

### TECH FOR TRUST

20-21 March 2019 - Paris, France

# HIGHLIGHTS



### **GLOBAL**

120 countries 120 leaders & expert speakers 2000 participants

### **MULTIDISCIPLINARY**

1/3 government1/3 business1/3 civil society

21 cross-cutting sessions

### **INNOVATIVE**

20 young researchers presenting innovative data and findings

Launch of latest evidence and insights







We have a historic opportunity to make a difference: to use digital technologies to combat corruption more effectively. Governments must lead the way, turning digital technologies into tools for inclusion, integrity & widespread opportunities.

Angel Gurría, OECD Secretary-General

It is vital that we work together, in forums like this, to ensure that we keep abreast of new technologies – and ideally one step ahead of those who would misuse them.

The Rt Hon Mark Field MP, Minister of State for Asia and the Pacific, UK Foreign and Commonwealth Office

Reaching across borders, new technologies are profoundly changing social and economic structures, and transforming the integrity and anti-corruption agenda. To capitalise on their promises and minimise their perils, international cooperation is imperative. Under the theme "Tech for Trust", the Forum underscored that governments must leverage digital technologies as tools for inclusion. From democratic elections and regulations to investigations and prosecution of corruption cases, debates explored the potential of new

technologies to help restore a culture of integrity across societies and economies. The dialogue at the Forum supports the preparations of the 2019 Ministerial Council Meeting, shaping consensus on benefits of the digital agenda in countering corruption, and good practices for ensuring that new technologies are resilient to corruption risks. The Forum discussions also inform the agenda in key international fora, including the G20 Anti-Corruption Working Group.





We need to translate digital governance into better governance.

Tania de la Paz, Undersecretary, Ministry for Public Administration, Mexico

# Data Analytics: Taking a Byte out of Corruption

The larger the data set, the more sophisticated tools we can use on it.

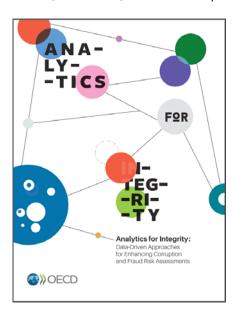
Marcelo Drago Aguirre, President, Chilean Transparency Council, Chile

Machine learning is quite inflexible, therefore maintenance is extremely important. You will always have to retrain your machines, because corruption advances fast.

Mihaly Fazekas, Assistant Professor, Central European University

Underpinned by the OECD's report on Analytics for Integrity: Data-Driven Approaches for Enhancing Corruption and Fraud Risk Assessments, the session explored the power of data for advancing the integrity agenda. The panellists explored

how big data sets can be used for anti-corruption and integrity, noting the need to combine existing qualitative analysis with big data, and have realistic expectations of the data to fulfil its potential. Key success factors were identified, including visual, interpretable, explainable and easv understand data. The need for investments in quality data, as well as training for analysts who work with data were considered top priorities for advancing the use of analytics to safeguard integrity. Collaboration between countries was also highlighted as a critical success factor.





We need to work with governments and business to ensure the right incentive structures are in place to develop technology with human ethics at the centre.

Gabriela Ramos, OECD Chief of Staff and Sherpa to the G20

# Regulating Innovation: Ethics, Challenges and Opportunities

Regulating disruptive technologies is necessary but won't be easy.
We need a balance between encouraging innovation and regulating ethically.

Ivanna Bartoletti, Head of Privacy and Data Protection, Gemserv

Emerging technologies have the potential to bring about significant social and economic benefits, while also posing a number of unique challenges and risks for policy makers. The pace of development, disruption to existing markets,

and ethical considerations to protect society are amongst the many difficult and challenging policy questions facing governments. Touching on the key questions of when to regulate and how to regulate emerging technologies, panellists highlighted the challenges policy makers face in finding the balance between encouraging innovation and mitigating the challenges brought by emerging technologies. In some cases, responses do need new or adapted regulatory approaches. However, policy makers should not forget that the traditional regulatory policy tools and practices, such as regulatory impact assessments (RIAs), stakeholder engagement and international regulatory co-operation, remain vital in regulating emerging technologies. The OECD Regulatory Policy Committee is addressing these challenges in the ongoing programme of work.



