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CABINET OFFICE
70 Whitehall London SW1A 2AS

NO.0094

11 March 2003

CABINET OFFICE MEETING ON CORRUPTION OVERSEAS - 27 MARCH

We have fixed the next meeting for **Thursday 27 March at 10.00 am in Conference Room E here**. We would like to circulate an updated Action Plan. Please would you and colleagues send updates by close on **Thursday 20 March**.

2. Copies go to members of the group.

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Objective	Targets/Actions/Indicators of Achievement	Lead Department	Progress (by end August 2002)
1. NEW LEGISLATION			
1.1 Adoption of legislation to recover the proceeds of crime - in UK	Proceeds of Crime Bill receives Royal Assent by Summer Recess 2002 to be implemented from early 2003.	Home Office FCO and Lord Chancellor's Department	Royal Assent 24 July 2002 FCO: consultation begun with DTI, HO
1.3 OECD Convention on Bribery of Foreign Public Officials		FCO and Lord Chancellor's Department	FCO: Consultation begun with DTI, HO
1.4 Effective UK law on corruption overseas	Draft UK legislation to reform and update the law on corruption, consolidating overseas aspects, published by	Home Office	Work had begun on drafting by July 2002.

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Objective	Targets/Actions/Indicators of Achievement	Lead Department	Progress (by end August 2002)
	<p>end 2002 In place by ? -Scotland? - OTs and Crown Dependencies?</p> <p>OECD review phase 1b in Autumn 2002 confirms UK legislation meets standards required by its Convention on Corruption.</p> <p>OECD review phase 2 in autumn 2004 confirms that UK implementation meets required standards.</p>	<p>Home Office</p> <p>DTI</p>	<p>UK documents submitted to OECD in June 2002</p>
<p>1.6 New EC Procurement Directives on the public sector and on utilities</p>	<p>Directives adopted by summer 2003; include provision to allow firms proven guilty of corruption to be excluded from government contracts.</p> <p>UK implementing legislation by end 2004</p> <p>Effective implementation Europe-wide by end 2004.</p>	<p>OGC</p>	<p>Political agreement reached at IMC on 21 May for the public sector directive covering supplies, services and works contracts. Following agreement on the utilities directive autumn 2002, both proposals will go to the European Parliament for second reading by end 2002.</p>
<p>1.7 EU Framework Decision on Private Sector Corruption</p>	<p>By end 2002</p>	<p>Home Office</p>	<p>Discussed in Criminal Law Working Group</p>

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Objective	Targets/Actions/Indicators of Achievement	Lead Department	Progress (by end August 2002)
2. IMPLEMENTATION OF LEGISLATION			
2.1 Effective implementation of Proceeds of Crime Act 2002	<p>Implement money laundering provisions by end December 2002</p> <p>Asset Recovery Agency (ARA) to be in operation by February 2003</p> <p>Implement new confiscation regime and civil recovery scheme by February 2003</p> <p>Introduce Orders in Council to implement international aspects of legislation by April 2003</p> <p>Explore scope for ARA to provide international assistance, including joint work with other bureaux (e.g. Ireland, USA);</p> <p>Consider how to fund salaries for anti-corruption officers overseas</p> <p>Explore scope for contribution to training centre of excellence for developing countries.</p>	<p>Home Office</p> <p>Home Office</p> <p>Home Office</p> <p>Home Office</p> <p>DFID</p> <p>DFID</p> <p>DFID</p>	<p>Once implemented this will allow overseas authorities to request restraint assistance from the UK at the investigative stage, and vice versa.</p>
2.2 Future Abachas: marked reduction in use of UK's financial centres as a target of choice for overseas PEPs to launder their illicit funds	<p>Estimate of illicit funds laundered through UK financial centres? Figure reduces year on year; baseline 2002.</p> <p>Estimate of cost of laundering money through UK? Figure increases year on year; baseline 2002.</p>	?	

