



**Report on the Second United Nations  
Interagency Anti-Corruption Co-ordination Meeting**

**1-2 July, 2002**

**ODCCP**

**Vienna**

<b>A. BACKGROUND .....</b>	<b>3</b>
<b>B. OBJECTIVES OF THE MEETING .....</b>	<b>3</b>
<b>C. PARTICIPANTS AND KEY SPEAKERS .....</b>	<b>4</b>
<b>D. BRIEFING ON THE ONGOING NEGOTIATIONS OF A CONVENTION AGAINST CORRUPTION.....</b>	<b>5</b>
<b>E. FINDINGS OF THE PRELIMINARY ANALYSIS OF THE FACT SHEETS .....</b>	<b>7</b>
<b>F. DISCUSSION .....</b>	<b>8</b>
<b>G. ANTI-CORRUPTION INITIATIVES BY THE PARTICIPATING AGENCIES .....</b>	<b>11</b>
<b>H. CONCLUSIONS .....</b>	<b>13</b>
<b>I. RECOMMENDATIONS FOR FOLLOW-UP .....</b>	<b>15</b>
<b>J. ANNEXES .....</b>	<b>17</b>
1. AGENDA.....	17
2. LIST OF PARTICIPANTS .....	20
3. LISTS OF DOCUMENTS DISTRIBUTED .....	25
4. PRESENTATIONS.....	27
5. PRELIMINARY ANALYSIS OF INTERAGENCY COLLABORATION AND COOPERATION .....	75
6. FACT SHEET: GUIDELINES FOR THE COMPLETION OF THE FACT SHEET:.....	102

## **A. Background**

The Second UN Interagency Anti-Corruption Coordination Meeting held in Vienna on 1-2 July 2002 was a follow-up to the first such meeting in February 2002 which had mainly focused on taking stock of the various mandates and initiatives currently being pursued by the participating agencies in the field of anti-corruption activities.

1. Originally the interagency coordination initiative was launched by Ms. Louise Fréchette, the United Nations Deputy Secretary-General, who convened two meetings in New York on co-ordination of anti-corruption activities on 2 and 26 November 2001 – respectively.

## **B. Objectives of the Meeting**

2. The objectives of the Second Meeting on Interagency Coordination, were to:
  - (i) agree upon concrete steps for enhancing the visibility of the UN anti-corruption efforts at regional and international forums,
  - (ii) develop a strategy aimed at raising the profile of anti-corruption co-ordination with the UN Senior Management Group,
  - (iii) review the preliminary analysis of the fact sheets and refine the format for data gathering, data analysis and information sharing across agencies,
  - (iv) discuss the feasibility of pilot testing the coordination of anti-corruption initiatives in the reconstruction of Afghanistan,
  - (v) brief the participating agencies on the ongoing negotiations of a Convention against Corruption, and
  - (vi) agree on a set of conclusions and recommendations for system-wide follow-up action.

## **C. Participants and Key Speakers**

3. Participants in the meeting were: Mr. Tay Keong Tan and Mr. Mark Gough (both, UN Office of Internal Oversight Supervision, representing also DESA), Mr. Tomasz Anusiewicz and Ms. Andrea Čuzyová (UNDP), Mr. Björn Janson (Council of Europe), Mr. Maarten de Jong (World Bank), Ms. Malkah Nobigrot (Inter-American Development Bank), Ms. Stefanie Reinhold (European Union), Ms. Sasa Gorisek (Department of Public Information), Mr. Jeremy Pope (Transparency International), Mr. Eduardo Vetere, Mr. Jan van Dijk, Mr. Petter Langseth, Mr. Dimitri Vlassis and Mr. Oliver Stolpe (all from CICP).
4. The participants were welcomed by Mr. Eduardo Vetere (Director, CICP) and Mr. Van Dijk (Chief of the Crime Reduction Analysis Branch, CICP), who chaired the meeting.
5. The participants were briefed by Mr. Van Dijk on the outcomes of the coordination meeting of UN agencies. Participants were informed that CICP and OIOS would make an effort to raise the profile of the fight against corruption, including an internal focus within the UN itself, at the upcoming UN Senior Management Group (SMG) meeting in New York. For this purpose both agencies are currently co-ordinating the input that will be given to Mr. Costa, Executive Director of ODCCP. It is envisaged that Mr. Costa would raise the awareness of UN SMG regarding the ongoing negotiations of a Convention against Corruption and the challenges the UN faces as a consequence. In particular, the question should be raised if the UN is ready to assist Member States as a credible and effective partner in the implementation of a future Convention. Internally, the UN has not yet established all mechanisms and structures needed to fully ensure the application of the high moral standards that it will be requesting in terms of the provisions of the Convention from its Member States. Also, with the estimated 50 to 60 agencies active in the field of

