

## **Message from Mr Yury Fedotov, Executive Director of UNODC on 2010 Anti-Corruption Day**

Corruption threatens security, hampers development and undermines democratic institutions, especially in the world's most vulnerable regions. It distorts markets, curbs economic growth and discourages foreign investment. In the public sector, corruption undermines public services and trust in government. It also enables illegal practices that can harm the environment and public health.

The United Nations Convention against Corruption, which has now 148 parties, provides agreed-upon anti-corruption obligations and guidelines for tackling corruption around the globe. Last year, the States Parties to the Convention established an innovative review mechanism to help countries identify and address gaps in national anti-corruption laws and practices. This is an important advance in the global fight against corruption that can help governments protect public resources to the benefit of their citizenry.

The private sector plays a key role in fostering development, but it is lagging behind the public sector in its efforts to stop corruption. In the past year, a number of countries have stepped up enforcement of anti-corruption laws, and we have seen high-level prosecutions of major companies, but many of these cases have ended in plea bargains. Companies have been fined billions, but that money has stayed in the States where the settlements were reached, it hasn't gone back to the countries from which it was stolen. Ordinary people are the losers. We need to address this integrity deficit. I encourage the Working Group on Asset Recovery to look into this.

It is in the interest of the private sector to prevent corruption. Stronger economies and more prosperous societies are good for business.

There are plenty of incentives for the private sector to reject corruption. Above all, it is expensive. Corruption eats into profits, increases prices and reduces quality. But it is also immoral. It undermines business confidence and corporate integrity and destroys the reputations of respected companies.

What can the private sector do to match the public sector's progress in fighting corruption? I challenge businesses to set the tone from the top with a zero-tolerance policy for corruption. Adopt anti-corruption policies in line with the UN Convention and put in place the checks and balances needed to strengthen integrity and transparency. Draw inspiration from the peer review mechanism of the Convention and monitor your performance. And invest in the institutional infrastructure of the countries in which you do business.

I also urge you to work more closely with the United Nations and join the Global Compact, whose 10<sup>th</sup> principle is to work against corruption. Take part in our global anti-corruption campaign and use your leverage to foster ethical business practices.

Clean hands are good for business.