

Global Dynamics of Corruption,  
The Role of the United Nations  
Helping Member States Build Integrity  
to Curb Corruption



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Global Dynamics of Corruption, The Role of the United Nations  
Helping Member States Build Integrity to Curb Corruption\*\_/

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## ABSTRACT

Among the key lessons learned over the last decade the paper highlights:

- Economic growth without integrity and good governance does not reduce poverty
- There is a need to balance awareness raising and enforcement to avoid cynicism
- It takes integrity to curb corruption and it needs more time and resources than expected
- It is critical to involve the public as the key victim of corruption
- To involve the public requires trust
- There is clear link between money laundering, organized crime and corruption
- Identifying and recovering stolen assets without serious preventive work is not enough
- There is a need for international convention promoting an integrated, dynamic and comprehensive approach that is evidence based, transparent, inclusive, non-partisan and impact oriented

Assessing the progress made so far in curbing national and international corruption the paper concludes that the positive factors including increased awareness transparency and inclusion of multiple stakeholders cannot outweigh such negative factors as: (i) insufficient resources, (ii) lack of an approach, (iii) insufficient resources, (iv) political will, (v) donor co-ordination and (v) facts about types, levels, location and cost of corruption.

Presenting UN's role in helping countries build integrity to fight corruption the key initiative is the new UN Convention against Corruption which is being negotiated and expected to be ready by end of 2003. The work is progressing well and the expected outcome is a broad consensus towards a strong international legal instrument that will define and criminalise corrupt behaviours, establish international standards regarding prevention, awareness raising, national legislation, investigation, enforcement of the law and asset recovery including monitoring and evaluation of the Convention itself.

Other initiatives include: (i) UNDP's focus on strengthening member states national capacities and on the building of partnerships, and (ii) DESA's work in the capacity building field in the field of governance and finally (iii) the work of the Global programme against Corruption which main focus is on judicial integrity and on facilitating the implementation of a UN Convention against Corruption through (a) improved anti corruption tools, manuals, handbooks and dissemination of best

The paper is concluding that there is a need for an integrated approach that is implemented through improved international co-ordination regulated by a UN Convention, increased accountability and increased investment in building integrity to curb corruption

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## I. THE ISSUES

### A. What is Corruption?

1. In examining corruption, it quickly becomes apparent that corruption is a general phenomenon – or perhaps collection of phenomena – which are related in various ways, but that there is no single, clinical definition which encapsulates corruption.

2. Attempts to define or classify corruption for various purposes have been based on many different perspectives and criteria, including: moral criteria; descriptions of the conduct or behavior involved; models involving conflicts of interest, breaches of trust or abuses of principal/agent/client relationships; economic, political and administrative models; distinctions based on whether the corruption involved public or private-sector actors or interests; and on factors such as whether the actors were engaged in organized crime or more *ad hoc* forms of corruption.<sup>2</sup> Corruption may involve cash or economic benefits, power or influence, or even less-tangible interests, and occurs in both government and the private sectors, in free-market and closed economies and in democratic and non-democratic governments and societies.<sup>3</sup>

3. Within the scope of these general definitions, there is also no universal consensus about what specific sorts of conduct should be included or excluded, particularly in developing criminal laws or other politically sensitive concepts of corruption. For example, the proposition<sup>4</sup> that corruption is *an abuse of public power for private gain that hampers the public interest* raises issues about whether definitions of corruption should be limited to abuses of “public” power or harm to “public” interests, and if not, what sorts of private elements should also be included. \

4. Definitions applied to corruption vary from country to country in accordance with cultural, legal or other factors and the nature of the problem as it appears in each country. Concepts may also vary from one time period to another, particularly in recent decades, which have seen much thinking and theorizing about corruption. Definitions also vary depending on the background and perspective of the definer and the purpose for which a definition was constructed. Economic or commercial models may focus on trade issues or harm to economic stability. Legal models tend to focus on criminal offences or areas such as breach of trust. Political models tend to focus on the allocation and abuses of power or influence.<sup>5</sup> All of these are useful definitions, but each describes only a portion of the overall problem of corruption.

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<sup>1</sup> See also United Nations Anti Corruption Tool Kit (forthcoming ) and UN Anti Corruption Manual for Policy Makers, (forthcoming)

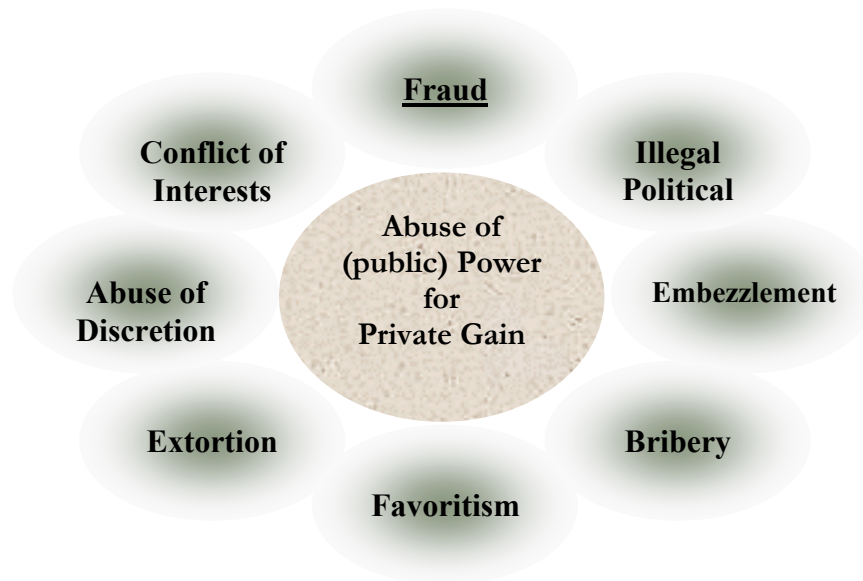
<sup>2</sup> See generally Williams, R., ed., *Explaining Corruption*, vol. 1 of *The Politics of Corruption*, Elgar Reference Collection, UK, 2000.

<sup>3</sup> Heymann, P., “Democracy and corruption”, [1997] 20 *Fordham L. Rev.* pp. 323-346 at 324-25.

<sup>4</sup> UN’s Anti Corruption Tool Kit,(2001),

<sup>5</sup> See, for example, Shihata, I.F.I., “Corruption, a general review with emphasis on the World Bank”, [1997] 15 *Dickinson J. of Int’l Law*, pp.451-485 at 451-57.

## Forms of Corruption<sup>6</sup>



5. Legal definitions differ from those applied by sociologists, aid agencies and international organizations.<sup>7</sup> This is particularly true for criminal law definitions, for which the highest standard of clarity and certainty is generally required. Most legislatures have chosen not to attempt to criminalise the general phenomenon, but to focus instead on specific types of conduct such as bribery, theft, fraud or unfair/insider trading which can be more clearly defined. This approach achieves the necessary degree of certainty for drafting offences and prosecuting offenders, but is too narrow and creates gaps, which can be problematic for non-legal purposes. There is also uncertainty about whether some activities, such as money-laundering, constitute “corruption” *per se* or merely activities which support it.

