



G20 Osaka Summit

Issue Note: Session 4

1st Sherpa Meeting, 19-20 January 2019

Anti-Corruption

1 Overview

Corruption undermines basis for strong, sustainable and balanced growth. Preventing and fighting corruption is the core to maintaining rule of law, to building national and global prosperity, and to keeping us safe and secure. G20, through the work of Anti-Corruption Working Group, has intensified global fight against corruption and contributed to enhanced cooperation for redoubling the efforts in a number of areas. In spite of this, corruption remains to be the most serious illness of our time.

As premier forum for international economic cooperation, of which both the developed and emerging economic nations are members, G20 has a responsibility to lead global efforts to prevent and fight corruption in cooperation and coordination with non-G20 countries and international organizations, avoiding duplication with existing frameworks. G20, under Japanese presidency, will continue to develop targeted and practical commitments, and facilitate the implementations of the past commitments by taking concrete actions.

2 Priorities and Deliverables

In 2018, leaders endorsed Anti-Corruption Action Plan 2019-2021 at Buenos Aires Summit. In line with the newly-adopted Action Plan, the ACWG will facilitate implementation of the past deliverables, and tackle corruption in key identified areas by making strong and concrete commitments.

The Japanese G20 Presidency, as the first presidency which implements the Action Plan 2019-2021, proposes following priorities for the year 2019:

Promoting Integrity in Infrastructure Development: Infrastructure is an area particularly vulnerable to corruption. Argentinean Presidency in 2018 initiated the discussion on corruption related to infrastructure in the ACWG, and G20 members recognized the importance of ensuring integrity and transparency in infrastructure development. Thus, the newly adopted G20 Anti-Corruption Action Plan 2019-2021 has included the infrastructure as one of the topics that need to be tackled in next three years.

Building upon existing G20 deliverables and other international standards, the ACWG will work to develop Good Practices Guide for Promoting Integrity and Transparency in Infrastructure Development. The proposed Good Practices Guide aims at helping countries including non-G20 members to take concrete actions for combatting corruption related to infrastructure. During

the course of discussion on infrastructure, the ACWG will facilitate collaboration and coordination with other relevant working groups in G20, including Development Working Group and Infrastructure Working Group, by making inputs to the discussions in these working groups from anti-corruption perspectives, as appropriate.

Whistleblower Protection: Whistleblowing is one of the most effective channels to detect various forms of corruption both in public and private sectors, including bribery, embezzlement and abuse of functions. Robust protection of whistleblowers is essential for reducing the risk of corruption. Although G20 made commitment to enact and implement whistleblower protection rules in 2011 Leaders Declaration, its implementation has not been followed-up until now. Also many states parties to the United Nations Convention against Corruption have required technical assistance to implement the Article 33 of the Convention which stipulates protection of reporting persons. In this sense, G20 needs to lead by example, developing stronger commitments for establishing and enforcing effective whistleblower protection.

The ACWG will work to develop High Level Principles on Promoting Whistleblower Protection, which shows the commitment of G20 to have effective whistleblower protection systems in place. It would also provide practical guidance with countries which intend to establish or improve their whistleblower protection systems.

Other Issues: In addition to these two priorities, the ACWG will follow up the implementation of the past commitments, made in Leaders' Declarations and High Level Principles. Especially, the ACWG will follow up the commitment towards criminalization of foreign bribery and possible adherence to the OECD Anti-Bribery Convention made in the Buenos Aires Leaders' Declaration, for example by providing updates on enforcement of anti-bribery laws and criminalization of foreign bribery. Additional sectors or topics related to corruption may be discussed if the group agrees.

3 Way Forward to Osaka

Co-chaired by Japan and Mexico, the ACWG will hold three meetings in 2019. The first meeting is going to be held 21-23 January in Tokyo. At the meeting, the first discussion on the two proposed deliverables will be held, based on drafts prepared and shared among the members by Japan. The second meeting is scheduled to be held in early April, and aims at agreeing on the two deliverables for the endorsement by Sherpas ahead of G20 Osaka Summit in 28-29 June.

The ACWG cooperates closely with relevant international organizations, including Organization of Economic Cooperation and Development and the United Nations, the World Bank, the International Monetary Fund, and the Financial Action Task Force. In addition, the ACWG will continue to cooperate with business and civil society by getting necessary advice and recommendation, especially for the discussions on the presidency's priorities.

4 Questions for Discussion

1. What kind of new elements could be included in the High Level Principles on Promoting Whistleblower Protection reflecting on the recent development in national and international

framework for whistleblower protection?

2. How could the ACWG contribute to the discussion on infrastructure in other working groups, including IWG and DWG?
3. Is there any other area(s) or topic(s) that the ACWG should focus in 2019?