle 8) but other areas may also require targeted provisions (infrastructure associated with sports events for example). It is recommended therefore that the mapping exercise stated under principle 1 also provides the basis to identify and cluster key integrity hotspots based on observed categories of risk so that tailored data collection and analysis can be implemented. A suggested item is drafted below:
 - Clustering the integrity hotspots based on observed categories of risk for a systematic understanding and mapping of critical focus areas.
- A specific reference and example of the Italian government’s leadership on open data and transparency of contracting from Open Cortina 2021 would help set a stronger framework.
- Small suggested edit to refer to it as “double damage” instead of “double disvalue” in the first title.
- Lastly, a note should be made that most corruption risks (“selection of sites, land acquisition and construction, procurement and security contracts, to supply chains”) are linked to infrastructure projects - a major source of corruption in sports which requires a dedicated focus.
 - Suggest adding “[...] illegal betting, match fixing, adjudication of major sport events or concessions like TV broadcasting rights through corruption or bribery, deviance of related public procurement *for sports events and building of sports infrastructure*, inter alia, are examples of illicit behaviors in this broad risk area.”

Specific Feedback on the Principles:

- Principle 3: Past sport events demonstrate that access to information can be denied without solid grounds. This happened in the Olympics 2000 where confidentiality agreements were signed with contractors/bidders and a Cabinet order imposed a general ban on Freedom of Information requests related to all Olympic documents. To ensure access to information is protected and guaranteed, we suggest that the G20 ensure:
 - Implementation of policies to prevent bans and limitations on the Right to Information Laws.Also an additional element should be added to the actions:
 - Promote the publication of contracts and open data related to public procurement and public infrastructure contracts in sport.
- Principle 4: We commend the focus on multi-stakeholder cooperation as a means of safeguarding the integrity of sport. Open data and ICT can be important allies when it comes to prompting stakeholder cooperation and breaking corrupt patterns. To leverage the use of digital technologies to help identify integrity risks, we would suggest that the G20:
 - Explores how open data technology and ICT can be used for the public sharing and exchange of information.

- Principle 5: Civic monitoring is an important mechanism of accountability and has been successfully used to drive improvements in service delivery. But capacity and skills are needed for the task. To enable adequate civic monitoring it is important that there is adequate training on the use and analysis of data to support the detection channels. We ask that the G20 consider:
 - Promoting specialised training for civil society in areas such as use and analysis of data to build capacity and skills to support detection channels.
 - Suggest adding: "Improve detection channels, with a strategic focus on *the use of data and* effective reporting mechanisms, as well protected as anonymous or personal, ICT-based or human-based, in view of collecting relevant information functional to trigger investigations"
- Principle 7: Need to include looking at major infrastructure being built for sporting events. A suggested item is drafted below.
 - Develop specific analysis and risk assessments focused on the organized and economic crime dimension of corruption and crime in sport.
- Principle 10: The legal nature of sports organisations is a factor that impacts the level of transparency and accountability in sports. Most sports entities are incorporated as non-profit associations which limits the scope of their transparency legal obligations. To ensure adequate accountability to the public, a commitment from sports bodies to change their status of non-profits is paramount. A suggested item is drafted below.
 - Seek commitments from sports organizations to consider changing their status of non-profits to ensure business-like reporting obligations

Additional Suggested Principle:

Finally, It is suggested to add a Principle 12: Promote transparency and accountability of the infrastructure developments associated with major events.

Sports is a multi-billion dollar industry worldwide and sporting megaevents are especially susceptible to mismanagement, inefficiency and corruption. This in turn, threatens the reputation of the whole event. G20 countries should act to promote best practices for proactive transparency and accountability of all public and private monies being invested in major sporting infrastructure, drawing on Guidance such as the OECD Principles for the Governance of Infrastructure.

To implement this principle the G20 will need to draw from the following actions:

- To lead by example (building on, for instance, one of the critical success factors of the London Olympics) in publishing shareable, reusable, machine-readable data, preferably in the Open Contracting for Infrastructure Data Standard (OC4IDS) and/or Open Contracting Data Standard (OCDS) across the entire lifecycle of projects from planning to procurement to delivery and to use that data to drive decision-making and improve performance;
- To join up planning and procurement data with additional datasets such as SME participation, growth or social mobility to maximise economic and social benefits from major sporting infrastructure investments to drive equality and equity;
- To implement rigorous project management and stakeholder engagement processes to enhance coordination and cooperative governance across national, subnational or local governments to ensure delivery within budgets and timeframes;

- To develop and adopt clear accountability mechanisms including more effective systems for oversight and monitoring and to ensure these units are well resourced to deal with the multifaceted issues at hand;
- To promote wide awareness of the strategic societal role which sport plays in society and communities;
- To strengthen the social role of sport in society and communities through dedicated programs, projects and activities which embed the sport integrity dimension;
- To develop a transparent database of infrastructure associated with sports events to serve as a 'reference class forecasting' to help improve cost estimations and external monitoring.

Feedback to “G20 ACWG Action Plan 2022-2024 - Initial Grid”

Overall feedback:

We recommend the new Action Plan places a strong emphasis on the **implementation of the 60+ commitments adopted in the last decade**, rather than creating new suggested commitments to comply with. A thorough analysis of where each country stands in terms of implementation and barriers to implementation is fundamental before moving forward with more commitments.