# Social Media: The False Friend of Democracy?

Protecting media freedom, and our citizens' freedom of expression, is absolutely fundamental because they are essential elements of any healthy democracy. Whatever we do to tackle disinformation, we will not put those fundamental freedoms at risk.

The Rt Hon Mark Field MP, Minister of State for Asia and the Pacific, UK Foreign and Commonwealth Office

Globally, governments are facing the apparent dilemma of trying to fight disinformation while protecting free speech in an ever-evolving online world. Panellists explored the many ways in which social media has amplified the diffusion of disinformation across societies, recognising that strengthened efforts are needed to teach citizens to become more tech savvy. Professor Ernesto Calvo highlighted that 'Fake news doesn't change what citizens think, but it can change what they think is important'. In this regard, Katie Harbath, Public Policy Director, Global Elections at Facebook, underlined steps taken by the company - such as making political advertisements more transparent and countering fake accounts - to protect the integrity of elections, a particularly sensitive period for manipulation of information and the spreading of disinformation. Panellists agreed that countries must take concerted action to ensure regulations are fit-for-purpose, and highlighted that tech companies need to be part of the discussion. To prevent the negative effects of social media and strengthen its benefits, panellists called for advancing new evidence to understand how social media can manipulate the debate, and improving digital literacy. Panellists also invited more reflection on how to understand the influence of social media platforms on decision-making, an issue which the OECD will explore further in the review of implementing the 2010 Recommendation on Principles for Transparency and Integrity in Lobbying. The OECD provides a platform to advance new evidence and promote inclusive dialogue between governments, social media platforms and civil society.

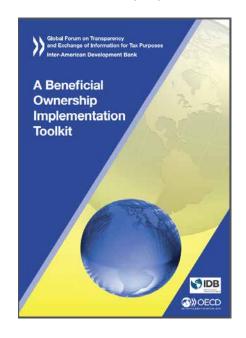
# Combatting Corruption: The Impact of Tax Information Sharing

The Beneficial Ownership
Implementation Toolkit helps countries
implement legal and supervisory frameworks
that identify and collect beneficial ownership
information.

Angel Gurría, OECD Secretary-General

With an exponential rate of growth in information collected through automatic exchange of information (AEOI), tax administrations are key sources of information for anticorruption and anti-money laundering efforts. With digital tools helping expand AEOI, panellists explored how developed and developing countries are using AEOI to tackle both domestic and transnational corruption. A whole-of-government approach was identified as critical to effectively reaping the benefits of AEOI domestically, with the data informing trends and increasing tax compliance and morale. Panellists emphasised how this information is also contributing to voluntary disclosure facilities and international co-operation. Leveraging AEOI for anti-corruption requires further co-operation between tax officials and anti-corruption officials domestically, as well as across different jurisdictions. The OECD's and International Development Bank's A Beneficial Ownership Implementation

Toolkit, which provides guidance on how to identify the beneficial owners, was welcomed as a tool to support leveraging AEOI to prevent tax evasion, corruption and other related activities.





# Responsible Lobbying: Aligning Profit with the Public Good

All lobbyists have a duty of care to take into account the broader implications of what they are arguing for and to accommodate the interest of other parties; to be prepared and open to seeking consensus or even compromise, so that at the end of the day, we have better quality policies and legislation that are fit for purpose.

Harry Rich, Registrar of Consultant Lobbyists, Office of the Registrar of Consultant Lobbyists, UK

A fact of life in modern democracies, lobbying provides policy makers with key insights to inform policies. Unpacking the question of how lobbying practices can support better policies for better lives, panellists critically examined the concept of responsible lobbying. Agreeing that responsible lobbying practices relate both to behavioural aspects ("how to lobby") and the subject matter ("what to lobby for"), panellists identified three principles as critical to guiding responsible lobbying, namely to uphold high standards, to ensure openness, honesty and truthfulness and professionalism. The latter is understood as a duty to lobbyists themselves and to society more broadly. Within companies, senior leadership, governance structures and internal programmes must ensure alignment between the company's high profile public commitment and actual lobbying practices. Panellists also explored the role of governments in encouraging responsible lobbying. As noted by Catherine Stewart, Senior Advisor at Interel, "governments could be more innovative about the way they develop policies and legislate by creating a safe space where all the actors can hear each other's views, understand the complexity of the issue and find a way to move forward together." In the forthcoming review of the 2010 Principles on Transparency and Integrity in Lobbying, the OECD will provide actionable insights for both government and business to promote responsible lobbying.

