



Advisory Note: COVID-19 and Corruption in the Pacific

May 2020



“[T]he new coronavirus disease is attacking societies at their core, claiming lives and people’s livelihoods... COVID-19 is the greatest test that we have faced together since the formation of the United Nations.”

**United Nations Secretary-General
António Guterres**



COVID-19 calls for immediate action. What is required is a health response coupled with measures to tackle the profound social and economic dimensions of this crisis. Income losses are expected to exceed US\$220 billion in developing countries, and this will reverberate across societies, severely impacting education and human rights worldwide.² “[W]e are not only facing a global health pandemic but also a global humanitarian catastrophe. Millions of civilians ... face being pushed to the brink of starvation”.³

In order to avoid a global economic collapse and stave off a potential depression, Member States

have taken emergency measures to provide an economic safety net for citizens and businesses in distress. This has resulted in relaxed safeguards by trading compliance, oversight and accountability for speed of response and achievement of rapid impact, in turn creating opportunities for corruption to thrive.⁴ The Pacific is no exception to this.

The Situation in the Pacific

While many Pacific Island Countries (PICs) are yet to report their first cases of COVID-19, they are already strongly affected by its collateral socio-economic impact. This is further compounded by natural catastrophes such as Cyclone Harold, as well as existing and new governance challenges.

In terms of medical preparedness, most PICs do not have robust health systems and lack key medical infrastructure, such as intensive care units. An outbreak of COVID-19 could therefore place them under enormous strain.⁵ A further challenge is that PICs are highly dependent on imports, which would likely lead to shortages of medical supplies, food and other necessary

goods.⁶ The current resort to trade barriers or export bans by exporting countries will further exacerbate this situation.⁷ These shortages may also lead to unethical profiteering and inflated prices for essential goods, as well as parallel and black markets often at the behest of organized criminal groups. This is already being experienced around the world where price-gouging is taking place, such as on medical face masks.⁸

The Pacific's reliance on tourism has already led to large-scale economic downturn.⁹ As a consequence, many Pacific Islanders have already lost their jobs or experienced a reduction in working hours. Additionally, border closures have affected many PICs' reliance on seasonal labour mobility to Australia and New Zealand.¹⁰ Remittance is vital in supporting PICs with limited domestic industries; in Samoa and Tonga, these make up around 18% and 40% of GDP respectively.¹¹ Local businesses, often of small scale, are likely to be affected by emergency measures such as lockdowns. Additionally, many Pacific Islanders, especially women,¹² work in the informal sector and therefore will not be protected by labour laws or stimulus packages should they lose their jobs.

Moreover, the already struggling medical services and economy were further battered by Cyclone Harold, a category five storm which affected several PICs in April 2020, killing dozens of people, flooding towns and leaving many homeless.¹³ Tensions arose between the safety measures regarding cyclones and those in place for COVID-19. For example, it is nearly impossible to practice social distancing in evacuation centres or to swiftly bring emergency supplies while respecting quarantine restrictions.¹⁴

The Sustainable Development Goals and United Nations Convention against Corruption

The ability of countries in the Pacific to achieve the 17 Sustainable Development Goals (SDGs) by 2030 is at considerable risk.¹⁵ SDG 16 is dedicated to the promotion of peaceful and inclusive societies for all, and has been referred to as the “enabling” Goal for achieving the other SDGs. Anti-corruption is one of the building blocks of SDG 16.¹⁶

Implementing the United Nations Convention against Corruption (UNCAC) - the first legally binding, global anti-corruption instrument to which all PICs are States parties - is fundamental to achieving SDG 16 and therefore the 2030 Agenda for Sustainable Development. It is imperative that PICs continue to meet their objectives under UNCAC to safeguard against new emerging forms of corruption and corrupt individuals who seek to take advantage of the situation.