6. If corruption is understood as a collection of phenomena, it then follows that understanding corruption requires an understanding not only of the individual phenomena, but also how they are related, and that such a general understanding is critical to developing effective control strategies. Corrupt actions such as the bribery of officials do not usually occur in isolation but as part of a pattern. At the simplest level, a bribe paid usually entails the illicit reception of the bribe, and the carrying out of some act or omission by the bribed official, for example, but the pervasive corruption which confronts many societies is far more extensive and complex than this. Elements of UN’s involvement are therefore intended to foster understanding how various elements within the general ambit of corruption are related to one another and to the surrounding context of legitimate social, cultural, legal and economic structures.

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<sup>6</sup> Petter Langseth, International Cooperation, Its Role in Preventing and Combating Corruption and in the Creation of Regional Strategies, Bucharest, March 30-31, 2000 in Regional Conference of Central and East European Countries on Fighting Corruption

<sup>7</sup> See, for example the 1997 opinion survey conducted by the New South Wales Independent Commission Against Corruption, which found sharp disagreements even among public sector employees within that part of Australia in Jeremy Pope, (1997), TI Sourcebook, Berlin, 1997.



7. The purpose of UN's anti corruption work, is among other things, to advise policy-makers, some of whom will be called upon to decide what conduct should be considered as "corruption" in their respective societies and whether such conduct should be discouraged, prevented, or made subject to criminal sanctions or other controls. Rather than attempt to specifically define corruption or seek out a legal or clinical definition which is valid for all of the discussion it contains and the social, legal, cultural and economic contexts in which it will be used, the approach taken is to avoid narrow legal definitions and seek out broader, more inclusive concepts which may assist in understanding the fundamental problem of corruption, bridge gaps in the way it is understood in different societies, and form the basis of national anti-corruption strategies which are effective in context, and at the same time share common elements with those of other countries in support of a general international strategy. Not everyone will agree that all types of questionable relationships and misconduct described constitute "corruption" in either the general or criminal senses. The point is to take into account as many voices and perspectives as possible. This approach will help nations to reassess what it is that they define as corrupt acts that should be prevented and sanctioned.

8. To provide a broad range of views, the approach taken in this paper is empirical, examining the various contributing factors, elements and consequences of corruption as they have been experienced in as many different countries and cultures as possible. It is also inclusive, canvassing activities that may be considered corruption by some experts or governments but not others, and conduct which may be seen as corrupt even if it is not necessarily illegal. The purpose is not necessarily to propose that specific elements be criminalised, although this may often be the conclusion of governments, but to identify acts which fall within the range of conduct described as "corrupt", and which are intrinsically harmful to individuals or societies to the extent that efforts to prevent, combat or control them using criminal justice policies or other measures may be called for.

## **B. Consequences of Corruption<sup>8</sup>**

9. The idea that corruption can be defined without recourse to context or consequences (to the extent that it can be defined at all) does not mean that these are unimportant, however. Consideration of the context or circumstances in which various forms of corruption tend to occur is vital to the development of effective anti-corruption strategies. Indeed, a key lesson learned in recent years has been that simply criminalising corruption and punishing offenders does not work without some broader understanding of the social, cultural and economic factors which contribute to corruption and additional measures based on that understanding. This has led to measures such as efforts to improve the living-standards of public servants, which removes some of the incentives for them to solicit or accept bribes, while at the same time increasing deterrence by ensuring that they have more to lose if convicted of a corruption offence.

10. An understanding of the full consequences of corruption is also critical to rebutting the all-too-common belief that it is a victimless crime and mobilising public support for anti-corruption measures. It is important that corruption be understood not just as an economic crime, affecting those directly involved in individual cases, but in terms of

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<sup>8</sup> United Nations Anti Corruption Tool Kit

the other harm it causes. Corruption is subversive of stable economic structures, good governance, just and predictable legal systems and other critical social structures because it replaces the normal rules which determine the outcomes of dealings between individuals, between individuals and the state and various commercial entities with less formal, less predictable *ad hoc* rules which may well change from case to case. Legal disputes are no longer resolved in accordance with pre-established laws and open proceedings, but by bribes paid – or threats made – to judges or other officials. The allocation of State resources or services is determined not in accordance with the needs of applicants, but by their ability and willingness to bribe the officials involved, and the employment of the officials who render the services may be contingent on factors other than their competence to do so. Commercial dealings are no longer conducted in the best interests of the companies involved and their employees and shareholders, but in the individual interests of key decision-makers.<sup>9</sup>

11. The complex nature of corruption and the many ways in which it operates in practice make assessing the harm caused a complicated task. Some forms of corruption may be seen as more harmful than others, but this is unlikely to be an absolute determination. The forms seen as most serious are likely to vary depending on the strengths and weaknesses of the society involved. For example, the corrupt use of substandard building materials may do more harm in a developing country than in a developed one, because the latter can afford greater redundancy and internal safeguards in its inspection and decision-making processes. The harm caused to both individuals and society as a whole must be considered. An act of bribery will usually directly affect a few people, such as unsuccessful bidders for a contract, but also has an effect on the general integrity of the bidding system and hence on many future contracts, for example. It is at this stage that distinctions between public-sector and private-sector corruption often come into play: bribing public officials is almost always seen as more serious than private commercial misconduct. The seniority of those involved in corruption is also a factor, as is an assessment of whether corruption has become widespread and institutionalised or whether it occurs only in occasional cases.

12. In developing countries, corruption has hampered national, social, economic and political progress. Public resources are allocated inefficiently, competent and honest citizens feel frustrated, and the general population's level of distrust rises. As a consequence, productivity is lower, administrative efficiency is reduced and the legitimacy of political and economic order is undermined. The effectiveness of efforts on the part of developed countries to redress imbalances and foster development is also eroded: foreign aid disappears, projects are left incomplete, and ultimately donors lose enthusiasm. Corruption in developing countries also impairs economic development by transferring large sums of money in precisely the opposite direction to what is needed. Funds intended for aid and investment instead flow quickly back to the accounts of corrupt officials, which tend to be in banks in stable and developed countries, beyond the reach of official seizure and the random effects of the economic chaos generated by corruption at home. The reverse flow of capital leads in turn to political and economic instability, poor infrastructure, education, health and other services, and a general tendency to create or perpetuate low standards of living. Some of these effects can be

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<sup>9</sup> United Nations, "Working paper on promoting the rule of law and strengthening the criminal justice system" Secretariat Working Paper for the Tenth United Nations Congress on the Prevention of Crime and Treatment of Offenders, Vienna, 10-17 April 2000, A/CONF.187/3, part VI. See also Buscaglia, E., and Ratliff, W., "Judicial Reform in Developing Countries: The Neglected Priority", (1997) XX Annals of the American Academy of Political and Social Sciences, March 1997.

found in industrialized countries, although here the ability of various infrastructures to withstand, and in some cases combat, corruption is greater.

13. As legitimate economic activities have globalised, the corruption imbedded in many such activities has done the same, making transnational corruption a serious problem. A key problem associated with transnational commerce and corruption is the speed with which corrupt values and practices can be spread, and the problem is so pervasive that it can be difficult – and also pointless – to determine who has corrupted whom. Companies seeking to do business in corrupt regions learn that undue influence is needed and how to exert it. Previously uncorrupt regions easily fall into corrupt practices when offered corrupt inducements by foreign companies. The pressure of competition operates on all of the actors: companies which do not offer bribes lose business to those which do, and officials who are not corrupt see those around them being enriched.