Relying on aggregated data on vendors, analysing which ones are not compliant with integrity values helps the company to prioritise its resources in a better way.

Matt Galvin, Global Vice President, Ethics and Compliance, Anheuser-Busch InBev

# Parcels Trade: The Good, the Bad, and the Ugly?

Parcels trade is becoming a key fixture in the global economy, with cross-border transactions growing at a much faster rate than domestic ones across most regions. For firms, particularly a growing number of micro, small and mediumsize enterprises (MSMEs), the parcels trade is helping to internationalise at a lower cost, expanding customer reach and sales. For consumers, such trade is providing an opportunity to access a wider, more competitively priced range of goods. However, challenges also abound: for border agencies, the increased volumes of smaller value goods pose difficulties monitoring and enforcing standards, and implementing risk strategies. Challenges are also emerging due to the complex links that parcels transactions can have with other areas such as taxation, revenue collection, payment systems, data flows, or logistics. Panellists emphasised that policies seeking to address the unique challenges posed by parcel trade must consider the risks alongside the opportunities. There is an important role for trade facilitation policies, including increased transparency and predictability, streamlined border processes, and more efficient inter-agency co-operation, to achieve the right balance between support and control. The debates were underpinned by the new OECD study Governance Frameworks to Counter Illicit Trade, which takes a first look at the ineffective penalities and sanctions around the shipping of counterfeit goods, the lack of screening of small parcels and the lack of visibility around goods passing through free trade zones. This study contributes to informing an evidence-based analysis on the broader parcels trade environment.



As society becomes more sophisticated, corruption becomes more sophisticated with it. There is an integral link between fighting corruption and using technology to help the fight.

Francisco Manuel de Queiroz, Minister of Justice, Angola



### Residency for Sale? Mitigating 'Golden Visa' Abuse

Following the 2008 financial crisis, residency-by-investment and citizenship-by-investment schemes (RBI/CBI schemes) have become more widespread. With their growth, however, evidence has found that effective due diligence measures do not always accompany such schemes, leading to opaque decision-making processes. The vulnerabilities in this process

have resulted in individuals with links to criminal activities receiving residency and citizenship through RBI/CBI schemes, opening the door to additional risks of money laundering, tax evasion and other economic crimes. In light of these concerns, key stakeholders are calling for a better understanding of links between RBI/CBI schemes and corruption and other economic crimes. The discussions highlighted the need for further mapping of risks, collection of data, and a crosspolicy approach that takes into account data protection and privacy challenges in addressing the risks of corruption and economic crime associated with RBI/CBI schemes. The OECD scoping note Corruption Risks Associated with Citizen and Resident-by-Investment Schemes outlines some of the risks related to RBI/CBI schemes, and presents potential areas for further analysis in developing appropriate policy responses to mitigate the risks.

# From left to right: Alessandro Evangelisti, Finance & Supply Chain Cloud Evangelist South Europe, Oracle; Raziye Buse Çetin, Al Policy Researcher, The Future Society; Edouard-François de Lencquesaing, President, European Institute of Financial Regulation at the session "Al for Anti-Corruption: Potential, Pathways, and Challenges"

# Launch of the OECD Study on Non-Trial Resolutions of Foreign Bribery Cases

When it comes to non-trial resolutions, we can speak the same language but talk about different systems. The Study on Resolving Foreign Bribery Cases with Non-Trial Resolutions will help understand and resolve some of those differences.

Hannah von Dadelszen, Head of Fraud, Serious Fraud Office, UK

Resolving multijurisdictional cases is complex but it is the way of the future. Non-trial resolutions help address the challenge of cross-country coordination despite judicial systems that are fundamentally different from one another.

