

Speech (Plenary 2)

Corruption, development and human rights – Fighting corruption as a means to achieve the Millennium Development Goals

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Mme. Chair, Mr. Chairman, distinguished guests, Ladies and gentlemen,

Let me first of all thank the ADB-OECD Secretariat for giving me the opportunity to speak here on behalf of UNDP at this 5th Regional Anti-Corruption Conference for Asia and the Pacific. Allow me also to express our sincere gratitude to the Chinese government, the Ministry of Supervision and the Chinese people for their warm hospitality.

Ladies and gentlemen,

“On present trends, most poor countries will miss almost all the Millennium Development Goals. Extreme poverty will not be halved in any region except East Asia. The latest UNDP Human Development Report¹ concludes that by 2015, 380 million poverty-stricken people, will remain in the condition from which the UN's member states promised to liberate them”.

There are many reasons for these sobering projections, but one of them is undoubtedly the negative distributional implications that corruption has on growth, equity and poverty. Because it endangers the stability of democratic institutions, discriminates in the delivery of government services and thus violates the rights of the people, and the poor in particular, UNDP considers its activities in the area of anti-corruption essential to the strengthening of democratic governance in support of poverty alleviation and human rights protection.

There is no doubt that important progress has been made. But despite new legislations and the emergence of more anti-corruption and integrity institutions, intentions still outnumber accomplishments and tangible successes remain sparse. Today, the total amount of bribes paid around the world is estimated by the World Bank at 1 trillion US\$ per annum², more than 10 times the total annual amount of development aid. Money laundering remains the world third largest business, estimated by the IMF at about 500 billion US\$ per year. By means of comparison, the latest Human Development Report estimates that about 300 billion US\$ is needed to lift the 1 billion people out of their extreme poverty.

There is a broad consensus in the international community that good governance is essential to achieving sustainable development and poverty reduction and that better policies and institutions can double aid effectiveness. The international donor community has indicated that it is willing to increase its aid to developing countries to support the war on poverty. But given the above mentioned figures on bribes and

¹ “International Cooperation at a Crossroads- Aid, Trade and security in an Unequal world”, UNDP, 2005.

² Nguyen, L. Poor victimized by extortion, large and small, Inter Press Service News Agency, Tuesday September 20, 2005. See also <http://www.worldbank.org/wbi/governance/mediamentions-current.html>



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money laundering, the impact of these efforts may be limited unless more attention is paid to corruption leakages. It requires efforts at the recipient side, but also on the donor side. Indeed, the fight against corruption starts at home, and the donor community has an equal responsibility to remain vigilant against any form of corrupt and unethical conduct in the management of development funds.

While Asia can celebrate some important achievements in democratic development, the accountability and transparency record in many countries in the region is less than encouraging. Today, of the 10 most corrupt countries in the Transparency International Corruption Perception Index, 6 are in Asia.

High levels of corruption significantly aggravate poverty. It implies discrimination and injustice and disrespect for human dignity. This explains why an increased emphasis on human rights is a key element in UNDP's strategy for achieving the MDGs. States need to take the necessary steps to ensure that there is no discrimination in the efforts of their citizens to exercise their rights to development, employment, food, health, education and other basic human rights. But where corruption reigns, basic human rights and liberties come under threat and social and economic contracts become unpredictable. In line with this thinking, the 11th International Anti-corruption Conference in Seoul in May 2003 confirmed the conviction that all human beings have a basic human right to live in a corruption-free society. If we want to improve the lives of the millions of people who live in extreme poverty, then the fight against corruption has to be made a top priority at all levels, and the responsibility of poor and wealthy nations alike, involving both the public and the private sectors, and civil society organisations.

But let us not be overly pessimistic. At a time when many Asian countries are experiencing worsening inequality, it is encouraging to witness the growing success of this OECD-ADB Anti-Corruption Initiative for Asia Pacific. It is also encouraging to read in ASEAN's latest Plan of Action that combating corruption is a governance issue that requires special attention.

We have another reason to celebrate. Indeed, a landmark achievement was made this month when Ecuador deposited the 30th ratification that moved the UNCAC from concept to reality within a record time. In its eight Chapters and 71 articles, the Convention invites State Parties to implement a wide and detailed range of anti-corruption measures affecting their laws, institutions and practices. The Convention not only provides benchmarks that allow civil society to hold their governments accountable for anti-corruption efforts, it also includes a mechanism that provides for international cooperation in the recovery of assets illicitly acquired by corrupt officials.

As the UN agency that takes the lead on governance issues within the UN family, UNDP will collaborate closely with the United Nations Office on Drugs and Crime as well as with other national, bilateral and international organisations to support UNCAC implementation. Efforts are ongoing for the finalisation of a legislative guide and comparative studies on institutional arrangements for combating corruption and anti-corruption legislations in support of UNCAC implementation and a series of events will soon be organised to advance the UNCAC agenda in the region.

To enhance our effectiveness in the region, we have decentralised our policy advisory support and a UNDP Regional Centre for Asia and the Pacific is operational in Bangkok since May this year. We have consolidated several regional projects throughout the region into one regional governance team, located in Bangkok and providing support to our 25 country offices in the region; we also look forward to extend our collaboration with the ADB-OECD Initiative in the future.

Most of our work in the area of accountability and transparency remains targeted directly at the country level, through our UNDP country offices in the region. We are currently supporting anti-corruption initiatives in Afghanistan, Cambodia, China, Cook Islands, Laos, Malaysia, Mongolia, the Philippines, Sri Lanka and Vietnam and projects with a few other countries are in the pipeline.

