



**15th INTERNATIONAL
ANTI-CORRUPTION
CONFERENCE**

**MOBILISING PEOPLE:
CONNECTING AGENTS OF CHANGE**

**BRASÍLIA BRAZIL
7-10 NOVEMBER 2012**

Short Session Report: Game Changers

Session Title: Open Banking and Financial Transparency 2.0

Date & Time: Saturday 10/11/2012 – 9am-12

Report prepared by: Ismail CHAIB, Project Manager, Open Bank Project

Experts:

Simon Redfern, founder/CEO, Open Bank Project

Ruth Goodwin-Groen, Managing Director, Better Than Cash Alliance

Felix Weth, founder/CEO, Fairnopoly

Moderated by:

Session coordinated by: Simon Redfern

Main issues raised in kick off remarks. What's the focus of the session?

“Transparency begins at home”

Focus on Trust and distrust – Mr Simon Redfern opened the session by referring to a framework which has both high trust and high distrust (Lewicki, McAlister, Bies 1998) and when there is both this is a place where financial transparency can be promoted and fighting corruption. He then described how technology is accelerating the implementation of this framework

What initiatives have been showcased? Briefly describe the Game Changing Strategies

- Better Than Cash Alliance - <http://www.betterthancash.org/> - The Better Than Cash Alliance is an alliance of governments, private sector and development partners committed to shifting from cash to digital payments.
- OpenCorporates - <http://opencorporates.org/> an open and free database of that maps the corporate world

- OpenSpending - <http://openspending.org/> - OpenSpending tracks every government financial transaction across the world and present it in useful and engaging forms.
- The Open Bank Project - <http://openbankproject.com/> - Open Bank Project is a platform that enables com
- Fairnopoly - <http://fairnopoly.de/> - fairnopoly is a fair online marketplace that is owned by its users. Fairnopoly is the first user of the Open Bank Project.

Highlights: What are the main outcomes of this session? What's next?

Highlights for Open Bank Project

- Open API like the Open Bank Project API are an important technological component that fosters innovation and can be used to enhance transparency
- Evidence-based trust is important for a real transparency/accountability, the Open Bank Project helps building such credible trust
- Early adopters of the Open Bank Project are visionaries and NGO that "needs" transparency to raise funds
- Guerrilla tactics helped the Open Bank Project connect to banks
- Bypassing the bank is a possibility to get customers' transaction data
- Open Bank Project concerns retail banking and customers' bank
- Focus on the clients
- Thinks of incentives

Challenges for the Open Bank Project

- Why private companies would adopt the Open Bank Project
- Who are the early adopters
- Intellectual Property of financial transactions
- How to ensure security and How to contact Banks?
- Financial secrecy is a barrier
- The Open Bank Project could also be used for manufacturing(track materials used)
- Legal Framework

Highlight regarding Better Than Cash Alliance

- Shifting to digital payment instead of cash benefit the transparency agenda (as well as reducing costs and increasing financial inclusion.)
- Examples from Philippines, Afghanistan, Kenya very powerful
- Adopting an incremental change such as electronic payment as opposed to a holistic approach is a valid.
- Better Cash Network is being funded by Gates Foundation, Ford Foundation, Omidyar Foundation, Visa, Citi, USAID and UNCDF.
- Commitments to shift from cash to electronic have already been made by the governments of Peru, Colombia, Kenya and Philippines, and development partners USAID, UNDP. WFP, CARE, Mercy Corps and Concern worldwide.
- Our financial system needs to be more inclusive, digital payments

promoted by Better Than Cash Alliance are one part of this solution

Challenges for Better than Cash Alliance

- Is it possible to shift to digital payments in the developing countries that do not have e-payment systems?
- Better Cash Network needs to address negative performance of Citibank by Tax and Justice system

What are the recommendations, follow-up Actions (200 words narrative form)

- Focus on low-hanging fruit- get NGO partners to adopted electronic payments and join the Open Bank Project
- The audience suggested the following actions:
- Talking to Mutual and Cooperative Banks
- Bypassing the banks for getting financial data
- For Open Bank focus on NGOs and Cooperative and Mutual
- Talk to the client's shareholders
- Target entrepreneurs (Transparency as a visibility tools)
- Get high profile CEOs to endorse the Open Bank Project
- Positive incentives (win Air Miles for transparency)
- Vote winner publicity for politicians
- Focus on clients
- Positive incentives

What should be done to create opportunities for scaling up the proven solutions discussed in the session? What and by whom?

- Think mobile (OBP)
- Analysis Tool (OBP)
- Draw from the conclusion of the MyData Initiative
- local governance compliance
- Don't ignore the media, the Banks and lawyers and engage with them in a fruitful collaboration
- Make sure security is top-notch (OBP)
- Provide a Legal documentation (OBP)
- think about data protection (OBP)
- Address the Microfinance sector (OBP)
- Address Intellectual Property issues
- Using the Open Bank Project in government to monitor government expenses (OBP)
- Paradigm shift

Key Insights Recommended to be included in the IACC Declaration

Encourage adoption of the Open Bank Project and the shift towards digital payments.

Depending of the state of the economy, societies will be benefit from moving from cash to digital payment and from obfuscated transactions to transparent transactions.

Rapporteur's name and date submitted

Ismail CHAIB

Brasilia, Nov 10th 2012