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Objective	Targets/Actions/Indicators of Achievement	Lead Department	Progress (by end August 2002)
	<p>Effective action against those at fault in the Abacha case, including possible successful prosecution under the Financial Services and Markets Act.</p>	<p>FSA</p>	<p>- Independent review of the STR process is expected last quarter of 2002. Findings may lead to efficiency recommendations; - A review is currently being undertaken by three police forces into their handling and treatment of STRs. May lead to efficiency recommendations being submitted to NCIS for consideration/action;</p>
<p>2.3 Effective UK Mutual Legal Assistance</p>	<p>Home Office review completed by end 2002</p> <p>Develop more pro-active approach on MLA – e.g. Embassies/ High Commissions prompt countries to ask for assistance when there are obvious links to UK or if</p>	<p>Home Office</p> <p>FCO with HO, DFID?</p>	

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Objective	Targets/Actions/Indicators of Achievement	Lead Department	Progress (by end August 2002)
	<p>NCIS discover suspicious transactions? Embassies briefed on and can give advice to countries on MLA options.</p> <p>Continue and expand advice on how to obtain MLA through website, seminars and bilaterals</p> <p>HO meets targets for processing requests for MLA.</p> <p>Agreed modalities for an Asset Repatriation Scheme by mid-2003 and operational by end 2003</p>	<p>Home Office</p> <p>Home Office</p> <p>HMT and Home Office</p>	<p>Home Office and HMT have begun development of scheme; possible bilateral implementation before UN Convention.</p>
<p>2.4 Pro-active implementation of Part 12 of the Anti-Terrorism, Crime and Security Act (ACTS).</p>	<p>Paper on how HMG can be more pro-active in implementing corruption aspects of the Anti-Terrorism, Crime and Security Act</p> <p>Review implementation system to ensure pro-active policing techniques available as required by end 2002</p> <p>Mount X roadshows to familiarise business with new law by end March 2003.</p> <p>1 or 2 regional seminars for Commercial Officers and businesses to raise awareness on issues/UK Policy on Corporate Social Responsibility, Corruption and Bribery</p> <p>DFID system in place to respond to allegations of corruption on its programmes and for whistle-blowing by end March 2003</p> <p>DFID guidelines in place and being implemented for tackling corruption in developing countries by end 2002</p>	<p>DFID</p> <p>Home Office</p> <p>DTI</p> <p>FCO</p> <p>DFID</p> <p>DFID</p>	<p>Draft paper circulated September 2002</p> <p>NCS agreed involvement July 2002</p>

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Objective	Targets/Actions/Indicators of Achievement	Lead Department	Progress (by end August 2002)
<p>3. INTERNATIONAL AND BUSINESS ENVIRONMENT DETERS CORRUPTION</p>			
<p>3.1 Recognition in UK and abroad that HMG taking a lead on tackling overseas corruption</p>	<p>Report to International Development Committee on progress made and on our objectives by end 2002.</p> <p>Issue new guidance on Corruption to posts overseas</p> <p>Adoption of Corruption Strategies at key FCO Posts overseas</p>	<p>DFID</p> <p>FCO</p> <p>FCO</p>	
<p>3.2 UN Convention Against Corruption agreed by June 2003</p>	<p>Convention sets substantive global standards for tackling corruption, including provision on:</p> <ul style="list-style-type: none"> - private sector corruption, - a peer review process, and - an international framework for asset repatriation. <p>Signatory states put in place and effect necessary implementing legislation (target X states by Y date to be agreed in 2003)</p>	<p>FCO</p>	<p>2nd reading of Convention July 2002</p> <p>African Peer Review Mechanism (on economic governance) agreed at AU Summit July 2002.</p>
<p>3.3 Greater recognition by investors of the harm that bribery and corruption does to business</p>	<p>Publicity campaign for promoting the ACTS Act, the OECD convention and better practice from companies.</p> <p>Multilaterals adopt no-bribery policies.</p> <p>Codes of conduct adopted industry-wide (to avoid 'first-mover disadvantage') and implemented.</p> <p>Generic best practice guidelines for companies, e.g. on</p>	<p>DTI, with DFID and Home Office</p> <p>DTI</p> <p>DTI</p>	