14. Some forms of otherwise-domestic corruption are also driven in part by transnational competition. Many countries have seen basic minimums in areas such as employment or labour standards, occupational safety, anti-pollution and other environmental standards compromised, either as a result of corruption on the part of legislators or administrators at home, or as a result of the need to compete with other jurisdictions where this has occurred. National budgets have also been eroded by the concession of excessive tax advantages and incentives to corporations or industries offered in competition with other regions.

15. The amounts of money involved in various forms of transnational corruption are so large that they affect not only the integrity of domestic economies but international financial systems as well. It was recently estimated that the amounts corruptly exported from Nigeria alone exceeded \$100 billion between the mid-1980s and 1999.<sup>10</sup> According to a United States Senate Investigation, more than \$1 Trillion in total illicit funds flows through the international financial system annually, about half of it through U.S. banks, although this includes proceeds from drug-trafficking and other crimes that might not be considered as corruption, depending on how it is defined.<sup>11</sup>

16. The enormous amounts involved also form a further incentive to adopt practices which are corrupt or which further corruption in order to attract deposits and investments. Money-laundering and related practices become very lucrative, and the economies involved quickly become dependent on the substantial revenues generated. This tends to produce an atmosphere which has been described as “competitive deregulation”, in which jurisdictions which closely monitor transactions and which have relatively low thresholds of bank secrecy and other anti-money laundering measures find themselves unable to compete with jurisdictions which have lower standards.

17. Corruption is both created by and attractive to organized crime, both at the domestic and international levels. Apart from the obvious incentives for organised criminal groups to launder and conceal their assets, various forms of corruption allow such groups to minimise the risks and maximise the benefits of their various criminal enterprises. In the case of organized crime, corruption is even more dangerous because of the organization involved. Officials can be bribed to overlook the smuggling of commodities ranging from narcotics to weapons to human beings, for example, and in cases where one element of a criminal justice system is not corrupt it can either be

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<sup>10</sup> Financial Times, July XX 1999

<sup>11</sup> International Herald Tribune Feb 7. 2001

corrupted using more coercive means or another element can be corrupted in its place. Junior officials who will not accept bribes often find themselves threatened, and if a junior official takes action, such as seizing contraband or arresting smugglers, the attention of organized crime simply shifts to attempts to corrupt prosecutors, judges, jurors or others in a position to influence the case.

18. The next chapter will critically assess the impact of national and international anti corruption and present some of the recent experience from international anti corruption efforts over the last decade including the lessons learned from United Nations Centre for International Crime Prevention (CICP) who's Global Programme against Corruption (GPAC) is currently working in 8 Pilot Countries<sup>12</sup>.

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<sup>12</sup> South Africa, Nigeria, Colombia, Romania, Indonesia, Hungary, Lebanon, Uganda and Sri Lanka

## **II. IMPACT OF CURRENT ANTI CORRUPTION INITIATIVES?**

### **A. Lessons learned**

19. Reducing corruption requires a broad range of integrated, long-term, national international and sustainable efforts and reforms. In partnership, the government, the private sector and the public need to define, maintain and promote performance standards that includes decency, transparency, accountability, and ethical practice in addition to the timeliness, cost, coverage and quality of general service delivery.

20. Education and awareness raising that foster law-abiding conduct and reduce public tolerance for corruption are central to reducing the breeding ground for corruption. The criminal justice system and its professionals must themselves be free of corruption and must play a major role in defining, criminalizing, deterring and punishing corruption.

21. In the course of the last decade a series of crucial lessons have emerged from the fight against corruption. Unfortunately, it must be said that far too often, these derive from failures rather than success. These include:

- *Economic growth is not enough to reduce poverty.* Unless the levels of corruption in the developing world are reduced significantly, there is little hope for sustainable economical, political and social development. There is an increasing consensus that if left unchecked, corruption will increase poverty and hamper the access by the poor to public services such as education, health and justice. Corruption also tends to increase the gap between rich and poor, a factor in destabilising societies and contributing to political unrest, terrorism and other problems. Besides recognising the crucial role of good governance for development, the efforts undertaken so far to actually remedy the situation have been too limited in scope. Curbing systemic corruption will take stronger operational measures; more resources and a longer time horizon than most politicians will admit or can afford. The few success stories, such as Hong Kong, Botswana or Singapore, demonstrate that the development and maintaining of a functioning integrity system needs both human and financial resources exceeding by far what is currently being spent on anti-corruption efforts in most developing countries.
- *Need to balance awareness raising and enforcement.* The past decade has been characterised by a substantial increase of awareness of the problem. Today the world is confronted with a situation where in most countries not a day passes without a political leader claiming to be eradicating corruption. However, it emerges that this increase in the awareness of the general public all too often is not accompanied by adequate and visible enforcement. In various countries this situation has led to growing cynicism and frustration among the general public. At the same time it has become clear that public trust in the government anti-corruption policies is key.
- *It takes integrity to curb corruption.* Countless initiatives have failed in the past because of the main players not being sufficiently “clean to withstand the backlash that serious anti-corruption initiatives tend to cause. Successful anti-corruption efforts must be based on integrity, credibility and trusted by the general public. Where there is no integrity in the very system designed to detect

and combat corruption, the risk of detection and punishment to a corrupt regime will not be meaningfully increased. Complainants may not come forward if they perceive that reporting corrupt activity exposes them to personal risk. Corrupt activity flourishes in an environment where intimidating tactics are used to quell, or silence, the public. When the public perceives that its anti-corruption force can not be trusted, the most valuable and efficient detection tool will cease to function. Without the necessary (real and perceived) integrity, national and international “corruption fighters” will be seriously handicapped. One could argue that most international agencies have not demonstrated sufficient integrity or determination to curb corruption. These agencies have not accepted that integrity and credibility must be earned based upon “walk rather than talk”. The true judges of whether or not an agency has integrity and credibility are not the international agencies themselves but rather the public in the recipient country.

- *Curbing Corruption is time-consuming and expensive.* Building integrity to curb corruption is a major undertaking, which cannot be accomplished quickly or cheaply. Hong Kong has been at it since 1974 allocating “serious money” from the regular budget mounting to US\$ 90 Million or US\$ 12 per capita per year in 1999.<sup>13</sup>
- *e Importance of involving the public as the victims of corruption.* Most donor-supported anti-corruption initiatives primarily involve the people who are paid to curb corruption. Very few initiatives involve the people suffering from the effects of corruption. There is a need for more local initiatives involving victims, empower them, encourage them to play an active role in curbing corruption and to resist further attempts to victimise them. Victims also help to educate other social groups about the true cost of corruption.
- *Managing Public Trust is Critical.* While Hong Kong has monitored the public’s confidence in national anti-corruption agencies annually since 1974, few development agencies or anti corruption agencies of Member States have access to similar data. The larger question is whether the development agencies, even with access to such data, would know how to improve the trust level with the public they are to serve. Another question is whether they would be willing to take the necessary and probably often painful actions necessary to improve the situation..
- *Money laundering supports corruption and vice versa.* The media frequently links ‘money laundering’ to illicit drug sales, tax evasion, gambling and other criminal activity.<sup>14</sup> While it is hard to know the percentage of illegally gained laundered money derived from corruption, it is certainly sizeable enough to deserve prominent mention. At the same time, it is clear that corruption itself affords opportunities for money laundering to move and hide the proceeds of every type of crime
- *Identifying and recovering stolen assets is a major challenge.* According to the New York Times<sup>15</sup> as much as \$1trillion in criminal proceeds is laundered through banks world wide each year with about half of that moved through American banks. In developing countries such as Nigeria, this can be translated into US\$ 100 Billion stolen by corrupt regimes over the last 15 years between