In addition, our interventions in other governance related areas such as parliamentary reforms, electoral reforms, Access to justice, E-governance and access to information, local governance and public administration reform all contribute in a holistic manner to the strengthening of national integrity systems.



Under the guidance of the Office for Audit and Performance Review UNDP is also enhancing its internal control mechanisms to strengthen accountability at the corporate and country office level. These policies aim to prevent, detect, and investigate fraud involving UNDP staff members, consultants, contractors, and other parties with a business relationship to UNDP.

So far, the focus of most anti-corruption programs has been very much on the development of national strategies, legal frameworks and the establishment or strengthening of national integrity institutions. The recent focus on decentralization and local governance explains the trend to enhance integrity systems and anti-corruption alliances at the local levels. These trends respond to a rising concern that decentralisation could lead to increased corruption and state capture at the local levels. But the experiences from our projects around the world indicate that targeting local accountability can also be an effective place to start and build momentum for integrity reforms. When high-profile activities fail, alternative bottom-up approaches that could deliver concrete results must be considered. Participatory performance monitoring systems that allow for closer involvement of the citizens in the monitoring and evaluation of the delivery of public services are one solution. But while there are examples of social audit methodologies which resulted in an increase in citizen participation and a decline in budget leakages and corruption, caution is needed as costs and efforts may outweigh the benefits. Pilot testing before embarking on a full-scale participatory monitoring exercise is thus recommended.

With the spotlights now on the world's insufficient performance in achieving the MDGs, more attention should be paid to the correlation between corruption and poverty. We therefore strongly advocate the need to strategically integrate anti-corruption initiatives in the national poverty reduction strategies, to address corruption as a major obstacle that prevents poor people to claim their rights and secure their livelihoods.

In this regard, let me call your attention to a recent initiative in Mongolia which is the first country to translate some of the commitments contained in the Millennium Declaration into a tangible additional Millennium Development Goal. In fact, while good governance is generally considered one if not the most important factor in eradicating poverty and promoting development no specific goal or governance related target have been defined in the MDGs. It is the Millennium Declaration that refers explicitly to fundamental values of good governance as well as respect for internationally recognized human rights, including the right to development. In April this year, the Mongolian Parliament announced a Mongolia-specific MDG 9, "Fostering Democratic Governance and Strengthening Human Rights", with three country specific targets: (1) respect and abide by the Universal Declaration of Human Rights and ensure freedom of media and access to information, (2) mainstream democratic principles and practices into daily life and (3) create an environment of zero-tolerance for corruption. A working group composed of academic, public officials and civil society representatives is currently developing a set of national governance indicators to allow measuring progress with the implementation of this MDG 9. Some other countries in the region are also envisioning similar initiatives.

Media spotlights on the management and mismanagement of development programs have accelerated the global call for reforms to enhance accountability, transparency and integrity in development operations.

In the region, the unprecedented relief, recovery and reconstruction needs faced by the Tsunami-affected countries have stretched national aid coordination systems due to the huge growth in the volume of assistance and the number of organizations involved. UNDP was approached by the Tsunami affected countries, requesting our support in establishing a Development Assistance Database (DAD) to track financial and technical assistance, as well as results related to Tsunami recovery work. Nationally-owned tracking systems have now been established in Sri Lanka, Maldives and Thailand under the guidance of the respective governments. Work has started with Indonesia and India as well. The aid tracking system has a twin goal of serving as a coordination tool to help lining up resources more closely with country needs and providing an instrument of accountability. This initiative testifies of a joint commitment to foster transparency in aid management.

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Let me conclude my presentation with some reflections on the power of information that could render the fight against corruption more successful. Access to information and freedom of expression are basic human rights which are considered prerequisites for empowering people and ensuring voice and participation and thus a key weapon in the fight against poverty and corruption³. Indeed, of the ten best performers in Transparency International's Corruption Perception Index, most countries have adequate legislation in place for access to information. On the contrary, of the ten worst performers in the Corruption Perception Index, few if any have adopted or enacted legislation to secure Citizens' Right to Information.

This would indicate a link between effective anti-corruption policies and a conducive environment for media involvement and access to information. Unfortunately the transparency record in the Asia-Pacific region is not encouraging. Although the Constitutions of many countries guarantee the right to information, the denial of such right remains widespread. Over the past years, the Asia region has seen more journalists injured, threatened and imprisoned than any other region in the world. The UNCAC now invites states to take the necessary measures to enhance access to information to the general public and to promote active participation of individuals and groups outside the public sector. UNDP's support in this area has also increased significantly over the past years, including in the Pacific region.

Ladies and gentlemen, due to the diligence of civil society organizations and inspired change agents in various governing institutions, supported by international organizations and initiatives such as this ADB-OECD anti-corruption partnership, the discussion on fighting corruption over the last few years has become much more relevant and more and more governments have upped their commitments to stamping it out. But the reforms remain difficult, with an overemphasis on the package, the legal provisions and the formal structures. Implementation and enforcement, in particular with regard to political corruption, continue to constitute a common challenge that unites us all in our efforts.

The challenges are daunting but the stakes are high. Income disparities in some countries in the region are among the highest in the world. Therefore, with 1.8 billion people living in Asia and the Pacific, what happens in the region will matter greatly for the eradication of poverty and the achievement of global prosperity. The fight against corruption which requires the active involvement of the public and private sectors and civil society at large, is only one but a very important step on that long and difficult journey.

Thank you

³ Article 19 of the International Covenant on Civil and Political Rights protects the "freedom to seek, receive and impart information". It is notable that during the first session of the UN General Assembly in 1946, it adopted resolution 59(1) which stated: "freedom of information is a fundamental human right and ...the touchstone of all the freedoms to which the UN is consecrated."