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Objective	Targets/Actions/Indicators of Achievement	Lead Department	Progress (by end August 2002)
	<p>whistle-blowing, which can be adapted for use in each sector of industry.</p> <p>Multinationals play a political role in developing countries, e.g. on civil service/pay reform.</p> <p>Recognition from business that facilitation payments are a form of bribery.</p> <p>Launch at WSSD (September 2002) of an UK-led initiative to develop a framework for transparency of payments by extractive industries.</p>	<p>DTI</p> <p>DTI</p> <p>Strategy Unit</p>	<p>Initiative launched. Confirmed partners: UK, Italy, Norway, Indonesia and Central Africa Republic, World Bank, UN, NGOs, Shell, BPO, Rio Tinto, Anglo American, BHP Billiton.</p>
<p>3.4 Improved OECD peer review process on the Bribery Convention</p>	<p>Significant speeding up, improved effectiveness of the Peer Review process</p> <p>Targeting of major exporters as members of the process.</p>	<p>DTI</p>	
<p>3.5 Progress with the International Framework on asset freezing and recovery.</p>	<p>To meet aspirations for legitimate repatriation of assets in context of UN Convention Against Corruption</p>	<p>FCO with Home Office and HMT</p>	
<p>3.6 Effective GRECO (Council of Europe anti-corruption body) peer review process.</p>	<p>Report to GRECO on UK implementation of Round 1 by end 2002</p> <p>Second round of peer reviews concentrate on practical implementation, particularly in EU accession countries.</p>	<p>Home Office</p>	
<p>3.7 PHARE twinning projects on corruption in Bulgaria and Romania</p>	<p>Successful bids for projects to assist the development of uncorrupt law-enforcement in the framework of EU pre-accession assistance</p>	<p>Home Office</p>	<p>Bids submitted September 2002</p>

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From: EcPol
Date: 21 March 2003 cc:
Reference: //2003

To:

**SUBJECT: CABINET OFFICE MEETING ON CORRUPTION: FCO
AMENDMENTS**

After speaking to I submit on his behalf the following amendments to the
previously faxed table:

(Line beginning "Whitehall mechanism") Ad Hoc Committee would meet. No test cases yet.

2.3: Approach made in one high profile case. Not followed up by country confirmed. No other actions undertaken as wish to avoid overload in posts.

4-2.4: First held in Moscow in October 2002. Very successful. Other planned. Bids requested in ATCS tel.

3.1: *(Line reading "Issued new guidance on Corruption to posts overseas" should be moved to para 3.3 followed by:)* Designed to be practical and user friendly. Good initial feedback on agenda for this year.

3.2: *(Objective should read:)* ... agreed by December 2003.

(Within 'Targets' box:) [private sector corruption] Likely to succeed.

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[an international framework ..] Hard negotiations ahead.

(Within 'progress' box:) 4th round held January 2003. 5th round held March 2003.

ECT/ESI
K317

NO. OF ATTACHMENTS:

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From:
Sent: 29 June 2003 14:04
To:
Subject: FW: Corruption Meeting

-----Original Message-----

From:
Sent: 24 June 2003 16:26
To:
Subject: FW: Corruption Meeting

pls give me lines on POCA and OECD/BC for this

bu to me on Weds so I can prepare notes

- just in - I need to change my mtr from 11.00. Would 2. or 2.30 be ok?

-----Original Message-----

From: Defence and Overseas Secretariat -

Sent: 24 June 2003 16:21

Cc:
Subject: RE: Corruption Meeting

I can now confirm that the next Corruption Meeting will take place on Thursday 03 July, 70 Whitehall in The Buffet Room (3rd Floor) at 10.30 am

> The agenda for the meeting will follow nearer the time of the meeting.

>

> Copies via fax:

>

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> Please contact me via email, if you will be attending or sending a

> representative.

>

>

>

> Defence and Overseas Secretariat

> 70 Whitehall

> London SW1A 2AS

From:
Tel:

No.0262

23 September 2004

CORRUPTION OVERSEAS

chaired a meeting on Corruption Overseas on 22 September. This note records the main points.

Preventing corruption/theft

2. HMT reported back on the Preventing a Future Abacha working group, following its meeting in February 2004. It highlighted two key problems: how to obtain necessary intelligence and what to do with the information once it has been gathered.

Preventing and spotting money laundering

5. Currently assets cannot be frozen at the investigation stage of a foreign request. Implementation of Part 11 of Proceeds of Crime Act (POCA) 2002 would enable freezing orders at the start of an investigation and would remove the 'designation' procedure that overseas jurisdictions must go through before restraint and confiscation assistance can be provided to them. The necessary secondary legislation had been drafted but had been under revision after comments received from interested parties. Orders in council were required. The group noted the importance of progressing this legislation as soon as possible. **Action: Home Office (JCU) to send Cabinet Office a proposed timetable for progressing the legislation by cop October 1st.**
6. Measures were currently in place following the Crime (International Co-operation) Act 2003 for: mutual legal assistance (MLA) without bilateral or multilateral agreement and providing UK expert assistance to requesting states in framing MLA requests, in particular to developing countries (e.g. the Head of UKCA has visited Nigeria). The Home Office advised that, instead of

giving posts detailed guidance on MLA procedures, the FCO should encourage posts to refer those who want to frame requests to the Judicial Co-operation Unit (Home Office) for an informal early dialogue.