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<sup>13</sup> This is very high and one of the more active countries in Africa, Uganda, the same per capita investment would probably be 50 cent

<sup>14</sup> International Herald Tribune, 2001-02-08

<sup>15</sup> New York Times Feb 7th 2001

1983-1998.<sup>16</sup> Even when corruption is brought to an end, new governments and officials face numerous hurdles recovering proceeds, not the least of which is the establishing of their own legitimacy and credibility in the eyes of the international community.

- *Need for international measures.* To curb national and international corruption there is a need to promote and strengthen measures to prevent and combat more effectively corruption and to promote, facilitate and support international cooperation to curb corruption. Quality in government demands that anti corruption measures be implemented world wide to identify and deter corruption and all that flows from it. This and similar issues are expected to be addressed by a new UN Convention against Corruption expected to be ready for ratification by 2003. It is crucial to recognise the dire need for an integrated international approach in preventing corruption, money laundering and to facilitate asset recovery. When one accept the idea that lack of opportunity and deterrence are major factors helping to reduce corruption, it follows that when ill-gotten gains are difficult to hide, the level of deterrence is raised and the risk of corruption is reduced.
- *There is a need for a global and integrated approach* that is evidence based, inclusive, transparent, comprehensive, non-partisan and impact oriented approach, negotiated and accepted by the international community. It has emerged clearly that national institutions cannot operate successfully in isolation but there is a need to create new strategic partnerships across all sectors and levels of government and civil society in the effort to build integrity to curb corruption. Abuse of power for private gain can only be fought successfully with an international, dynamic, integrated and holistic approach introducing changes both in developed and developing countries alike.

## **B. How Successful are we in Curbing Corruption?**

22. Both Hong Kong and Botswana, seen as the most successful countries fighting corruption, put in a serious effort both when it comes to the political commitment, resources allocated and the approach they selected. In both countries an integrated approach was selected and implemented by a strong and independent anti corruption agency. An integrated approach has to be evidence based non-partisan, transparent, inclusive, comprehensive and impact oriented. The good news is that, in these two countries, substantial progress has been made. The bad news is that such success stories are few and far between.

23. A broad assessment of ongoing donor supported anti corruption initiatives around the developing world against these six characteristics suggest the following:

- Regarding the need to assess the impact of anti-corruption efforts with measurable facts, there seems to be a lack of hard evidence regarding the causes, types, levels and cost of corruption. Few donors have good data regarding leakage due to corruption on their own projects and when discussing money laundering or illicit transfer of illicit funds as global problem nobody seems to have solid facts about the amounts diverted due to corruption and/or other crimes
- Regarding the inclusion of a broad based group of stakeholders in the process (inclusiveness), the general situation seems to be better. As a result of good awareness raising efforts done by NGOs such as Transparency International (TI),

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<sup>16</sup> Financial Times, London 24/7/99, Nigeria's stolen money

most donors advocate an approach that would involve the civil society in the effort to build integrity to curb corruption. However, this does not guarantee the involvement of the victims of corruption who are often much more difficult to involve. Donors tend to prefer high tech, international consultants and lately internet/video conferencing when addressing corruption. Victims of corruption are often ignored. The empowerment of the victims of corruption is critical for the success of any anti corruption strategy and they are better reached through “low tech”, e.g. local languages, local institutions using face to face meetings or local radio.

- Regarding non-partisanship of the process the picture seems to be less clear. Until 7 years ago corruption was a taboo word in the World Bank and if anything, its legal department would categorise anti corruption projects as political interference in the recipient country.<sup>17</sup> Many donors would still avoid getting into politically sensitive issues and as a result reluctantly support non-partisan anti-corruption strategies such as: (i) involving the opposition in overseeing the effort to build integrity to curb corruption (National Integrity Steering Committee) and/or (ii) allow independent anti-corruption watchdog agencies investigate any corrupt officials even if they happen to be ministers in a sitting government.
- Regarding comprehensiveness many donors seem to have, in principle, accepted the comprehensive country framework introduced by the World Bank in the late 90s. This, however, does not guarantee an integrated, multi-disciplinary approach when it comes to helping countries build integrity to curb corruption. One example is the role of international financial institutions when it comes to making it harder for corrupt leaders to transfer illicit funds. A truly integrated anti corruption strategy would have to deal with such things as the role of banks accepting the transfer of US\$ 300 million from corrupt leaders into their own accounts abroad and large multi-national companies bribing underpaid civil servants.
- Regarding the transparency of the aid process, the situation is improving. However, there is still inadequate sharing of information among donor agencies and insufficient transparency when it comes to sharing of realistic assessments of leakage in the organisations’ own projects. Another key to increased accountability of the aid process, is to give the potential beneficiary of the aid process more timely access to project information and to involve them in the monitoring of the projects.
- Regarding the impact orientation of the aid process, there is much more work to be done. To measure the impact of an anti corruption initiative there is a need to identify key impact indicators based on a combination of facts and perceptions such as; (i) public trust in the anti-corruption institutions; (ii) % leakage from donor projects (iii) levels of corruption within ministries, and (iv) levels of corruption in the criminal justice system. These impact indicators needs to be assessed in order to establish base line data, and then the impact of the anti corruption program needs to be measured against the same baseline. Very few Member States have so far identified these measurable impact indicators, established a baseline or have measured their performance against the same base line.

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<sup>17</sup> Heather Marquette, Politics & the World Bank’s Anti-Corruption Programme, Paper prepared for the Workshop on Anti-Corruption and the Transfer of Standards in Central and Eastern Europe Prague, 21-23 March 2002



24. The next chapter presents the progress made so far to negotiate a new United Nations convention against corruption. The draft purpose of the new convention is to: (i) promote and strengthen measures to prevent and combat more effectively corruption or acts related specifically to corruption, (ii) promote, facilitate and support international cooperation in the fight against corruption, including the return of proceeds of corruption.

25. The dead line for completion of negotiations is end of 2003 and so far Ad Hoc Committee meetings were held in Jan/Feb and June and the third meeting is scheduled for 30 Sep-11 Oct 2002. Another three more sessions are planned for 2003 and a high level signing conference is planned for 2003 in Mexico.

