



**UNDP Statement  
Marking the 1<sup>st</sup> Anniversary of the  
UN Anti-Corruption Day**

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**DAC DEVELOPMENT PARTNERSHIP FORUM  
IMPROVING DONOR EFFECTIVENESS IN COMBATING  
CORRUPTION**

**Organised jointly by  
OECD DEVELOPMENT ASSISTANCE COMMITTEE  
AND TRANSPARENCY INTERNATIONAL  
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## UNDP STATEMENT AT THE OECD/DAC PARTNERSHIP FORUM

9 December 2004

### MARKING THE 1<sup>st</sup> ANNIVERSARY OF THE UN ANTI-CORRUPTION DAY

#### Check against delivery

Today marks the first anniversary of the signing of the United Nations Convention against Corruption. One year ago, many of you were in Merida, Mexico to witness this historic occasion. Indeed the signing of the UN Convention against Corruption is historic milestone in the global fight against corruption. It results from a three year effort by 129 countries to forge a comprehensive set of standards and measures to promote international cooperation and domestic interventions to fight corruption. But more than this, the UN Convention against Corruption is a ray of hope to more than a billion men and women who count as the world's poor.

The price of corruption is levied in many ways. But it is the poor who pay the highest price and suffer the most from its consequences. The cost of corruption can be best measured in terms of undelivered public services: when the poor do not have enough to eat, have no access to primary education and health care, when the environment is degraded, and when HIV/AIDS remains a continual challenge. These are basic requirements agreed to by the international community in terms of Millennium Development Goals (MDGs). Achieving the MDGs remain foremost a priority of the development community in its quest to eradicate poverty, but this will remain a distant reality if corruption is left unchecked.

Today, we no longer question the negative impact of corruption on development. Evidence from across the globe confirms that corruption impacts the poor disproportionately. Corruption hinders economic development, reduces social services, and diverts investments in infrastructure, institutions and social services. Moreover, it fosters an anti-democratic environment characterized by uncertainty, unpredictability and declining moral values and disrespect for constitutional institutions and authority. It also undermines efforts to achieve the MDGs.

Corruption, as has been broadly defined, is the "misuse of public office for private gain". This simple definition does not capture the enormity of the corruption problem. It also does not reflect the dire consequences of nepotism, cronyism, unacceptable fraud and deception by political leaders of its constituents, or massive looting of public coffers by elected officials when corruption prevails on a grand scale. Nor does it justify a culture of impunity and disregard of human rights and the rule of law.

Imagine how much \$1.0 trillion dollars per year, the estimated global cost of corruption<sup>1</sup>, could achieve if mobilized for the benefit of the poor? Taken in the context of the MDGs, Jeffrey Sachs calls for a doubling of ODA to achieve the MDGs by 2015. However, he also points out that “poor governance in any of its forms – corruption, mismanagement, greed, war – is a major factor in the impoverishment of many nations.” Even with the recovery of illegally gained wealth from corrupt leaders, or with larger infusions of ODA, it is unlikely that meaningful progress can be made in eradicating poverty, unless corruption is reversed and democratic governance established.

It is in this context that the UN Convention against Corruption provides great promise in the global quest for poverty eradication and sustainable development. The intergovernmental engagement undertaken thus far to reach this point in translating UNCAC from words to action also represents a valuable contribution. Stakeholders are coming together to discuss how they can begin to address the requirements of the UN Convention against Corruption. This Forum provides an opportunity to address these important issues.

At the country level, we are witnessing a re-invigoration of the anti-corruption agenda due to the signing of the UNCAC a year ago in Merida, Mexico. Consequently, we have observed a surge in demand from national partners requesting assistance to address the legal, policy and capacity building needs to meet the requirements and standards set by UNCAC. In 2004 alone, at least 20 UNDP country offices have used UNCAC as an entry point to engage governments or to break the deadlock in politically fraught situations (such as in post-crisis and transition conditions) in the fight against corruption. These include efforts such as:

- In Malaysia to establish a National Integrity Institute to develop, implement and monitor the national integrity plan;
- To review the legal and legislative framework in Vietnam and begin addressing accountability and transparency concerns under the leadership of the Government Inspectorate;
- To improve government procedures and controls in China including money laundering and mutual legal assistance for which UNCAC provides a solid guiding framework;
- In Sao Tome and Principe to institute stronger governance mechanisms to safeguard oil revenues from misappropriation and improve transparency in terms of government-business transactions in the oil industry;

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<sup>1</sup> Daniel Kaufmann (World Bank Institute) at his presentation in Merida, Mexico (9 December 2003) at the signing of the UN Convention against Corruption.

- In Madagascar, to work more closely with civil society in building a broader coalition of stakeholders to monitor government commitments to fight corruption;
- In Central African Republic, to develop a national anti-corruption strategy through a participatory process;
- In Tajikistan, to help build capacity of newly elected councils administration to engage with citizens in terms of local policy-making, oversight and outreach to improve accountability and transparency

At the global level, civil society organizations, such as Transparency International are forming partnerships to develop practical tools to help local NGOs better understand and lobby governments to ratify the UNCAC.

We continue to work with the UN Office for Drugs and Crime (ODC), the UN Global Compact and the rest of the United Nations family, using the framework embodied in UNCAC. This will support national governments to reduce corruption and promote transparency, particularly in the context of achieving the Millennium Development Goals (MDGs).

Many participants in this OECD DAC Partnership Forum have been at the forefront of addressing these challenges, and we continue to learn from each other's efforts and experience. Today is a point in time where we are marking the first anniversary of the signature of the UN Convention against Corruption and it is an opportunity to focus our attention on creating significant new inroads in the fight against corruption.

Thank you.