7. DFID and the Home Office have been developing guidelines on the Mutual Legal Assistance system and outlining the process to educate staff in country to get better quality MLA requests.

Identifying stolen assets and asset recovery

8. The Proceeds of Crime Act 2002 made it possible to freeze assets at the investigation of stage of domestic criminal proceedings. The group agreed that a case like Daura would not be repeated following POCA (2002). Pre-POCA the court could only rule on the basis that the money was the proceeds of a drugs offence.
9. The Organised Crime Bill will enable the UK to ratify the UN Convention against Corruption. It will allow the UK to provide assistance in corruption matters (restraint of assets and enforcement of foreign confiscation orders) to UNCAC state parties, thus widening the number of countries with whom we have co-operation. It will also allow UK courts to confiscate and return the instrumentalities of crime. The Organised Crime Bill is due to be introduced in the forthcoming Parliamentary session.

Asset Repatriation

The group agreed that the repatriation of stolen assets was purely an administrative issue - the main problems arose in freezing and identifying assets.

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12. The group endorsed the principle that the UK should do what we can within our domestic powers to investigate once requests for mutual legal assistance had been received.

Summary

13. The primary legislation- the Organised Crime Bill- which was already planned for the forthcoming Parliamentary session, would be sufficient to enable ratification of the UN Convention against Corruption and would facilitate the confiscation and return of instrumentalities of crime. The secondary legislation- POCA (2002) II would facilitate the return of stolen assets overseas by enabling the UK to freeze assets at the investigation stage of foreign criminal proceedings.

15. In addition the complexity of the issue raised the question of whether we needed a clearer co-ordination point within government.

16. **Action: Two papers were commissioned for the end of November 2004. HMT to lead on a paper on Preventing and Identifying the Laundering of the Proceeds of Corruption. HO to lead on second paper on Identifying, investigating, freezing, recovering and returning stolen assets. The papers will aim to set out the problem analysis (using concrete examples of high profile cases), explain the current mechanisms for addressing the problem, explain the existing mechanisms, clearly identify areas where the UK Government could do more and propose an action plan for discussion at the next Cabinet Office meeting in December 2004.**

Corruption and International Development Paper

17. DFID introduced their paper on corruption and international development. The group agreed that the paper was useful and should aim for publication in early 2005. It would benefit from more focusing and including a statement of what progress the government has made to date. **Action: DFID to take on other departments' suggested changes and report back to next Cabinet Office meeting.**

AOB

18. The FCO reported on the G8 Anti-corruption and Transparency Initiative, which the Prime Minister agreed at Sea Island in July 2004. Most of the Sea Island Action Plan outlined commitments the UK had already made, but there were some new elements including: assistance to developing countries in repatriating stolen assets; a new policy on denying safe haven to corrupt officials; and pilot projects in Nicaragua, Nigeria, Georgia and Peru.

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Implementation of the Action Plan would be discussed at the Sous-sherpa meeting on 4 October.

19. HMT reported on risks in the Overseas Territories. FATF and regional FATF bodies were trying to make progress but it was noted that a focus on these areas needed to be part of a UK strategy, led by HMT and FCO.

Copies of this go to

21. The next meeting will take place in December.

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CABINET OFFICE

70 Whitehall London SW1A 2AS

Telephone

Email:

Defence & Overseas Secretariat

No.0293

05 November 2004

CORRUPTION OVERSEAS

1. The Cabinet Office Overseas Corruption Group last met on 22 September 2004 (a copy of the minutes are attached for ease of reference). There were a number of action points resulting from that meeting and I should be grateful if departments could report back to me with a status report within the next week.

Again, I should be grateful for a brief on this by next week.

2. The next meeting will take place towards the end of January to coincide with the arrival of successor in the Defence and Overseas Secretariat. Until then I will be the contact point and will write to you again in the next few weeks about the agenda.