### III UN CONVENTION AGAINST CORRUPTION

#### A. *Draft Preamble*<sup>18</sup>

26. The General Assembly and the State Parties to this Convention are:

- *Concerned* about the seriousness of problems posed by corruption, which may endanger the stability and security of societies, undermine the values of democracy and morality and jeopardize social, economic and political development,
- *Concerned also* about the links between corruption and other forms of crime, in particular organized crime and economic crime, including money-laundering,
- *Concerned further* that cases of corruption, especially on a large scale, tend to involve vast quantities of funds, which constitute a substantial proportion of the resources of the countries affected, and that their diversion causes great damage to the political stability and economic and social development of those countries,
- *Concerned* that the illicit acquisition of personal wealth by senior public officials, their families and their associates can be particularly damaging to democratic institutions, national economies and the rule of law, as well as to international efforts to promote economic development worldwide.
- *Convinced* that corruption undermines the legitimacy of public institutions and strikes at society, moral order and justice, as well as at the comprehensive development of peoples,
- *Convinced also* that, since corruption is a phenomenon that currently crosses national borders and affects all societies and economies, international cooperation to prevent and control it is essential,
- *Convinced further* of the need to provide, upon request, technical assistance designed to improve public management systems and to enhance accountability and transparency,
- *Considering* that globalization of the world's economies has led to a situation where corruption is no longer a local matter but a transnational phenomenon,
- *Recognizing* that international cooperation is essential in the fight against corruption
- *Determined* to prevent, deter and detect in a more effective manner international transfers of assets illicitly acquired by , through or on behalf of public officials and to recover such assets on behalf of victims of crime and legitimate owners
- *Bearing in mind* that the eradication of corruption is a responsibility of States and that they must cooperate with one another if their efforts in this area are to be effective,
- *Bearing also in mind* ethical principles, such as, inter alia, the general objective of good governance, the principles of fairness and equality before the law, the need for transparency in the management of public affairs and the need to safeguard integrity,
- *Acknowledging* the fundamental principles of due process of law in criminal proceedings and proceedings to adjudicate property rights
- *Commending* the work of the Commission on Crime Prevention and Criminal Justice and the Centre for International Crime Prevention of the Office for Drug

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<sup>18</sup> United Nations, General Assembly, A/AC.261/3/Rev.1

- Control and Crime Prevention of the Secretariat in combating corruption and bribery,
- *Recalling* the work carried out by other international and regional organizations in this field, including the activities of the Council of Europe, the European Union, the Organisation for Economic Cooperation and Development and the Organization of American States,

## **B. The Mandate<sup>19</sup>**

27. In its resolution 55/61, the General Assembly established an ad hoc committee to negotiate a convention against corruption. That resolution also outlined a preparatory process designed to ensure the widest possible involvement of Governments through intergovernmental policy-making bodies. At the time that the General Assembly was considering resolution 55/61, Nigeria, on behalf of the Group of 77 and China, proposed to the Second Committee of the General Assembly a draft resolution on “the illegal transfer of funds and the repatriation of such funds to their countries of origin”. As originally proposed, the draft resolution was calling for the negotiation of a separate instrument on this subject. Through negotiations at the General Assembly, the two resolutions were brought in line and the issue of asset recovery was placed squarely within the framework of the new convention.

28. In resolution 56/260 of 31 January 2002, recommended by an Intergovernmental Expert Group, which was convened in Vienna in July 2001, the General Assembly decided that the ad hoc committee established pursuant to resolution 55/61 should negotiate a broad and effective convention, which, subject to the final determination of its title, should be referred to as the “United Nations Convention against Corruption”. The General Assembly requested the Ad Hoc Committee, in developing the draft convention, to adopt a comprehensive and multidisciplinary approach. It also decided that the Ad Hoc Committee should be convened in Vienna in 2002 and 2003, as required, holding no fewer than three sessions of two weeks each per year, and requested it to complete its work by the end of 2003. This deadline was confirmed by a draft resolution that the General Assembly will consider next fall, on the recommendation of the Commission on Crime Prevention and Criminal Justice. According to this resolution, the Assembly will accept the offer of Mexico to host a high-level signing conference for the Convention before the end of 2003.

29. The idea for the UN Convention against Corruption emerged during the negotiations of the United Nations Convention against Transnational Organised Crime (TOC Convention). Because of the focused nature and scope of the TOC Convention, States agreed that the multifaceted phenomenon of corruption could more appropriately be dealt with in a self-standing instrument. The draft text, which is the basis for the negotiations, is the consolidation of proposals received from 26 countries and covers the following issues, in accordance with the terms of reference provided by the General Assembly: (1) definitions; (2) scope; (3) protection of sovereignty; (4) preventive measures; (5) criminalization; (6) sanctions and remedies; (7) confiscation and seizure; (8) jurisdiction; (9) liability of legal persons; (10)

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<sup>19</sup> Other Legal Instruments addressing Corruption: the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, adopted by the Organisation for Economic Cooperation and Development on 21 November 1977, the Inter-American Convention against Corruption, adopted by the Organization of American States on 29 March 1996, the Convention on the Fight against Corruption involving Officials of the European Communities or Officials of Member States of the European Union, adopted by the Council of the European Union on 26 May 1997, the Dakar Declaration on the Prevention and Control of Organized Transnational Crime and Corruption, adopted by the African Regional Ministerial Workshop on Organized Transnational Crime and Corruption, held in Dakar from 21 to 23 July 1997, the Manila Declaration on the Prevention and Control of Transnational Crime, adopted by the Asian Regional Ministerial Workshop on Organized Transnational Crime and Corruption, held in Manila from 23 to 25 March 1998, the Criminal Law Convention on Corruption, adopted by the Committee of Ministers of the Council of Europe on 27 January 1999, and the Civil Law Convention on Corruption, adopted by the Committee of Ministers of the Council of Europe on 9 September 1999

protection of witnesses and victims; (11) promoting and strengthening international cooperation; (12) preventing and combating the transfer of funds of illicit origin derived from acts of corruption, including the laundering of funds, and returning such funds; (13) technical assistance; (14) collection, exchange and analysis of information; (5) and mechanisms for monitoring implementation.

30. The Ad Hoc Committee held its first session from 21 January to 1 February 2002 and its second session from 17 to 28 June 2002. It completed the first reading of the draft Convention, revising the original text and consolidating options put forward by different countries.

### **C. The negotiation process for the UN convention against corruption**

31. The Ad Hoc Committee that carried out the negotiations of the United Nations Convention against Transnational Organized Crime debated whether corruption should be covered by that Convention. The Ad Hoc Committee agreed on the inclusion of limited provisions on corruption in the United Nations Convention against Transnational Organized Crime on the understanding that a separate instrument would be envisaged to cover corruption in an appropriate manner. The Convention against Transnational Organized Crime contains an article criminalizing corruption and an article with a number of measures against this criminal activity. The article criminalizing corruption includes also a basic definition of public officials, essentially deferring to national law.

32. During this *first* reading, the following key issues emerged.

- The definition of “public official”. The debate revolved around how broad this definition would be and whether the Convention would contain an “autonomous” definition or whether the matter would be left to national law. It was pointed out that a third option might be to have a definition in the Convention setting the standard, and allow countries to expand it if they wish.
- The definition of “corruption”. Also on this issue the debate was about how broad this definition would be. An interesting proposal made during the first session of the Ad Hoc Committee was not to include a specific definition in the Convention but approach the issue through the criminalization provisions, i.e., have the Convention establish certain acts of corruption as criminal offences. An equally interesting discussion related to whether agreement should be sought first on the definition of corruption or on the offences to be established. This discussion provided a hint of the more central question of what countries would wish the Convention to be and to accomplish. Criminalization would be more important to a Convention that would be intended as an international cooperation tool, while a Convention negotiated for the purpose of setting standards might not give the same weight to criminal law.
- The question of private sector corruption. Most countries expressed a strong preference for a Convention that would cover private sector corruption. For some other countries the matter was very complex, creating many conceptual, legal and procedural problems, which might not lend themselves to globally acceptable solutions.
- The question of how extensive and how binding the provisions on prevention would be. The current draft includes substantial provisions on prevention. The

debate appears to be related to the expected nature and intended accomplishments of the Convention, as indicated above.

