



Session Report

Please know you may design the structure of this report to better suit the session. It's important to capture the key outcomes and solutions proposed for the future.

Session Title: Plenary 1: Global Security Demands a Global Response

Date & Time: Tuesday, 06.12.2022, 3:00 pm- 4:30 pm GMT -5
(delayed)

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Moderated by: Giannina Segnini Picado, Director, Master of Science
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Panellists:

- T. Raja Kumar – President, Financial Action Task Force
- Paula Santos Da Costa - Director of the Office of Integrity & Anti-Corruption, Africa Development Bank
- Mouhamadou Diagne - Vice President Integrity, World Bank Group
- Bjørg Sandkjær - State Secretary, Ministry of Foreign Affairs, Norway
- Claudia Escobar Mejía - Former magistrate of the Court of Appeals of Guatemala, Fellow National Endowment for Democracy

Share the thematic focus of the session, it's purpose and corruption risks?

The Global Challenge: Many governments from around the world have fallen short on their anti-corruption commitments and pledges; poor governance allows autocratic leaders, kleptocratic regimes and organised criminal networks to strengthen their hold on power and the global economy, at the cost of democracy, human rights and global security. What needs to be done to reverse the global wave of kleptocracy, especially where it is being fuelled by corruption? How are corrupt practices contributing to the rise of extremism and incitement to violence? How can

we further foster the effective implementation of commitments made through the growing number of global platforms like the Summit for Democracy, the United Nations Convention Against Corruption, the UK Summit, the UN General Assembly Session on Corruption and the Open Government Partnership? In this session, speakers presented the anti-corruption measures taken by their institutions to tackle corruption worldwide.

Key Topics: Global governance, peace and security, kleptocracy, conflict/fragile states, international agreements, national commitments, effective implementation

Summary of panellists' contributions & discussion points (please be as detailed as possible)

FIRST SPEAKER: T. Raja Kumar, President, Financial Action Task Force (FATF)

Covid 19 is a real-life example of the costs of corruption. Contracts misused, the corrupts profited on expense of the public, endangered life and fuelled mistrust in authorities. A compelling reason why stopping corruption is important. FATF leads the fight on money laundering with a strong framework which helps to deter crime. But most countries not doing enough. Right now, too many criminals and corrupt are still free to enjoy the benefits of their crimes. They use beneficial ownership, shell companies and trusts, FATF developed global standards to prevent this abuse, but the Panama and Pandora papers are a reminder that the system isn't working. The weakness in implementing those global standards means the corrupt keep getting away by using anonymous transactions.

That's why asset recovery is so important. The international community needs to strengthen asset recovery frameworks. Money is the motivation of most serious crimes. Globally we confiscate less than 1% of benefits of crimes, criminals are getting away. Countries don't prioritise asset recovery. FATF has joined forces with Interpol to improve global collaboration on this.

In conclusion, there is still a lot left to be done. Governments need to invest more in law enforcement to build capability and capacity to conduct complex cross borders investigations. We need to be able to exchange information and work efficiently with counterparts. Private sector and financial sector need to play part too. They need robust anti money laundering tools and work closely with authorities. FATF remains committed to make the world safer, but countries need to step up and implement FATF's standards. By tackling money laundering, governments tackle corruption.

Q: What do we do if countries are not willing to implement measures, do we need new rules?

A: The focus on money laundering wasn't there 30 years ago so we've seen progress. We also have to talk about sanctions. Sanctions need to have bite, this is what countries need to prioritise, criminals able to subvert systems and influence countries from outside because they have significant resources. We need to take away assets, defund criminals and cut off their lifeblood which is money.

Q: If countries don't have the will, if they are already taken by organised crime and

leaders don't have interest in changing that, what do we do with these cases?

A: FATF is a global watchdog with teeth! Through mutual evaluation, audit each other and results publicly released, we have a green list and a blacklist. If a country is on the blacklist, this presents a reputational risk with a negative impact on economy. Banks dealing with a blacklist country have to step up due diligence. Evaluation used to be every 10 years, now 6. And we keep ratcheting up standards.