Eliane Houlette, Prosecutor, National Financial Prosecutor's Office, France

Resolving Foreign Bribery Cases with Non-Trial Resolutions

Settlements and Non-Trial Agreements by Parties to the Anti-Bribery Convention

The new OECD study on Resolving Foreign Bribery Cases Non-Trial Resolutions: Settlements Non-Trial Agreements by Parties to the Anti-Bribery Convention finds that 78% of foreign bribery cases concluded since the entry into force of the OECD Anti-Bribery Convention were resolved with a non-trial resolution. Because these instruments are and time-effective, and offer flexibility to law enforcement authorities, this number is likely to increase in the future. Experts noted that non-trial resolutions are efficient vehicles resolve multijurisdictional foreign bribery cases because

they facilitate coordination and communication among domestic law enforcement authorities. In several high-profile multijurisdictional cases resolved in the past years, these instruments can help overcome a number of legal hurdles and fundamental differences between judicial systems and cultures. Experts also cautioned against using nontrial resolutions as an "easy way out" for alleged offenders. Rigorous and transparent criteria to dispose of a case through a non-trial resolution, as well as guidance for law enforcement authorities and making concluded resolutions public, are necessary to ensure that non-trial resolutions adequately deliver justice.



Technology and AI are not intrinsically able to reflect established rights, ethics, norms. They can make corruption and inequality worse.

Delia Ferreira Rubio, Chair, Transparency International

### Dirty Money as a Livelihood

The session on Illicit Financial Flows: Dirty Money as a Livelihood reflected on the complex linkages between illicit financial flows (IFFs) and the economies, security and development of fragile and developing economies. In addition to stripping countries of necessary resources for development, IFF can also carry potential spill-over effects such as increased instability and violence, and the fuelling of corruption in the political arena. Panellists discussed the complexities of these challenges - including the blurred boundaries and tipping points between licit and illicit activities, and local livelihoods, and the links between IFFs and electoral politics - and the difficulty of taking effective action. Panellists unpacked how targeted interventions - particularly law enforcement and security-responses - typically have only a limited impact, due to the complex and multidimensional nature of IFFs. Panellists further signalled the need for complementary actions across source, transit and destination countries, strengthening international co-operation, and making effective use of juridical mechanisms for effective responses. Cognisant of these challenges, the OECD's recent report on IFFs: The Economy of Illicit Trade in West Africa, seeks to identify and better understand the criminal networks and activities that give rise to IFFs and their underlying developmental impacts.

Future Tense: New Technologies & the Fight against Corruption

It would be naïve to think that AI or any other technology is able to solve all the problems. My vision would be that technology is something we are very much looking forward to use to cut the resources and be more effective while concentrating on the prevention side.

Vera Cherepanova, Founder, Studio Etica

Is cutting-edge technology a hindrance or an asset to the fight against corruption? Tackling the nuances of this question, experts from law enforcement noted that organised crime actors continue to remain ahead of the curve in using technologies, with law enforcement facing challenges in seizing and interrogating huge amounts of digital data. Private sector experts are hopeful that AI and other technologies will provide efficient solutions to compliance challenges, but reinforced the necessity of focusing on prevention and reaction. Panellists explored the ways in which new technologies may hinder anticorruption efforts, in particular due to the surge in encrypted data and cryptocurrencies, varying privacy regimes, and the limited applications of Al and machine learning outside of the financial sector thus far. Experts noted that to effectively mobilise new technologies for anti-corruption and integrity, efforts must focus on ensuring the right legislation and regulations, skills and financial investment.





## Review of the 2009 Anti-Bribery Recommendation

In order for the OECD Anti-Bribery
Convention to address foreign
bribery to the fullest extent possible, we have
to take a step forward in the review of the
Anti-Bribery Recommendation.