- The question of asset recovery. During the second session of the Ad Hoc Committee, CICIP organized a one-day technical workshop on that subject. The purpose of the workshop was to provide interested participants with technical information and specialized knowledge on the complex issues involved in the question of asset recovery. CICIP is also preparing a study for the Ad Hoc Committee, pursuant to ECOSOC resolution 2001/13. The workshop and CICIP's work in the past two years (including with the submission of substantive documents to the General Assembly) have demonstrated the complexity of the matter. However, the issue remains highly political, with developing countries wishing to establish through the Convention the principle of exclusive ownership of the State over illicit funds and assets, which in turn would lead to a right of return of those assets
- The issue of the monitoring mechanism for the implementation of the Convention. It appears that, at a minimum, the Convention will foresee an implementation mechanism modeled after the United Nations Convention against Transnational Organized Crime (a Conference of the Parties with considerable monitoring functions and the discretion to set up subsidiary monitoring bodies). However, the proposals currently under consideration would go farther, towards a more detailed "peer review" regime, including through the establishment of a body of independent experts.
- The Ad Hoc Committee has set a very good pace, which is reason for optimism about the final outcome of its work, including meeting its deadline. The principal strengths of the Ad Hoc Committee are: (a) the very good spirit prevailing among delegations; (b) the experience those delegations have gained by negotiating the United Nations Convention against Transnational Organized Crime; (c) a strong expanded bureau; and (d) a fully participatory process, manifested by high levels of attendance and a good mix of negotiators and practitioners making up delegations.
- There are two main approaches taken by Member States in the context of negotiating the Convention. The first considers the agreements reached under the Convention against Transnational Organized Crime as the latest state of the art instrument and therefore as a point of reference also for all the provisions of a future Convention against Corruption. The second see the TOC Convention rather as a point of departure on which a future Convention should be build, however, at the same time going beyond it. Currently, the first view seems to be shared by most delegations, in particular regarding the Chapters on adjudication, sanctions, jurisdiction and international cooperation.

#### ***D. Key Aspects of the new Convention as discussed in the second meeting***

33. The most controversial aspects of the negotiations are the chapters on asset recovery and the monitoring of the future Convention's implementation. As far as the first is concerned, specific efforts have been made to enhance a common understanding of the various issues involved through the organisation of a technical workshop. Such issue include the terminology used; the methods of recovery (criminal/ civil); to whom the assets should be returned to; who should be deciding the compensation of eventual victims; and, who is to be considered the victim

34. As far as the Chapter on monitoring of the implementation is concerned, various proposals are being discussed. Austria and the Netherlands in their proposal elaborated further on the concept of a conference of the state parties, already applied in the TOC Convention, by adding an operational secretariat consisting of personalities renowned for their integrity. In contrast, the proposal of Norway suggests a system of peer review, including sanctions for non-compliance.

34. Other issues which will need further in depth discussion include the definition of corruption, the term “public servant” as well as the question if and to what extent private sector corruption should be covered under the Convention. In addition, defining the concepts of whistleblower, informant and witness will present a challenge to the Ad hoc Committee.

35. In conclusion, to date the negotiations had been conducted in an extremely positive climate stemming from the mutual trust built during the two year negotiations of the Convention against Transnational Organized Crime. In order to maintain this productive environment the secretariat will continue to try and avoid any politicisation of the most controversial subject matter.

36. In chapter IV the paper presents other anti corruption initiatives currently being implemented by the UN. As a result of the newly established interagency anti corruption coordination mechanism, all key UN agencies involved in helping member states in building integrity to curb corruption, filled in a “data-sheet” describing who was doing what where and when. As result of this data base, which is currently on the Web (<http://www.odcp.org/corruption.html>) it was possible for CICP to present the other key anti corruption initiatives.

## **IV OTHER UNITED NATIONS INITIATIVES**

### **A. United Nations Development Programme (UNDP)**

37. **Overview:** UNDP's approach to integrity improvement focus *on:* (i) prioritize capacity development of national and local actors/institutions, (ii) ensure efficient, responsive and accountable public sector, (iii) facilitate citizen's participation in decision making and governance and, (iv) build partnerships and encourage closer co-operation

38. UNDP's Programme for Accountability and Transparency (PACT) is focusing on: (i) strengthening financial management and accountability (initial entry point), (ii) improving accountability, transparency & integrity in democratic governance, (iii) strengthening national capacity to prevent & control corruption (policies/institutions), (iv) facilitating local co-ordination, consensus and coalition-building, (v) knowledge networking, and (vi) on forging communities of practice and external partnerships

39. UNDP is currently also helping member states strengthening their national capacities as follows:

- In Asia, UNDP is working in China to reform administrative structures to improve performance and create clean government, while in Mongolia the development of national anti-corruption programme & legislation is being supported. In East Timor the Office of the Inspector General is being strengthened through training and in Bangladesh the capacity of Office of Controller and Accountant General for oversight is being enhanced and CSO/government coalition for monitoring is

currently being facilitated. In Pakistan learning guide on anti-corruption is being developed and in the Philippines media is being strengthened via investigative journalism.

- In Africa UNDP is working in Nigeria supporting the independent anti-corruption commission and UNDP is also facilitating donor co-ordination in the anti corruption field In Mozambique UNDP is targeting municipal accountability and civic awareness and these two issues are also linked with Public Sector Reform. In Tanzania the Prevention of Corruption Bureau is being assisted and public awareness is raised to improve impact monitoring of anti corruption programmes.
- In Latin America, UNDP is helping Bolivia -elaborate the Plan National Integridad, while in Panama they are helping promote national dialogue and civic education, In Ecuador – helping is being given to improve accountability in decentralisation and local governance

40. Another key anti corruption initiatives supported by the UNDP is *Knowledge Networking* where UNDP has been involved in: (i) facilitating preparatory regional electronic discussion forum and workshops at the 10th IACC and (ii) establishing UNDP Communities of Practice in Democratic Governance.

41. A second key UNDP anti corruption initiative is focusing on *building partnerships*. These partnerships are supported through the Partnership for Transparency Fund and among other things ensures independent civil society voice in the fight against corruption. Such partnerships are currently being facilitated through small grants to: Bulgaria, Pakistan, India, Latvia, Brazil, Cambodia

42. ***Future Directions*** UNDP's anti corruption programme is to: (i) move from rhetoric to focused actions and follow-up (e.g. capacity building of key sectors), (ii) facilitate mobilization and political commitment at all levels, and (iii) strengthen collaboration and partnerships (e.g. donors, governments, CSOs & private sector) Codify & share knowledge

## **B. Department of Economic Social Affairs (DESA)**

43. DESA's corruption prevention activities and other capacity-building activities are mandated by General Assembly Resolution 50/225 on Public *Administration and Development*, which underlines the importance of transparent and accountable governance and administration in all public and private national and international institutions. Meetings of the Group of Experts on the United Nations Programme on Public Administration and Finance have made specific recommendations to continue activities to promote professionalism, ethics, accountability and transparency in the public sector.