anti-corruption assistance co-operating only on an ad-hoc basis and often only within the context of specific activities, the foundation for the successful implementation of the Convention seems questionable.

#### **D. Briefing on the ongoing negotiations of a Convention against Corruption**

6. Mr. Dimitri Vlassis, Secretary to the Ad Hoc Committee for the Negotiation of a Convention against Corruption, briefed the participants on the status of the negotiations of the Convention. He described the background of how the idea for a UN Convention against Corruption was developed during the negotiations of the Convention against Transnational Organized Crime (TOC Convention). Because of the focused nature and scope of the TOC Convention, Member States agreed that the multifaceted phenomenon of corruption could more appropriately be dealt with in a self-standing instrument. Thereafter, upon the recommendation of the Ad-Hoc Committee for the negotiation of the TOC Convention, the General Assembly issued a broad mandate and terms of reference to a new Ad Hoc Committee for the purpose of negotiating a new Convention against Corruption by the end of 2002. The mandate was further broadened, following the initiative of Nigeria, on behalf of the Group of 77, concerning the issue of the recovery of assets diverted through corrupt practices.
7. Based on the proposals submitted by 26 countries at a preparatory meeting, hosted by the Government of Argentina in 2001, the Ad hoc Committee started its negotiations at its first session in January 2002. At its second session in June 2002 the Ad hoc Committee completed the first reading of the text.
8. 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 and therefore as a point of reference also for all the provisions under a future Convention against Corruption. Others see the TOC Convention rather as a point of departure on which a future Convention should be built, 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, sanctioning, jurisdiction and international judicial co-operation.

9. 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 organization of a technical workshop. Such issues 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
10. 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.
11. 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.

12. In conclusion, Mr. Vlassis pointed out, that 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 politicization of the most controversial subject matter.

### **E. Findings of the Preliminary Analysis of the Fact Sheets**

13. Mr. Langseth, Programme Manager of the Global Programme against Corruption, briefed the participants on the main findings resulting from a preliminary analysis of the fact sheets (see annex 5). It was noted that currently the analysis and conclusions are based on incomplete data as only 8 out of more than 60 institutions involved in supporting countries in anti corruption work had filled in the “UN Fact Sheet” in preparation for the meeting. In this context it was also noted that some of the terms used in the fact sheet would need further refinement and elaboration. In particular, the analysis proved difficult because of the lack of a coherent definition of what constitutes “an anti corruption initiative”. Only very few projects or programmes directly addressed the building of integrity and/ or the control of corruption. However, many initiatives – often larger in scale – aimed to contribute more broadly to creating a political, economical or social environment less susceptible to corruption.

14. Nevertheless, even from data available it was evident, that there is insufficient sharing of information among donors about: (i) past, current and future anti-corruption initiatives, (ii) the conduct and findings of the assessment of types, levels, causes and costs of corruption at the national and international levels, and (iii) the sharing of lessons learned, both from successes and failures.

