

G20 ANTI-CORRUPTION PRIORITIES

INTEGRITY AND EFFECTIVENESS OF PUBLIC

AUTHORITIES RESPONSIBLE FOR PREVENTING

AND COMBATING CORRUPTION

Why is it important?

Article 6 under the United Nations Convention Against Corruption (UNCAC), which has been adopted by all the G20 countries, lays out the framework for preventive anti-corruption bodies. Integrity of public bodies, especially those responsible for preventing and combating corruption, is important to establish trust, ensure accountability, promote efficient governance, maintain transparency, and protect public resources.

Public bodies are entrusted with managing public resources, such as tax revenue and public funds. Upholding integrity ensures that these resources are utilized responsibly, efficiently, and for the public's benefit. It helps prevent mismanagement, embezzlement, or diversion of public funds for personal gain. Maintaining integrity safeguards against fraud, corruption, and other forms of financial misconduct, protecting the public's interests and resources.

This is especially important in today's context where countries are dealing with a polycrisis- from economic downturns to conflicts to the impacts of climate change- with limited financial resources. Ensuring the effectiveness of public bodies to curb corruption and utilize public resources will be key to achieving the G20 India Presidency's goal of "securing strong, sustainable, balanced and inclusive growth."

What does this mean in practice?

The G20 recognizes the critical role integrity and effectiveness of public bodies and anti-corruption authorities can play in preventing and combating corruption. The G20's approach focuses on strengthening anti-corruption frameworks through robust policies, codes of conduct, and sharing best practices; ensuring transparency and accountability through transparent decision-making processes, and public access to information; strengthening the audit institutions to assess the effectiveness of anti-corruption measures, promote transparency in public financial management, and identify areas of corruption risk; and providing protection and incentives for whistleblowers who report on corruption.

What does it mean if you don't get it right?

Lack of integrity and effectiveness within public bodies, including those responsible for combating corruption, leads to diversion of public funds which are meant to be invested in infrastructure, education, health, and other critical public services. This ultimately hampers long term economic growth and perpetuates social inequality. Besides robbing the state of its financial resources, corrupt and ineffective public bodies undermine the legitimacy of public institutions and weaken citizen trust in government processes and systems.

Past G20 commitments - why is it important now?

1. G20 High-Level Principles for Promoting Public Sector Integrity Through the Use of Information and Communications Technologies (ICT).
2. G20 Principles for Promoting Integrity in Public Procurement
3. G20 High-Level Principles on Preventing and Combating Corruption in Emergencies
4. G20 High Level Principles on Countering Corruption in Customs
5. G20 ACWG Work plan (2022-2024).
6. G20 High-Level Principles on Enhancing the Role of Auditing in Tackling Corruption
7. The G20 Indian Presidency has drafted high level principles to ensure the integrity and effectiveness of public bodies and anti-corruption authorities.

Countries across the world are going through a multitude of crises that are likely to have implications beyond national borders. Some of the economic, environmental and social challenges are due to lack of integrity and accountability of public institutions. The impact of strong public bodies, including anti-corruption authorities and audit institutions, can result in economic growth. The IMF's Fiscal Monitor Report from 2019 indicates that the least corrupt countries that fall within the same income bracket collect 4% more of GDP in tax revenues in comparison to highly corrupt countries. Similarly, allocation of budget to health and education sectors in highly corrupt countries tends to be less by one-third in comparison to less corrupt countries.



What is working among G20 countries

In 2013, **Brazil** implemented the Clean Companies Act, which imposes strict liability on companies for corrupt acts and provides incentives for self-reporting and cooperation in corruption investigations. This and other policies, including the Administrative Misconduct Act, and the Law on Anti-money Laundering, the Law on Clean Rap Sheet (Complementary Law No. 135/2010), the Law on Access to Information (Law No. 15,527/2011) were instrumental in fighting transnational corruption across Latin America by enabling Brazilian federal prosecutors, judges, and law enforcement agencies to investigate and prosecute high-profile corruption cases under the Operation Car Wash (Lava Jato). What began as a money laundering investigation in 2014 expanded to uncover a vast network of corruption involving Brazil's state-owned oil company, Petrobras, as well as construction companies, politicians, and other public officials. The case prompted a series of legal and institutional reforms in Brazil as well as the region, such as the Law on the Responsibility of Federal State Companies. The success of the operation to shed light on the complex corruption nexus within the region has been attributed to Brazil's "national and international legal framework to establish anti-corruption standards," including the UNCAC, UNTOC, the OECD Convention, Inter-American Convention on Mutual Legal Assistance of the Organization of American States and the Lima Commitment, among others.

The **Hong Kong** Independent Commission Against Corruption (ICAC) is widely recognized as a global example of good practice in combating corruption. It was established in 1974 and operates independently from the government. The ICAC's success is attributed to its robust investigative powers, proactive approach to corruption prevention, strong enforcement, and the support it receives from the public. It has a specialized team of investigators who are highly trained and equipped with the necessary resources to investigate complex corruption offenses. The ICAC takes a proactive approach to corruption prevention, recognizing the importance of addressing the root causes of corruption. It engages in community outreach and education programs, raising awareness about corruption and promoting ethical behavior. The ICAC also collaborates with various sectors, including the business community and civil society, to develop anti-corruption initiatives and promote integrity in society. The ICAC enjoys widespread public support and trust, which is crucial for its effectiveness. The agency has built a reputation for its professionalism, integrity, and commitment to fighting corruption. Public confidence in the ICAC's work encourages reporting of corruption, facilitates cooperation, and has helped enhance the overall impact of anti-corruption efforts.



What is working among G20 countries

Other examples from G20 member countries include:

- The **Japan** Fair Trade Commission (JFTC) is an independent administrative authority that promotes fair competition in the marketplace. It investigates anti-competitive practices, enforces competition laws, and contributes to maintaining integrity and transparency in economic activities.
- The National Anti-Corruption System was established in **Mexico** in 2016 to coordinate efforts to prevent and combat corruption. The system includes various institutions, such as the National Anti-Corruption Commission, and implements measures to enhance transparency, accountability, and anti-corruption enforcement.
- **Australia** established the Independent Commission Against Corruption (ICAC) at both the federal and state levels. These independent bodies investigate corruption allegations against public officials, enhance transparency, and strengthen public sector integrity.