44. DESA's Division for Public Economics and Public Administration (DPEPA) has responded to these challenges through strengthening public sector institutions. The idea is to remove those opportunities, set up a system to detect corrupt public officials and preserve honest ones, and enlist private sector and civil society organisations in a vigilant watch against corruption.

45. *DESA'S Mandate* is to promote a multi-dimensional and integrated approach to development and Department of Public Administration's (DPEPA) mandate is to: (i) assisting in intergovernmental policy deliberations, (ii) assisting Member States in



improving public administration and finance systems and (iii) supporting capacity building, including institutional reinforcement and human resources development

46. DESA's past anti corruption activities includes: (i) inter-regional, regional and national policy for anti corruption initiatives, (ii) publications<sup>20</sup>, (iii) training material, (iv) Charter for the Public Service in Africa, (v) support to policy and programme research, (vi) policy advisory services, and (vii) facilitate partnerships with international, national, and non-governmental organizations

47. Policy fora themes addressed by DESA includes (i) corruption in government , (ii) professionalism and ethics in the public service, (iii) enhancing transparency and accountability, (iv) foreign aid accountability, (v) accounting and audit standards, (vi) professionalism and ethics in the public service (Overview - 2000), (vii) promoting ethics in the public service in Brazil (2000), (viii) public service in transition: ethical values and standards for Central & Eastern Europe -(1999), (ix) the civil service in Africa: new challenges, professionalism and ethics (2000), and finally (x) Public Service in Africa (2 volumes - 2001/2)

48. DESA has developed three Charters for Public Service in Africa and is currently offering policy advise in Namibia, Thailand, Yemen and Brazil

49. DESA is working in *partnerships at the international level* with UNDP, OAU, OECD, CAFRAD and at the national level in Brazil, Canada, Greece, Morocco, United States, Republic of Korea, others (long history of technical cooperation) and at the non-governmental/Professional level with TI, AAPAM, APSA, GCA, IAD, IIAS, IIPE, INTOSAI *DESA's Future Activities* include: (i) finalizing work plan for biennium 2002/3 and other current projects, (ii) conclude SPPD study on transparency and accountability in the Arab Region involving 8 countries, (iii) finalize a major conceptual paper on the theme of integrity or ethics infrastructure and (iv) initiate an on-line chat room on transparency and accountability (in discussion)

### **C. ODCCP's Global Programme Against Corruption**

50. Through its Global Programme against Corruption (GPAC), the Centre for International Crime Prevention (CICP) is, on request only, active in providing assistance to countries in their efforts to build integrity to curb corruption, advocating an integrated approach on the premise that anti-corruption strategies need to be evidence based, transparent, inclusive, non-partisan, comprehensive and impact oriented.

51. CICP's approach is to help Member States with: (i) assessing corruption with special focus on the judiciary; (ii) promoting integrity, efficiency and effectiveness of the judiciary; and (iii) facilitating a comprehensive, evidence based and integrated approach, in collaboration and partnership with other donors and key stakeholders.

52. More specifically, priority activities identified to achieve these outcomes are:

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<sup>20</sup> Recent Publications ([www.unpan.org](http://www.unpan.org)) and training material include: (i) Corruption in Government (1989), (ii) Role of SAIs in Fighting Corruption and Mismanagement (1996), (iii) Foreign Aid Accountability (1998), (iv) Transparency and Accountability in Government Financial Management (2000), (iv) Mechanism to Increase Transparency in Administration: OPEN System of Seoul (2001/2), (v) Public Sector Professional Ethics in Africa (forthcoming), (vi) Manual on ethics training programmes and finally (viii) CD-ROM of cartoon sketches for teaching moral reasoning and ethical decision-making

- *Technical Cooperation.* Developing pilot projects in Member States across the five regions of the world. Projects are currently being implemented in Colombia, Nigeria, South Africa, Hungary, Romania and Lebanon. Projects are being prepared in Afghanistan, Iran and Indonesia;
- *Research.* Preparation and dissemination of Global Trends analyses of corruption, especially focusing on benchmarking, and proposing policies regarding remedies to be followed by anti-corruption agencies;
- *iDissemination of Best Practices through* (a) Revision, expansion and dissemination of the UN Manual on Anti-Corruption Policy; (b) development and dissemination of a UN Anti-Corruption Tool Kit; (c) development and dissemination of Handbooks for Prosecutors, Investigators and Judges; and (d) development and updating a Web Page with CICP Publication Series.
- *Reinforcing Judicial Integrity.* CICP is, since 2000 facilitating the work of a Chief Justice Group comprised of 8 Chief Justices from Common Law countries in Asia and Africa. The Judicial Group meets once a year and has developed an agenda for strengthening judicial integrity and capacity which is currently being pilot-tested in Nigeria, Uganda and Sri Lanka. In order to share the findings from the pilots across all legal systems, a meeting to establish a similar Judicial Group for Civil Law countries is planned, in partnership with DFID (United Kingdom) and Transparency International for the third quarter of 2002. Key outcomes of the Judicial Group's work so far has been a Policy Paper on "Judicial Integrity" and an international *Code of Conduct for Judges*.
- *Interagency Coordination regarding anti corruption activities* Pursuant to an initiative of the Deputy Secretary-General, CICP began organizing *interagency coordination meetings in the anti corruption field* in Vienna, linked with the sessions of the Ad Hoc Committee negotiating a new UN Convention against Corruption. The first such meeting was held in February 2002 and the second in July 2002. (See section IV D for more information)

53. The Global Programme against Corruption is implemented in cooperation with UNICRI<sup>21</sup>, UNDCP<sup>22</sup>, GTZ<sup>23</sup>, DFID<sup>24</sup>, USAID, Dutch Government, Transparency International, Gallup International and in close consultation with UNDP and DESA.

54. The Global Programme relies almost exclusively on voluntary contributions from Member States. Since its establishment in 1999, it has received approximately \$3.5 million from the donor community. So far CICP has received no additional resources for the support of the negotiation process of the new Convention. Voluntary contributions have enabled CICP to cover the cost of participation of the Least Developed Countries in the negotiations.

#### ***D. Interagency Coordination to increase the impact of anti corruption programmes and initiatives***

55. While it was agreed that the United Nations Office for Drug Control and Crime Prevention (ODCCP) held the United Nations global legislative mandate on anti-corruption, it had become clear that there were a variety of anti-corruption initiatives by various United Nations agencies that needed to be coordinated. As a

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<sup>21</sup> UNICRI = United Nations Interregional Crime and Justice Research Institute

<sup>22</sup> UNDCP = United Nations International Drug Control and Prevention

<sup>23</sup> GTZ = German Aid Agency

<sup>24</sup> DFID = Department for international Development

result it was agreed that to foster co-ordination of these efforts it would be useful for ODCCP to organise a broader interagency co-ordination mechanism in the anti corruption field.