15. Mr. Langseth drew the attention of the participants to the fact that there continues to be a lack of an evidence-based national and international approach to curb corruption; since most research to date has not been of assistance, as it did not identify practical measures that had proven efficient and effective in building integrity and/or curbing corruption. As a consequence, there is currently no global approach to fight corruption.
16. Furthermore, it has become clear from the ongoing analysis that there is inadequate co-ordination and planning of externally supported anti-corruption initiatives resulting in a lack of strategic distribution of donor resources and/ or activities across regions, countries and sectors in the field of anti corruption work.
17. Mr. Langseth emphasized that at the current moment insufficient money is being “invested” in building integrity to fight corruption. In 2001 more than US\$ 220 billion was invested in developing countries and countries in transition, either in the form of development aid or as direct foreign investment.<sup>1</sup> In contrast, those agencies that had filled out the fact sheet had together “invested” less than US\$ 100<sup>2</sup> million (i.e. less than 0.05 %) to protect this money from being diverted.
18. In conclusion, Mr. Langseth, pointed out, that, in particular, the various UN agencies did not seem to pursue a division of labour, in accordance to their specific comparative advantages and fields of expertise.

## **F. Discussion**

---

<sup>1</sup> US\$ 52 billion was given as aid and another US\$ 170 billion was injected as direct investment.

<sup>2</sup> The current fact sheets are showing less than US\$ 100 million and we are adding another US\$ 100 million for the organizations not participating in the first survey.



19. Participants welcomed the data collection and analysis of the fact sheets as a useful exercise. In particular, the matrices showing the activities of various agencies across countries and sectors were regarded as having potentially much practical value. This would be particularly so, if fact sheets were to be filled out by a critical mass of agencies active in the field of anti-corruption. Given this, it was also suggested to contact other organizations undertaking coordination efforts such as the Utstein group. Furthermore, it was suggested that an electronic framework should be developed for displaying the information on the web in a user-friendly way.
20. Mr. Anusiewicz (UNDP, Regional Bureau for Europe and the CIS, Bratislava) pointed out that the comparative advantage of some agencies, like UNDP, related to a combination of having a broad mandate as well as a wide field representation. This allowed a response to a large variety of needs of Governments all over the world.
21. The group discussed how it would be possible to increase the consistency and accuracy of the information sharing process. In particular, the discussion focused on improving the format of the fact sheets and by providing clearer definitions of the various terms used. Some of the latter had apparently been interpreted differently by various organizations, which had filled in the fact sheet. For this purpose it was agreed that a working group would meet before the session resumed the next day in order to review the fact sheet. In this context Mr. Janson, (Council of Europe) suggested that the format of the fact sheet should reflect more accurately the mandates, strategies and overall approach of the various agencies active in the field of anti-corruption.
22. On the issue of the lack of a clear definition of what constitutes an anti corruption initiative, Mr. Van Dijk (CICP) proposed, that in order to maintain the focus of the coordination effort, only such initiatives should be included, which

stated as their objectives, the fight against corruption, or enhancing integrity, transparency and/or accountability.

23. Mr. Tan raised the issue that in order to increase the profile of interagency coordination and cooperation it was necessary to establish a proactive vision since the initiative should not only be seen as reacting to a problem or criticism. Mr. Van Dijk suggested that the upcoming Convention against Corruption may provide the required normative framework. In this context, it would be crucial to maintain the moral high-ground of the organization as a necessary precondition for making credible policy recommendations to Member States for the implementation of a future Convention.
24. Mr. Langseth also stressed that in view of the limited resources being invested in the fight against corruption, increasing cooperation and coordination of the various donor initiatives in the field of anti-corruption was critical. Coordination and cooperation were also necessary to pursue an integrated and comprehensive approach to address corruption in all branches of Government and Civil Society; no single agency had both the capacity and the specific expertise in order to address all of the above sectors in an efficient and cost effective manner. Currently, for all the organizations involved, increased co-ordination and cooperation is the only way of overcoming constraints stemming from a restricted mandates, scarce resources and in most cases a specialized expertise.
25. It was agreed by the meeting that coordination among various organizations should be a bottom-up exercise since none of the organizations had the mandate or authority to impose its views on its partners.