Feedback to the individual goals and deliverables:

- **1.2:** We suggest the addition of further specifics or or examples. draft language below:
 - “...by making government data transparent by default (with exceptions to personally identifiable data), making it available in machine readable formats, following global standards when available, and establishing processes and incentives to use data and systems to present and counter corruption, in addition to implementing a clear data governance and management that ensures high-quality of data”.
- **1.3:** We commend the efforts of the anti-corruption plan to seek close collaboration with multi-stakeholder partnerships and with the Engagement Groups (B20 and C20). To align with these aspirations we suggest rewording the item as follows:
 - Reinforcing good governance, transparency and accountability through collective action on open government and open contracting, through multi-stakeholder partnership between state authorities, private bodies, civil society and academia in shaping, implementing and monitoring progress.
 - We would also propose including specific language around the use of data to further build synergies with the C20 work: “In cooperation with the C20 to leverage the use of open data technology and ICT to improve support for detection channels”.
 - We suggest specifying the scope of open contracting, to include “planning, awarding and implementation”.
 - Reinforcing good governance, transparency and accountability through collective action on open government and open contracting, with clear roles for the private sector and civil society in shaping, implementing and monitoring progress.
- **1.4:** Add “the exchange of relevant information *and data* [...]”.
- **1.5:** We suggest modifying this item as follows: “Increasing market transparency for the benefit of market efficiency and competition as well as corruption and waste reduction at the national and international level. Developing international registers of government contractors in cooperation with the B20.” With this we would like highlight not only the benefit of supplier knowledge itself for suppliers, but also include the benefits for competition, anti-corruption, fraud reduction and more efficient spending that greater procurement market transparency provides. This will benefit small businesses in particular who struggle to access the market.
- **1.6:** We suggest modifying this item as follows: “Ensuring that public procurement conducts thorough checks on suppliers including the identification of their beneficial owners. Developing capacity-building and training programs for public officials responsible for the management of public contracts, learning from loopholes, inefficiencies and mistakes occurred during the COVID-19 crisis with an emphasis on the importance of beneficial ownership information to the contracting process.”

- **1.7:** Suggested edit: “[...] use of public resources *and* public expenditure”.
- **1.8:** Suggested edit: “Empowering Supreme Audit Institutions (SAIs) or other autonomous national audit or ombudsman bodies *with adequate, dedicated financial and human resources* to monitor the implementation of corruption prevention rules and policies and their performance, providing relevant data and other useful information”.
- **3.1:** We welcome the focus on beneficial ownership transparency. To amplify the impact of this goal, open ownership registers need to adhere to open data format standards. We would suggest that the ACWG consider including the following language: “Ensuring that central public registers utilise open and accessible data that can be easily connected with other open databases”.
- **7.1:** There is an opportunity for the G20 to recommend using ODC and OECD’s framework, including short and long term recommendations, to improve data governance systems ([link](#)). Emergency procurement of infrastructure has proven to be a hot button accountability issue during the pandemic response and recovery. We suggest making special reference to infrastructure related challenges to encourage the G20 to discuss lessons learned, preparedness and resilience in the context of infrastructure related post-Covid policies. A suggested addition is drafted below:
 - "Nurture preparedness and resilience of countries’ integrity systems before future crises, including looking at major infrastructure being procured and built in the response to and the recovery from the Covid-19 pandemic".
- **8:** We ask that the ACWG consider including a specific line on procurement during all large-scale emergencies, not limited to the COVID-19 pandemic, including floods, earthquakes, natural disasters etc., where transparency is most needed to be accountable to both the finances being spent and the beneficiaries who rely on the goods and services that are procured.
- **8.2:** Suggested edit: “Enhancing integrity and transparency of health procurement through open data across the full procurement cycle. Tackling undue influence on professional appointments and contracts. Developing multi stakeholder partnerships, including Public-Private-Partnerships (PPPs) and a clear role for civic organizations, in the delivery of services and quality standards.” It is in fact important to include the role of civic organizations, both anti-corruption as well as health sector organizations, that can bring specific expertise to these specialist procurements. Often during the Covid-19 emergency we saw a failure to consult the end users of health goods and services (patients, medical staff) resulting in faulty or below standard equipment and services. Ukraine provides good examples of the involvement of good governance, patient, doctor and health sector organizations in the procurement of better quality, more cost effective health goods and services.

It is also suggested to add an equity provision to this action, ensuring health services are provided to those particularly at most need. Moreover, a specific point should be included around corruption and water and sanitation services, as access is one of the most significant barriers to equal health provision.

- **9.1:** Suggested edit: “Adopting and applying integrity and transparency standards to all public funding of bio-pharmaceutical research and development and public contracts with the

pharmaceutical industry, including those on vaccines, and to the conduct and outcomes of clinical research and trials involving human subjects.”

- **9.3:** We would suggest that this provision includes more details and minimum requirements for these standards. Eg: open, able to track cross-country transactions, ISO standards, etc.
- **10:** It is necessary and important to make specific mention of the different corruption impact women face in the global south versus the global north. For example, the digital economy does not necessarily create new opportunities for women. In many cases lack of access to information technologies has exacerbated inequality gaps by excluding them from education, digital reporting mechanisms and engagement opportunities (that have moved online).

It is important to note that the G20 ACWG committed to this goal 3 years ago. Since then, civil society has shared several recommendations on this topic. We recommend using this action plan to push for more action by the G20, by for example recognizing and addressing specific gendered forms of corruption (such as sextortion). More recommendations available at [this link](#).

- **12:** The focus on measuring corruption is highly appreciated. It is a means to develop objective metrics to identify and combat corruption. In line with the other goals, we propose to add additional that leverages the use of open data technologies and ICT to develop innovative corruption measurements. A suggested item is drafted below:
 - “Leveraging the use of open data technologies and ICT to identify integrity risks and develop innovative corruption proxies and indicators”.

We also propose an additional item in order to link up and build synergies with previous C20 work, as follows:

- “In cooperation with the C20, leveraging the utilisation of the Compendium of Good Practices for Promoting Integrity and Transparency in Infrastructure Development (adopted/endorsed at the Osaka Summit)”.