Figure 1: Some key UNCAC articles in the COVID-19 response

Under the United Nations Convention against Corruption (UNCAC), each State party shall:

ARTICLE 5 (3)

Endeavor to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption



ARTICLE 9 (2)

Take appropriate measures to promote transparency and accountability in the management of public finances [which] shall encompass, *inter alia*:

- (c) A system of accounting and auditing standards, and related oversight;
- (d) Effective and efficient systems of risk management and internal control



ARTICLE 10 (b)

Take such measures as may be necessary to enhance transparency in its public administration, including with regard to its organization, functioning and decision-making processes, where appropriate. Such measures may include, *inter alia*:

- (b) Simplifying administrative procedures, where appropriate, in order to facilitate public access to the competent decision-making authorities



ARTICLE 13 (1)

Take appropriate measures ... to promote the active participation of individuals and groups outside the public sector ... by such measures as:

- (a) Enhancing the transparency of and promoting the contribution of the public to decision-making processes;
- (b) Ensuring that the public has effective access to information



Corruption in the Time of COVID-19

Emergency responses require governments to rapidly outlay large amounts of funding to procure essential resources and services. This urgency can lead to a trade-off in the usual procurement requirements of transparency, accountability and oversight. While recognizing the need for urgent action to prevent economic and social collapse, such shortcuts provide opportunities for bribes, kickbacks and contract malfeasance, in particular when combined with weak governance systems.



Similarly, foreign aid is a likely target for corruption, leading to the diversion of funds and supplies needed to fight the pandemic in affected countries. Examples from previous epidemics are multiple, such as duplicated payments for supplies, money being disbursed to individuals rather than organizations, disregard of procurement procedures, and patients being charged for health services and medicines already paid for by international donors.¹⁸

It is therefore crucial to continue and even reinforce anti-corruption efforts in the Pacific region. Strong, transparent and accountable institutions are more than ever needed to safeguard governance principles during the swift injections of necessary financial and technical support to address the COVID-19 crisis. Similarly, civil society organizations and the media have an important role to play in monitoring the spending of resources and in ensuring that corruption remains in the spotlight during times of crisis.ⁱ

Recommendations for Pacific Governments in the Immediate to Mid-Term

It takes a whole-of-government and whole-of-society approach, as well as innovation, knowledge, flexibility and strong partnerships, to find the right balance to identify solutions while ensuring full transparency and accountability.ⁱⁱ It also takes strong commitment to address the related corruption risks at institutional, sectoral and service-delivery levels. Enabling access to information for everyone, and creating opportunities and spaces for the participation

of women, youth and marginalized groups in the decision-making processes, are necessary tools in finding such a balance.

To address the current crisis, the United Nations Pacific Regional Anti-Corruption (UN-PRAC) Project, a joint initiative of the United Nations Office on Drugs and Crime (UNODC) and the United Nations Development Programme (UNDP) is committed to helping countries in the Pacific respond comprehensively, equitably and inclusively to the COVID-19 crisis by ensuring that no one is left behind, and that countries can continue to implement UNCAC and in turn, make progress in achieving the SDGs.

In their immediate to mid-term responses to the crisis, Pacific Island States are encouraged to consider the following recommendations:¹⁹



Enhance effective cooperation between relevant government agencies,

including anti-corruption authorities, to address various corruption-related risks emerging in crises, including through prevention. This is necessary for a coherent whole-of-government response to COVID-19;



Involve non-State actors in decision-making processes

to ensure a whole-of-society response to COVID-19, including with civil society and the media, to boost transparency and accountability, and to disseminate important information related to the crisis response and avoid misinformation;

ⁱ For more information, see: UN-PRAC, "The role of non-State actors and citizens in corruption prevention in the Pacific" January 2020. Please contact UN-PRAC for a copy of this paper.

ⁱⁱ See: UN-PRAC, "Holistic integrity frameworks to address corruption" January 2020. Please contact UN-PRAC for a copy of this paper.