## **G. Anti-Corruption Initiatives by the participating agencies<sup>3</sup>**

26. The second day began with a series of presentations of the various participating organizations on their mandates, strategies and main program components in the fight against corruption. Mr. Langseth, CICIP, gave a short presentation on the global dynamics of corruption, highlighting in particular why at the current stage the global fight against corruption was more likely being lost than won. Among the main reasons for this assertion was insufficient international cooperation and coordination and the consequent lack of an international approach to curb corruption.
27. Mr. Buscaglia, CICIP, gave a short introduction on CICIP's Global Trends in Crime and Corruption Study focusing on objective indicators leading to policy recommendations. This study will be finalized in December 2002 and published at the beginning of 2003.
28. Mr. De Jong, World Bank, briefed the participants on the current efforts of his Department of Institutional Integrity in combating fraud and corruption within the World Bank Group. This approach involve a multi-layered system consisting of deterrence, prevention, early detection, investigation, and appropriate remedial action involving actively not only his office but the staff of the World Bank at large.
29. Mr. Pope, Transparency International, London Office, presented T.I.'s holistic approach to anti-corruption through a thorough assessment of the strengths and weaknesses of the various components of the national integrity system and the development of strategies to address the weaknesses using, where possible, the

---

<sup>3</sup> For a complete text of the presentation made by the various participants, please contact Mr. Petter Langseth, Programme Manager, Global Programme against Corruption, Centre for International Crime Prevention.

existing strengths. In addition, he outlined the bribe payers index as one of the assessment tools T.I. is currently providing in the specific context of monitoring the implementation of the OECD Convention.

30. Ms. Nobigrot, Inter-American Development Bank, gave a presentation on the various initiatives by her institution in the field of anti-corruption. In accordance with its mandate the IADB provides assistance to its borrowing member countries focusing on good governance and the modernization of the State. Activities carried out by the IADB include the strengthening of public institutions through establishing regulatory and supervisory functions, modernizing and strengthening judicial systems, reforming tax and budgetary systems, supporting national parliaments and increasing the State's capacity in the areas of policy development and program implementation.
31. Mr. Janson, Council of Europe, gave an account of the activities of the Council of Europe's Multidisciplinary Group on Corruption (GMC) and the Group of States against Corruption (GRECO). In particular, he focussed on the monitoring the implementation of the Council's four legal instruments and on providing technical assistance to its Member States. For the latter purpose, various programmes, such as Octopus and the Programme against Corruption and Organized Crime in South-eastern Europe (PACO) had been launched. He welcomed the UN initiative to enhance cooperation and coordination. He cautioned, however, that in order to avoid duplication, such an initiative should take into account well-functioning systems and mechanisms already in place, in particular at the regional levels.
32. Mr. Tan, OIOS, briefed the participants about the current strategy of his Office. This entailed conducting investigations, the establishment of an ethical infrastructure and the efforts to address the absence of a UN voice accounting for the organization's anti-corruption strategy. He specifically focused on concrete

steps which could be taken either by his Office or by the group of UN agencies participating in the task group on interagency coordination in order to raise the profile within the UN itself of both internal and external initiatives taken to fight corruption by UN agencies.

## **H. Conclusions**

33. The meeting agreed on the following conclusions:

- (a) The UN and its agencies, in co-operation with other international organisations, must be at the forefront of the battle against corruption because of its negative impact on many aspects of their missions,
- (b) Corruption has also to be tackled internally as it presents financial, operational and reputational risks.
- (c) The Organisations should have a clear and strong mandate for their integrity work conducted both internally and externally.
- (d) Interagency co-ordination needs to be made a high priority to eliminate waste and increase impact and visibility in the fight against corruption.
- (e) Organisations should take a pro-active role, "mainstreaming integrity" into all their activities, and as a core concern of all staff.
- (f) Organisations must "walk the talk" and role models the conduct they advocate for governments, through ethics programmes and similar activities.
- (g) To serve all of these ends, both the Interagency Co-ordination process must be strengthened as well as co-operation with other international organisations in order to avoid undue duplication and, to the extent possible, use already existing systems such as at the regional level.