Drago Kos, Chair, OECD Working Group on Bribery in International Business Transactions

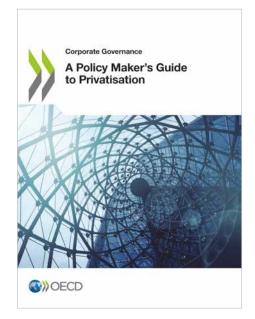
Ten years after its adoption, the review of the 2009 Anti-Bribery Recommendation aims to close the enforcement gap between countries Party to the Anti-Bribery Convention, and ensure that the Convention remains at the forefront of the fight against foreign bribery. With the Working Group on Bribery responsible for developing existing topics and introducing new ones, the consultation provided an opportunity to hear from civil society and the private sector in the review process. Topics that could be further developed include international co-operation, whistleblower protection and anti-corruption compliance. New topics to cover could include guidance on voluntary disclosure and non-trial resolutions. An online public consultation is open until 30 April 2019 at www.oecd.org/corruption/2019-review-oecd-anti-bribery-recommendation. htm.



# Risky Business: Corruption in Privatisation

With global revenues from state-owned enterprises reaching around USD 266 billion in 2016, privatisation is an instrument of economic policy that can bring great societal benefit. Achieving the social benefits require however sound management of key risks. Panellists explored the various risks involved in privatising key assets, noting that the size of the assets transferred and the complexity of the process render privatisation a 'risky business'. In particular, panellists looked at how the improper valuation of the asset can present a major corruption risk, and addressed how the political decisions to privatise (or not) can be influenced unduly by key actors. Underpinned by the new OECD's A Policy-Maker's Guide to Privatisation, panellists noted that privatisations have a higher chance of being clean in countries that are reform-minded, subject privatisation plans to rigorous public debate, and are open about their plans, objectives and associated risks. Panellists also underscored the necessity of ensuring that entities responsible for execution and oversight have the capacity and resources to do their job. Reducing discretion in the process through digital means may serve to reduce risks, but the reliance on electronic platforms should be weighed against the size and simplicity of the sale. These discussions

also shape the future agenda of the G20 work on state-owned enterprises.







### Water Integrity: Filtering Out Corruption

Underpinned by the OECD Principles on Water Governance, panellists debated the state of water integrity in the age of new technologies. The discussions pointed out the sector's slow implementation of emerging technologies compared to other industries. In the context of growing digital divide between populations, the panellists highlighted the challenges of affordability, awareness and agency of some parts of the society to use new technologies. As noted by Umrbek Allakoluv, "corruption, first and foremost, is a human problem and a complex social phenomenon. What needs to be done when trying to deploy technology to reduce corruption and improve integrity in the water sector is to really account for offline accountability relationships." To inspire future work, panellists emphasised weak transparency, accountability mechanisms, as well as social and political instabilities as amplifiers of corruption risks, and highlighted the need to have citizen-centred governance and increased collaboration between private and public sector.



### **Unequal Footing: Gender & Integrity**

Women can be corrupt too; more women leaders does not necessarily change the world.

Anna Petherick, Postdoctoral fellow, University of Oxford

Improving gender equality across countries is a global priority, yet all too often, women fall victim to insidious forms of corruption, including sextortion and harassment. Tackling this discrepancy is key, but as panellists pointed out, the issues of gender and corruption have so far been approached separately, and bringing the two fields together remains challenging. Persistent stereotypes, such as women being 'less corrupt', are extremely detrimental, and women are often more heavily penalised if found guilty of corruption. Moreover, a misinterpretation of the existing data on gender and corruption has made it difficult to tailor responses appropriately. Mainstreaming gender and integrity therefore requires a greater focus on how the socio-economic factors that breed corruption also impact gender equality. Panellists called for more emphasis on collecting sex-disaggregated data on corruption as well as looking at how existing frameworks and tools, such a whistleblower protection, can be tailored to mainstream gender issues.



### Rebooting Anti-Corruption & Integrity

We have a tendency to come up with solutions, but more and more it is important to focus on understanding the problems.