SECOND SPEAKER: Paula Santos Da Costa, Director of the Office of Integrity & Anti-Corruption, Africa Development Bank

The second speaker starts with a general overview of the work and goals of the African Development Bank. The African development bank is an observer to FATF. The African Development Bank has zero tolerance policy on corruption. Corruption is a clear obstacle to its mission. In terms of identifying allegations, they have a whistle-blower line for every citizen and has capacity to investigate perpetrators and sanction them with then all development banks applying these sanctions. Similar to the first speaker, she highlights how the legal framework is sufficient but lacking in implementation. Encourages everyone to be more practical with timelines and goals and don't lose sight of the long-term measures against corruption which are education, capacity building and technical assistance.

Q: What kind of measures have you implemented in engaging the African community in the fight against corruption. How can we engage society in this fight?

A: Corruption is a global problem requiring a global response, civil society and youth are key. Because of its numbers, youth and women in Africa represent a big opportunity. Need to put in early-stage values of accountability through education in school.

THIRD SPEAKER: Mouhamadou Diagne, Vice President Integrity, World Bank Group

There has been a real revolution and now all International Finance Institutions look at the issue of corruption. Until the mid-80s corruption has been only seen as a political issue. Now there has been a complete shift in the mindset and approaches, it is no longer political but a development issue. How to address corruption? In the view of the World Bank this requires different levels. First level: project funding, setting clear standards in term of procurement and financial management by auditing projects. The World Bank also does a lot in terms of detection, past year we reviewed over 3k allegations. Second level is good governance at national level. Third level is a robust sanction system.

Anti-fraud and fight against corruption directly embedded in World Bank strategic objectives and they currently work **on end to corruption action paper**. The World Bank helps building countries to build strong institutions, the gap is in implementation of rules that's why solid institutions are needed. Global level partnership is a big part of this approach.

Q: How do you make sure that banned companies and actors are not coming back to get money that's supposed to get to development?

A: An issue we are very concerned about. We have mechanisms, monitoring all companies sanctioned. For sanctioned companies to come back they must meet many standards, but if the company change its name or owner, it gets difficult to control. We do check if they're an affiliate or successor of a company sanctioned, we monitor changes but of course have to be mindful of. But this is an issue we constantly pay attention to and monitor.

FOURTH SPEAKER: Bjørg Sandkjær, State Secretary, Ministry of Foreign Affairs, Norway

Sanctions against corrupters are necessary and impunity is a considerable challenge. But we made great progress thanks to the people in the room. Speaker continues to describe the most serious challenges the anti-corruption community is facing:

- Beneficial ownership remains a secrecy, we may need a global standard
- We can't keep accepting the existence of safe havens for corrupt money
- We need a consolidated framework for asset return
- Continued risk of corruption in public procurement
- We need to explore international measures to break cycle of grand corruption and impunity
- Eventually, we need a more inclusive approach

What can we do to speed up effective implementation of existing legislation? How can we improve mutual legal assistance? How far can we get with upscaling technical assistance, how to simplify our common approach. Corruption is not restricted to certain parts of the world. We all have a shared responsibility to uproot corruption. Solutions need to be based on transparency and integrity and Norway remains ready to investigate ways to tackle these challenges.

Q: Do you have a success example?

A: There are a lot of countries requesting technical assistance and UNODC provides that. They got more requests for technical assistance than able to tackle so Norway signed a new contract with UNODC to build up this support.

FIFTH SPEAKER: Claudia Escobar Mejía, Former magistrate of the Court of Appeals of Guatemala, Fellow National Endowment for Democracy

Has investigated many corruption cases. Most important issue: the importance of independence of judiciary, it is important to defend the rule of law. Not easy to be a judge in Guatemala. Organised crime is taking country as hostage and the judicial system is very complex. Crime and corruption entrenched in all levels of judiciary. Put her life at risk, received death threats etc. Being a judge in Nicaragua or El Salvador is not the same as being a judge in Norway or the US. There is a link between level of judiciary and most corrupt countries. Judicial corruption means impunity, 98% level of impunity in Guatemala. The country is taken hostage by organised crime, institutions are weak and not able to face organised crime. On international level we don't have a tool to react to a situation when organised crime takes control over a country like that. Having no judiciary means you end up in anarchy like in Afghanistan where judges had to flee the country. If we don't protect judges, everybody is at risk. Whole world at risk when we have regions run by

kleptocrats. These situations need media attention. Many cases of corruption investigated but when you fight corruption, corruption fights back. Forced people to get out of the country and prosecuting people that fought against corruption. Others in jail or face retaliation. Under these circumstances we have to be creative and think what we can do. How do we find another way of fighting corruption. Ends her remarks with the words of Martin Luther King: injustice anywhere is a threat to justice everywhere.