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AGENDA

Whitehall Co-ordination Group on Corruption Overseas

Tuesday 26 April 2005, at 11.00

Buffet Room, 70 Whitehall

1. Establishing Objectives for the Group

2. Update on Commission for Africa (CfA) report: implications for the UK and next steps

3. Legislative horizon

- Timetable for new Order in Council under section 95 of the Serious and Organised Crime & Police Act (SOCPA)?
- Timetable for Part 11 of the Proceeds Of Crime Act (POCA) 2002
- Further legislative requirements?

4. Action in the UK

- Implementation of existing legislation
 - civil recovery of assets
- HMG risk assessments - joining up with the private sector

5. Working with international partners

- Third Evaluation Round of GRECO – options for peer review
- Update on the G8 initiative on stolen assets – objectives for Gleneagles
- Update on the OECD Phase 2 Bribery Review

6. AOB and Next steps

- Future Meetings
- DFID draft paper: Supporting Developing Countries to Prevent and Fight Corruption
- Core script on corruption
- Freedom of information - update

PAPERS

- A: Objectives from the Commission for Africa Report: Key extracts (CfA)**
- B: International Corruption – Sani Abacha (HO)**
- C: Overseas Corruption – International Assistance (HO)**
- D: International Corruption: The Role of the UK's Anti Money Laundering Regime (HMT)**
- E: GRECO Round 3 (HO)**
- F: Draft: Supporting Developing Countries to Prevent and Fight Corruption (DFID)**

Cabinet Office
25 April 2005

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From:
Tel:

27 April 2005

CORRUPTION OVERSEAS MEETING

chaired a meeting on 26 April on corruption overseas. This records the main points.

Objectives for the Whitehall group

2. We agreed it would be helpful to have broad objectives for the group, setting the context for our work and providing a framework to monitor progress (**Action: FCO to circulate draft objectives by 21 May**).

Follow-up to the Commission for Africa

3. There was general agreement on the need to demonstrate early UK action in responding to the Cfa recommendations, building on work already underway. To take this forward, we agreed to establish three sub-groups on legislation and implementation (chaired by the HO), procurement (chaired by DFID), and export credit guarantees (chair to be agreed). Proposed membership of these groups is set out at Annex A. Each group would prepare a sitrep on progress by 31 May, setting out action to date and follow-up in hand, with a view to presenting the best possible case at Gleneages (**Action: HO/DFID**).

Legislation and implementation

4. The Home Secretary had written to Jack Straw and Hilary Benn committing to an October implementation date for Part 11 of POCA. Progress on SOCPA was expected to follow shortly after.

We therefore required clarity on any outstanding action which needed to be taken, including on AML legislation (**Action: HMT to clarify by 9 May**). The sub-group would also need to address proposals for a new corruption bill.

5. With regards to implementation of legislation, the HO was already working with the FCO to improve the quality of MLA requests received by the UK. However, requests for civil recovery could not be processed until Part

In line with the Cfa's recommendations, we would need to be ready to report by end 2006 on progress with repatriation, whilst recognising that this would also require early action by developing countries.

6. We noted there was significant reporting of suspicious transactions by UK banks. However, the subject of the reports tended to be influenced by the media, with reports dropping off once countries or individuals were no longer in the spotlight.

Procurement

7. We agreed that the procurement agenda comprised two elements: UK capacity-building work overseas, and the responsibility of UK companies to behave well. The first task of the sub-group would be to clarify specific work streams, in order to clarify the role of individual Departments. DFID had already started a process with private sector professional groups to remind UK companies of their legal obligations, and provide assistance.

Export credit guarantees

8. The remit of this group would need to be discussed with ECGD. However, one specific issue to be covered was the OECD Guidelines on Multinational Enterprises. The UK was already meeting the basic requirements of promoting the Guidelines, and encouraging dialogue in the event of any disagreement.

International action

9. GRECO had put forward three proposals for their Third Evaluation Round.

HO agreed to consult further with interested Departments.

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10. The G8 was planning to provide technical assistance to developing countries working to recover stolen assets.

The G8 was also planning a September seminar in Africa on stolen assets: this would need to be properly coordinated with a forthcoming OECD summit in Nigeria. The UK also needed to ensure prompt follow-up to the OECD Phase 2 Bribery Review, in line with the division of responsibilities agreed in January. A follow-up meeting would be held before the summer to track progress (**Action: DTI**).