Heather Marquette, Professor in Development Politics; Senior Research Fellow (Governance & Conflict), University of Birmingham and DFID;

Is it time to rethink anti-corruption and integrity? Unpacking this provocative question, experts explored why the fight against corruption has not returned the expected results. Calling for a problem-driven approach that tailors reforms to various types of corruption, Professor Heather Marquette questioned whether the national level should be the core focus of reforms. Experts pointed out that the manifestation of corruption at both the transnational and local levels requires a change in the way practioners design reforms. The work of the OECD on focusing on the transnational issue of bribery was identified as a prominent example of an effective problem-driven approach. Noting that integrity is more than the absence of corruption, experts also argued that the zero-tolerance approach is impossible, creating disillusionment and mistrust, and ultimately undermining effective reforms.







New technologies present a great impetus for change: as we weave them into our integrity systems, we must use them as a force for good. If we see [them] as indications of progress toward a more connected civilization, culture, and planet, the House of Cards, ascending upwards from its solid foundation, becomes a symbol for a hopeful future.

Carded by Kathryn Frey and leva Lynugaryte from the Parsons Paris School of Design addressed the themes of the 2019 Forum. Transparent by design, the installation underscored the necessity of transparency in the design and use of new technologies. The installation highlights the fragility and complexity of a "house of cards", a structure that will collapse if a necessary element is removed.

### 2019 OECD Integrity Week

The Forum was the flagship event of the 2019 Integrity Week that also brought together relevant policy communities in a series of 18 events in parallel and back-to-back with the Forum, including the Working Party of Senior Public Integrity Officials (SPIO), the Meeting of the Task Force on Countering Illicit Trade, the DAC Network on Governance's (GovNet) Anti-Corruption Task Team, the Auditors Alliance and the Coalition of Influencers. Several sessions of regional anti-corruption networks were also held during Integrity Week: the Plenary Meeting of the Anti-Corruption Network for Eastern Europe and Central Asia, the OECD LAC event on Promoting Integrity and Strengthening Anti-Corruption Efforts in Latin America and the Caribbean, the MENA-OECD Working Group on Civil Service and Integrity and the MENA-OECD Business Integrity Network. Building on the Forum's panel organised in the context of the public consultation on the Review of the 2009 Anti-Bribery Recommendation, Integrity Week also convened experts and practitioners for an in-depth discussion on key topics through a series of thematic roundtables. With a focus on enabling practitioners, Integrity Week brought together practitioners to discuss key issues, including tax morale and integrity in developing countries, reducing corruption risks in public procurement processes, using Artificial Intelligence for anti-corruption, and safeguarding integrity in EU funds. A new Roundtable on Anti-Corruption and Business Integrity allowed representatives of the private sector, governments and civil society from regional Working Group on Bribery's outreach initiatives to discuss common challenges and good practices for promoting anti-corruption compliance as well as innovative solutions for improving the overall business environment.

### Youth ResearchEdge

To bridge the gap between academic research and policy making and to provide a platform for young researchers to present insights and evidence, 20 young academics selected via a competitive call for paper presented their innovative findings and insights on integrity and anti-corruption through poster presentations and interactive research pitch sessions.



# OECD Anti-Corruption & Integrity Project

The 2019 Forum marked the launch of the Global Anti-corruption & Integrity Programme of the United Kingdom. As a part of the Programme and with the support of the United Kingdom's Foreign & Commonwealth Office, the OECD is carrying out the Anti-Corruption & Integrity Project to develop synergies across policy areas and globalise a wide range of OECD instruments related to integrity and anti-corruption. In line with the Organisation's Strategic Approach to Combating Corruption and Promoting Integrity, the Project aims at strengthening the OECD's expertise and support to developing and developed countries in mitigating the multidimensional risks of corruption through effective implementation of anti-corruption and integrity standards.

### **OECD Anti-Corruption & Integrity Hub**

The OECD launched a beta version of a new Anti-Corruption & Integrity Hub on the occasion of the 2019 Global Anti-Corruption & Integrity Forum. The OECD ACI Hub will be fully launched in 2020, and will serve as a trusted point of reference for the ACI community, to strengthen global efforts to combat corruption and to promote integrity. The ACI community is invited to continue providing feedback to the OECD via the beta version of the ACI Hub, to ensure it meets users' needs. Help the OECD maximise the potential of the ACI Hub by visiting us online here: https://anticorruption-integrity.oecd.org/

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