Q: What can you do if a leader takes control who is either corrupt themselves or does not care about corruption?

A: We need to put a focus on who they are and name and shame! The US has a list of people who undermine society and democracy. We need to elevate our actions, where are their assets, what are they doing and take them out of the global financial system. With this level of judicial corruption, there's nothing left in a country that can stop kleptocrats. Jack Sullivan and Samantha Power mentioned Central America at risk and undermines development, that's what corruption does, corruption should be understood as a human rights violation.

Main outcomes of session (include quotes/highlights and interesting questions from the floor)

T. Raja Kumar - President, Financial Action Task Force (FATF): Asset recovery is so important. The international community needs to strengthen asset recovery frameworks. Money is the motivation of most serious crimes. Globally we confiscate less than 1% of benefits of crimes, criminals are getting away.

Paula Santos Da Costa - Director of the Office of Integrity & Anti-Corruption, Africa Development Bank: Similar to the first speaker, she highlights how the legal framework is sufficient but lacking in implementation. Encourages everyone to be more practical with timelines and goals and don't lose sight of the long-term measures against corruption which are education, capacity building and technical assistance.

Mouhamadou Diagne - Vice President Integrity, World Bank Group: The World Bank helps building countries to build strong institutions, the gap is in implementation of rules that's why solid institutions are needed. A global level partnership is a big part of this approach.

Björg Sandkjær - State Secretary, Ministry of Foreign Affairs, Norway: What can we do to speed up effective implementation of existing legislation? How can we improve mutual legal assistance? Corruption is not restricted to certain parts of the world. We all have a shared responsibility to uproot corruption.

Claudia Escobar Mejía - Former magistrate of the Court of Appeals of Guatemala, Fellow National Endowment for Democracy: Being a judge in Nicaragua or El Salvador is not the same as being a judge in Norway or the US. There is a link between level of judiciary and most corrupt countries. On international level we

don't have a tool to react to a situation when organised crime takes control over a country like. Many cases of corruption investigated but when you fight corruption, corruption fights back. Forced people to get out of the country and prosecuting people that fought against corruption. Others in jail or face retaliation. Under these circumstances we have to be creative and think what we can do. How do we find another way of fighting corruption.

Question from the floor:

Recovery of stolen assets, how do you repatriate where wealth was stolen? In Pakistan we have one corrupt government after another, if you repatriate assets, they just go back again to the same corrupt people just with other names.

Mouhamadou Diagne - Vice President Integrity, World Bank Group: The repatriation of stolen assets is very complex, how do we make sure money stolen doesn't go back into the wrong hands? Generally, there's a lot of consultation, stolen assets frozen or confiscated get repatriated but with many safeguards. The repatriation of Nigeria's stolen assets took a long time because of that, we also involve civil society in monitoring, that's why it takes a long time.

Key recommendations for the future and concrete follow-up actions

T. Raja Kumar - President, Financial Action Task Force (FATF): Governments need to invest more in law enforcement to build capability and capacity to conduct complex across borders investigations. We need to be able to exchange information and work efficiently with counterparts. Private sector and financial sector need to play part too. They need robust anti money laundering tools and work closely with authorities. Countries need to step up and implement FATF's standards. By tackling money laundering, governments tackle corruption.

Beneficial ownership registry needed, where information needs to be updated and then you can refer to that register in procurement process. Parties bidding for contracts need to declare who their beneficial owners are.

Björg Sandkjær - State Secretary, Ministry of Foreign Affairs, Norway: Norway has just signed a new contract with UNODC to financially support them in step up their delivery of technical assistance.

Rapporteur's name and date submitted

Frederik Weidner, 07.12.2022