Next steps

11. We agreed to hold our next meeting at the end of June, prior to Gleneagles. The agenda for this meeting would include a discussion of DFID's draft paper on supporting developing countries to fight corruption. In the meantime, DFID would welcome comments from others on the draft paper. It was also agreed that members of the group would share lines to take on anti-corruption work being carried out by the government – including success stories – both in the UK and elsewhere.

12. I am copying this to members of the Group, and to in the Cabinet Office.

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Annex A: Proposed membership of sub-groups

Legislation and implementation

HO
HMT
FCO
Met
SFO

Procurement

DFID
FCO
ECGD
DTI
DESO
OGC

Export credit guarantees

ECGD
DTI

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CABINET OFFICE OVERSEAS CORRUPTION COMMITTEE

TERMS OF REFERENCE

Participation

Regular members of the Committee are drawn from the following Government departments and other agencies:

Cabinet Office
No10
Home Office
HM Treasury
FCO
DFID
DTI
DCA (?)
DESO
ECGD
Office of Government Commerce

Metropolitan Police
Serious Fraud Office
City of London Police (? – I think they have attended in the past)

Others may be invited to attend on an *ad hoc* basis, eg Commission for Africa Secretariat [obviously time-related]

Objectives

The Committee's over-arching objective is to ensure a joined-up approach to international anti-corruption work across government and the effective implementation of our international and domestic obligations.

This entails:

- pushing for and tracking progress towards the ratification and implementation of international instruments, eg UN Convention against Corruption, EU Procurement Directive;
- tracking progress on domestic legal developments, eg the future of the draft Corruption Bill, secondary legislation under POCA/SOCAP;
- highlighting work in train in international bodies, eg G8, [future] UNCAC Conference of States Parties, OECD Working Group on Bribery, FATF;

- ensuring effective follow-up to recommendations for new/enhanced HMG action against corruption, eg from the OECD, Commission for Africa;
- identifying problems and agreeing solutions on concrete implementation issues, eg the handling of looted assets, effective law enforcement;
- passing information about ministerial priorities and relevant visits/contacts,
- exchanging information across departments on good and bad news stories relating to corruption;
- agreeing how best to use the overseas diplomatic network to meet these and related objectives.

Means

The Committee should meet a minimum of four times each year, more frequently when there are specific issues to agree, eg planning the response to the Commission for Africa report. When members agree, the Committee may establish smaller sub-groups to take forward work on particular subjects, eg on the criteria for prioritising work on Politically Exposed Persons, the Commission for Africa.

GRECO ROUND 3

PAPER FOR CABINET OFFICE MEETING ON CORRUPTION ON 26 APRIL

Purpose

1. GRECO (the Council of Europe's anti-corruption body) is discussing possible topics for its Third Evaluation Round. Its Secretariat has made three proposals, which are discussed below. No final decision will be taken until the GRECO plenary at the end of June.

2. We would be grateful for any views as to the line the UK should adopt in these discussions. We are only one voice among 39 members, but we can be influential, and these decisions will set GRECO's agenda for 2006-8.

Possible topics

3. GRECO's remit covers the following Council of Europe measures:

- The Twenty Guiding Principles for the fight against Corruption (see Annex)
- The Criminal Law Convention on Corruption
- The Civil Law Convention on Corruption
- The Additional Protocol to the Criminal Law Convention on Corruption
- The Recommendations No. R (2000) 10 on Codes of Conduct for Public Officials and Rec(2003)4 on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns.

4. In its Round 1 GRECO examined its members on Guiding Principles 3, 6 and 7. Round 2 covered GPs 4, 5, 8-10 and 19. GRECO operates a peer review system, and produces reports which are published on its website www.greco.coe.int.

5. For Round 3, the 3 options are:

- the Recommendation on the Funding of Political Parties and Electoral Campaigns
- the criminal offences provided for in Articles 2 to 12 of the Criminal Law Convention on Corruption
- corruption in the private sector (covering bribery within the private sector and aspects of the Civil Law Convention relating to contracts, damages and whistleblowing).

Provisional UK views

6. While the first proposal raises an important topic of current international concern, the Recommendation reflects the fact there is little agreement internationally on standards, other than on the requirement of transparency. Therefore, a GRECO evaluation round on this subject may not achieve very much more than a description of each country's system.