34. Detailed conclusions amongst the UN agencies included the following:

- (a) To enhance the visibility of the UN: DESA, OIOS, UNDP and CICIP agreed to have a joint, co-ordinated panels/workshops at:
- (i) International Institute for Public Ethics conference, Australia, Oct 4th-7th 2002
  - (ii) Global Forum III and 11th IACC, Seoul, South Korea, May 25th – 31st, 2003
    - UN Workshop/Panel 1 on Judicial Integrity
    - UN Workshop/Panel 2 on UN Integrity Initiatives
    - USG/OIOS and ED/ODCCP to be invited as speakers.
  - (iii) Signing Conference for the Convention Against Corruption (Mexico, late 2003) should also feature a presentation by the Inter-Agency Group.
- (b) In order to raise the profile of anti corruption co-ordination, DESA, OIOS, UNDP and CICIP saw the need to enhance the role of senior management in mainstreaming ethics and integrity in the UN.
- (c) Based on the recommendations from the first Interagency Co-ordination meeting, CICIP was asked to distribute a fact sheet to identify past, current and future anti corruption initiatives. These fact sheets had been filled in by UNDP, OIOS, DESA, CICIP, OECD, the Council of Europe, Interpol and Transparency International and have since been uploaded on the Internet. In preparation for the 2nd Interagency meeting, facts sheets were also received from the Ethics Resource Centre, World Customs Organisation and the Department of Institutional Integrity of the World Bank Group.
- (d) Key findings from the analysis of the Fact Sheet were identified:
- (i) Insufficient co-ordination across UN agencies and other donors;
  - (ii) Incentive structure makes agencies compete rather than collaborate;
  - (iii) Co-ordination is low priority and therefore under funded;
  - (iv) Lack of a "blue-print " on how to curb corruption;
  - (v) Inadequate "investment" in the fight against corruption;

- (vi) Inadequate information about levels, types, location and cost of corruption makes it difficult to establish measurable targets;
  - (vii) There is a need to amend the definitions used and the format in accordance with the agreements reached during the meeting.
- (e) The SMG may wish to consider tasking the Interagency Co-ordination Group to:
- (i) Increase the focus on managing corruption risk internally and on fostering improved inter agency co-ordination, including the provision of any necessary resources;
  - (ii) Propose a UN vision, baseline, anti corruption action plan and measurable performance indicators for consideration by the SMG;
  - (iii) Increase interagency co-ordination and collaboration and address the need for division of labour and specialisation;
  - (iv) Request CICP to act as the secretariat to the Interagency Co-ordination Group.

## **I. Recommendations for Follow-up**

35. The following “next steps” were also agreed upon by the meeting:

- CICP will revise the fact sheet and the format for the analysis in accordance with the various inputs made during the meeting. Both the updated fact sheet and the preliminary assessment will be sent to the participants for their inputs, together with the report of the meeting.
- The participating organisations will provide CICP with inputs on the Afghanistan Draft Project Proposal, which was distributed during the meeting. Specific considerations should be given on concrete measures to enhance interagency co-ordination and co-operation within this context.

- OIOS, DESA, UNDP and CICP will jointly develop their presentations and other inputs to the upcoming Public Ethics Conference in Brisbane, Australia and the Global Forum III in Seoul, South Korea.
- The Inter Agency Co-ordination Task Group will meet again in New York in late 2002.

36. The Meeting concluded by thanking CICP for organizing the discussions and inviting it to continue to facilitate the dialogue and the follow-up to the proceedings emanating therefrom.