Collaborate with the private sector and promote business integrity to ensure the efficient, transparent and accountable provision of food supplies, health equipment and materials, and encourage implementation of safe and enhanced digital solutions to access information and services;



Foster youth empowerment and leadership, notably during the closure of schools and universities across many jurisdictions.²⁰ Continued investment in youth advocacy and leadership can prove instrumental in the development and delivery of evidence-based messages during COVID-19;



Create an environment conducive to protecting human rights, including the rights to health, to education, to work and to an adequate standard of living, and adopt a human rights-based approach to addressing corruption;



Ensure timely access to up-to-date and accurate information through open, clear communication and outreach channels between the public and government. This includes access to information and tailored communication strategies;ⁱⁱⁱ



Mitigate illicit financial flows, including fraudulent behaviour and scams related to the COVID-19 response, by ensuring smarter regulation. This may involve collaborating with the banks and other financial institutions in order to spot scams, as well as prevent and address fraudulent behaviour;



Provide clear, objective and transparent criteria for the qualification of beneficiaries and recipients of COVID-19 funds;



Identify and address challenges inherent in various methods and processes of disbursement and targeting methods, exercising particular caution in the use of intermediaries or distribution facilitators. At a minimum, PICs should be prudent to ensure that the safeguards are commensurate with the degree of risk associated in selected methods and processes;



Adopt comprehensive auditing, oversight, accountability and reporting mechanisms to monitor the disbursement process and verify appropriate receipt. These mechanisms should ensure that funds and resources can be disbursed quickly so that those in need receive the designated resources, while still preventing and mitigating corruption, fraud and waste;



Where possible, **make use of technological solutions for efficient, transparent and accountable disbursement of resources;**



Update public procurement systems to handle disasters such as COVID-19. Procurement guidance should be updated to ensure that it is straightforward, transparent and accountable, and that the urgent need to disburse funds and resources quickly is met with adequate auditing, oversight, accountability and reporting mechanisms. Centralized procurement procedures to assure the nationwide supply of essential goods may further assist to avoid individual hoarding and price-gouging;²¹



Assure that products comply with the technical specifications through quality control when procuring goods, especially medical supplies that may be ineffective or even dangerous, if they do not meet quality standards and technical specifications. The World Health Organization has developed technical specifications for medical devices that are needed to respond to COVID-19, and there are also other online tools that evaluate medical products available to order;²²



Develop clear and precise rules on telecommuting and the use of government equipment during COVID-19, which include guidance on rapid decision-making and disbursement of funds, and nominate focal points to ensure compliance;



Ensure that adequate legal frameworks are in place to address such a crisis by drafting **emergency legislation and policies.**

ⁱⁱⁱ See: UN-PRAC, "Status of the right to information in Pacific Island Countries" January 2020. Please contact UN-PRAC for a copy of this paper.

Endnotes

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- ¹¹ Ibid.
- ¹² Asian Development Bank. 2018. Women and Business in the Pacific [online]. Available: <https://www.adb.org/sites/default/files/publication/445821/women-business-pacific.pdf>, p 66.
- ¹³ Lyons, Kate. “Cyclone Harold Batters Fiji on Path of Destruction through Pacific.” *The Guardian*, April 8, 2020. <https://www.theguardian.com/world/2020/apr/08/cyclone-harold-batters-fiji-on-path-of-destruction-through-pacific>.
- ¹⁴ McGarry, Dan. “Cyclone Harold: Relief for Vanuatu Delayed by Coronavirus Contamination Fears.” *The Guardian*, April 14, 2020. <https://www.theguardian.com/world/2020/apr/14/cyclone-harold-relief-for-vanuatu-delayed-by-coronavirus-contamination-fears>.
- ¹⁵ “Sustainable Development Goals: Sustainable Development Knowledge Platform.” United Nations. *United Nations*, 2020. <https://sustainabledevelopment.un.org/?menu=1300>.
- ¹⁶ “Sustainable Development Goal 16.” United Nations. *United Nations*, 2020. <https://sustainabledevelopment.un.org/sdg16>.
- ¹⁷ UNODC, above n.4.
- ¹⁸ U4 Anti-Corruption Resource Centre “U4 Brief: Ebola and corruption: Overcoming critical governance challenges in a crisis situation”, March 2015. <https://www.cmi.no/publications/file/5522-ebola-and-corruption.pdf>.
- ¹⁹ Some of these recommendations were taken from: UNODC, above n.4.
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