7. In respect of the Secretariat's second proposal, we are concerned about duplicating the work of other international organisations (particularly the OECD Bribery Working Group). This is not a good use of resources domestically and should not be encouraged internationally. We also question whether detailed examination of criminal law would lead to real progress in

the fight against corruption. The content of the criminal laws in themselves is not usually the main factor in creating a robust anti-corruption climate and the value of GRECO (and the feature that distinguishes it from the OECD Bribery Working Group) has been its relatively wide 'systems audit' approach. We think Round 3 should continue to look beyond purely criminal law issues and engage, so far as possible, with practical problems.

8. In view of the doubts expressed by us and others over these proposals, the Secretariat have come up with the third, on which we would be grateful for DTT's (and others') views. It is a difficulty that quite a few GRECO members - including the UK - have yet to ratify the Civil Law Convention. On the other hand, the UK has set high standards in its law on whistleblowing, which are well worth disseminating more widely.

Other countries' views

9. Although few Member States expressed any strong preferences, early indications from discussions suggest that the majority are in favour of the Secretariat's first proposal.

11. The 3rd proposal has not been discussed in GRECO plenary, so we do not know to what extent it may be supported.

Financial issues

12. As one of the Council of Europe's 'grand payeurs' the UK pays 18% of GRECO's budget, which means in practice about 258k euros in 2005. Up until now Home Office has led on GRECO and has footed the bill, reclaiming contributions from SE, NIO, DCA, FCO, Treasury and DFID. There is a need to review these arrangements for Round 3, particularly if the content of GRECO's work changes significantly. In addition, now that the FCO have taken the lead on the OECD work on corruption there is a clear case for them to do the same on GRECO to ensure a consistent approach internationally. (We have suggested this to FCO and await a response).

13.

There is an existing bureau of anti-corruption monitoring by the OECD Bribery Working Group and the prospect of a new system to monitor the UN Convention Against Corruption. The EU Commission are also to make proposals for establishing their own system (though we have insisted on the need to avoid overlap).

CLPU
April 2005

Annex - **THE 20 GUIDING PRINCIPLES FOR THE FIGHT AGAINST CORRUPTION**

1. to take effective measures for the prevention of corruption and, in this connection, to raise public awareness and promoting ethical behaviour;
2. to ensure co-ordinated criminalisation of national and international corruption;
3. to ensure that those in charge of the prevention, investigation, prosecution and adjudication of corruption offences enjoy the independence and autonomy appropriate to their functions, are free from improper influence and have effective means for gathering evidence, protecting the persons who help the authorities in combating corruption and preserving the confidentiality of investigations;
4. to provide appropriate measures for the seizure and deprivation of the proceeds of corruption offences;
5. to provide appropriate measures to prevent legal persons being used to shield corruption offences;
6. to limit immunity from investigation, prosecution or adjudication of corruption offences to the degree necessary in a democratic society;
7. to promote the specialisation of persons or bodies in charge of fighting corruption and to provide them with appropriate means and training to perform their tasks;
8. to ensure that the fiscal legislation and the authorities in charge of implementing it contribute to combating corruption in an effective and co-ordinated manner, in particular by denying tax deductibility, under the law or in practice, for bribes or other expenses linked to corruption offences;
9. to ensure that the organisation, functioning and decision-making processes of public administrations take into account the need to combat corruption, in particular by ensuring as much transparency as is consistent with the need to achieve effectiveness;
10. to ensure that the rules relating to the rights and duties of public officials take into account the requirements of the fight against corruption and provide for appropriate and effective disciplinary measures; promote further specification of the behaviour expected from public officials by appropriate means, such as codes of conduct;
11. to ensure that appropriate auditing procedures apply to the activities of public administration and the public sector;
12. to endorse the role that audit procedures can play in preventing and detecting corruption outside public administrations;
13. to ensure that the system of public liability or accountability takes account of the consequences of corrupt behaviour of public officials;
14. to adopt appropriately transparent procedures for public procurement that promote fair competition and deter corruptors;
15. to encourage the adoption, by elected representatives, of codes of conduct and promote rules for the financing of political parties and election campaigns which deter corruption;
16. to ensure that the media have freedom to receive and impart information on corruption matters, subject only to limitations or restrictions which are necessary in a democratic society;
17. to ensure that civil law takes into account the need to fight corruption and in particular provides for effective remedies for those whose rights and interests are affected by corruption;
18. to encourage research on corruption;
19. to ensure that in every aspect of the fight against corruption, the possible connections with organised crime and money laundering are taken into account;
20. to develop to the widest extent possible international co-operation in all areas of the fight against corruption.