56. During the first meeting the following issues were discussed: (i) involvement in anti-corruption activity and its evaluation; (ii) ways and means for enhanced coordination of anti-corruption activity; joint, collaborative and singular initiatives; (iii) the emerging new binding instrument—the UN convention against corruption-- which will provide a normative framework for anti-corruption activity across agencies; (iv) challenges and common framework with respect to follow-up action for the coordination meeting(s).

In the second meeting<sup>26</sup> the fact sheets developed as results of the first meeting on past, present and future anti-corruption activities had been filled in to serve as a basis for future coordination<sup>27</sup>. Based on the findings from the fact sheets and the discussion, the second meeting reached the following key conclusions and recommendations:

- The UN and its agencies, in co-operation with other international organizations, should be at the forefront of the battle against fraud and corruption because of the negative impact that corruption has on many aspects of their missions;
- Corruption has also to be tackled both externally and internally, as it presents financial, operational and reputational risks;
- Interagency co-ordination needs to be made a high priority to eliminate duplication and increase impact and visibility in the effort to help member states build integrity to curb corruption
- Organizations should take a pro-active role, "mainstreaming integrity" into all their activities, as a core concern of all staff, implementing Ethics Programmes (they must "walk the talk" and role model the conduct they advocate for governments).

57. To serve all of these ends, the Interagency Coordination Mechanism in the anti corruption field should be strengthened and cooperation developed with other international organizations, also at the regional level, to maximize joint efforts, including the elaboration of a UN system-wide anti-corruption strategy and anti-corruption action plan, with measurable performance indicators.

## ***E. Recommendations from the Interagency Coordination Process***

58. The second Interagency Coordination meeting in Vienna (Jul 02) made the following recommendations<sup>28</sup>:

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<sup>25</sup> First Inter-Agency Anti-Corruption convened by the Centre for International Crime Prevention (CICP) from 5 to 6 February 2002 in Vienna. Participating organizations were: UNDP, DESA, OIOS, UNDCP, OECD, EU, Council of Europe, Interpol, Transparency International

<sup>26</sup> The second UN Interagency Anti-Corruption Coordination Meeting was held in Vienna on 1-2 July 2002 and was attended by , UNDP, CICP, UNDCP, DESA, Office of (OIOS) the Council of Europe, the European Commission, the World Bank, the Inter-American Development Bank (IADB), OECD, Interpol and Transparency International

<sup>27</sup> See CICP's web page (<http://www.odcp.org/corruption.html>) and/or, CICP, (2002) Proceedings Document from First Interagency Coordination Meeting, held Feb 5-6 2002

<sup>28</sup> See CICP's web page(<http://www.odcp.org/corruption.html>) and/or, CICP, (2002a) Proceedings Document from Second Interagency Coordination Meeting, held July 2-3, 2002

- ***Increased investment in donor coordination.*** One institution has to be made responsible for donor coordination and sufficient resources have to be allocated for: all key organizations involved in anti corruption work to participate in two coordination meetings per year. Fact sheets recording who is doing or planning to do *what, where* and *when* have to be collected, verified and disseminated on the Web.
- ***Increase the search for best practice by launching a systematic action learning process across a representative sample of pilot countries.*** Different donors can conduct different pilots in different parts of world, The key is that the learning process has to be evidence based and impact oriented, requiring that base lines have to be established and measurable performance indicators have to be monitored. The outcome of this action learning process should be discussed at interagency anti corruption co-ordination meetings and made available on the internet.
- ***Broaden the donor coordination process to include all key organizations involved in supporting member states in anti corruption initiatives.*** A decision has to be made whether this coordination process should be a central/global one or whether it should be based on regional initiatives already in place.

## V. CONCLUSION

59. The conclusion of this paper is that corruption is not going to be curbed neither nationally nor internationally unless a broad agreement is reached towards a more dynamic, integrated and global approach against corruption. For this global approach to be accepted and implemented globally, there is a need for a strong UN Convention against Corruption establishing efficient international anti corruption measures and implemented through strong international collaboration and coordination.
60. A number of factors can be identified not the least of which are the extreme difficulty of implementing a truly integrated approach and the lack of commitment of both donors and officials in recipient countries.
61. It often seems that *donors are pretending to help curb corruption while the recipient countries are pretending to follow their guidance*. The fact that most donors does not seem to be willing to “take the medicine they are prescribing for their clients”, does not help the situation.
62. There is the fear the situation may be worsening, but in truth the problem is so widespread and pervasive that one cannot really assess its full extent or whether it is expanding or not because of lack of evidence
63. As a result the number of victims of corruption seems to be increasing and their situation seems to be worsening. At the same time the consequences for the responsible parties, the international and national civil servants seems, if anything, to be insignificant. The number of international civil servants who have been fired because of corruption on their development projects, is insignificant and certainly not matching the damage due to corruption
64. What seems to be missing are:
- *a global, integrated, dynamic and holistic approach*, A part from being evidence based, comprehensive, inclusive, non-partisan and impact oriented, this approach needs to address issues both in the North and the South. As an example the incentive structure and accountability of national and international civil servants needs to be addressed in a more realistic manner. Since there is still uncertainty on how to best build integrity to curb corruption, it might be necessary to initiate a global action learning process that allows us to pilot test different approaches and find out what works and what does not work.
  - *increased donor coordination and cooperation*. United Nations and its counterparts in the anti-corruption field could be much more effective and efficient in helping member states build integrity to curb corruption if their advise was more coordinated, consistent, evidence based, transparent, non-partisan, comprehensive and impact oriented.
  - *increased investment in the building of integrity to curb corruption*, it might be necessary to introduce a “Governance Premium Mechanism” where a certain percentage (1 %) of all projects is set aside to be used by an independent anti corruption body to protect the project funds to be diverted.
  - *increase real deterrence*. Corruption needs to be criminalized to increase the risk, cost and uncertainty for both national and international civil servants and businesses.

- *increased accountability.* National and international anti corruption policies and measures needs to be monitored using measurable impact indicators to help the public and other victims of corruption hold national and international civil servants accountable.
65. Building integrity to curb corruption at the national level is an extensive and on-going task. As an example Hong Kong has a regular budget that allocates US\$ 12 per capita per year to curb corruption.. In other words it is not an undertaking that can be accomplished quickly or inexpensively. It requires real, not merely expressed political will and the dedication of social and financial resources, which in turn only tend to materialise when the true nature and extent of the problem and the harm it causes to societies and populations are made apparent. Progress is difficult to achieve; if achieved, it is difficult to measure. The creation of popular expectations about standards of public service and the right to be free of corruption are important elements of an anti-corruption strategy. Yet the difficulties inherent in effecting progress involve careful management of and living up to public expectations. Winning public trust is key and it has to be earned.
66. When it comes building integrity to curb international corruption, the challenge might be even greater. A critical first step to curb global and trans-national corruption is to reach a broad international consensus regarding a UN convention against corruption that will establish better international anti corruption policies and measures and also strengthen coordination and collaboration.
67. As soon as the UN Convention against Corruption has been ratified it is critical that the necessary international and national political will and resources are being mobilised in a coordinated manner to secure a realistic implementation of a global evidence based, transparent, comprehensive, inclusive, non partisan and impact oriented approach.

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