## **J. ANNEXES**

### **1. Agenda**

**Monday, 1 July 2002**

- 09:30           **Preparatory meeting of ODCCP, DPI, UNDP, DESA and OIOS**
- How to enhance the visibility of UN anti-corruption co-ordination efforts in regional and international context
- How to raise the profile of anti-corruption co-ordination with UN Senior Management
- Possible UN anti-corruption efforts in the reconstruction of Afghanistan
- 13:30           **Registration other participants**
- 14:00           **Opening**
- Welcoming address and introduction of participants
- 14:30           **Update on the UN Convention against Corruption**
- emerging issues in the negotiations
- highlights of technical workshop on asset recovery  
(by CICP Legal Branch)
- 15:00           **Discussion**
- 15:45           **Coffee/tea**

16:00            **Presentation of the findings of the preliminary analysis of the fact sheets**

18:00            **Closing**

**Tuesday, 2 July 2002**

- 10:00        **Opening**
- 10:15        **Presentations:**
- *CICP*: Global Dynamic of Corruption.
  - *World Bank*: Fighting Fraud and Corruption at the World Bank Group
  - *IADB*: Internal and external dimensions of the IADB's anti-corruption work.
  - *TI*: An holistic approach to reform the national integrity system and the diagnostic instruments (CPI and BPI).
  - *OIOS*: Corruption and the United Nations
  - *Council of Europe*: Council of Europe and anti-corruption measures
- 12:30        **Discussion**
- 13:00        **Lunch**
- 14:00        **Pilot testing of co-ordination of anti-corruption initiatives in selected countries**
- 14:30        **Discussion**
- 15:30        **Conclusions and next steps**  
Chairman
- 16:45        **Recommendations**
- 17:45        **Closing**

## **2. List of Participants**

### **Office for Internal Oversight Services**

Mr. Tay Keong Tan  
Chief of the Office of the Under-Secretary-General  
for Internal Oversight Services and Special Assistant to the  
Under-Secretary-General  
S-3527D  
United Nations  
New York, NY 10017, USA  
Tel: (1-212) 963-4446 ; Fax: (1-212) 963-7010  
E-mail: [tant@un.org](mailto:tant@un.org)

Mr. Mark Gough  
Head of the Field Operations Management Unit  
Investigations Division  
DC1-0736  
United Nations  
New York, NY 10017, USA  
Tel: (1-212) 963-8783 ; Fax: (1-212) 963-7010  
E-mail: [gough@un.org](mailto:gough@un.org)

### **Department of Public Information**

Ms. Sasa Gorisek  
Associate Information Officer, UNIS Vienna  
P.O. Box 500, A-1400 Vienna  
Tel : (43-1) 26060-3348, Fax : (43-1) 26060-5899

E-mail : [sasa.gorisek@unvienna.org](mailto:sasa.gorisek@unvienna.org)

**Council of Europe**

Mr. Björn Janson

Administrator

Economic Crime Division

Department of Crime Problems ; DG1 – Legal Affairs

Council of Europe

F-67075 Strasbourg Cedex, France

Tel : (333) 8841-2885, Fax : (333) 8841-3955

E-mail : [bjorn.janson@coe.int](mailto:bjorn.janson@coe.int)

**European Commission**

Ms. Marie-Therese Hampe

Ms. Stefanie Reinold

Delegation of the European Commission to the International

Organizations in Vienna

Gusshausstrasse 8/4

A-1040 Vienna

Tel : 505 8411/18 ; Fax : 505 84 117

**World Bank**

Mr. Maarten de Jong

Director

Institutional Integrity

World Bank

1818 H. Street, NW

Washington DC 20433, U.S.A.

Fax: 1-202-522 7140

E-mail: mdejong@worldbank.org

**Inter-American Development Bank**

Ms. Malkah Nobigrot

Advisor to the Representative

Inter-American Development Bank

66, Avenue d'léna

75116 Paris

France

Tel : (331) 4069-3118 ; Fax : (331) 4069-3120

E-mail : [malkahn@iadb.org](mailto:malkahn@iadb.org)

**United Nations Development Programme**

Ms. Andrea Čuzyová  
Research/Knowledge Management Officer  
Bureau for Development Policy / SURF  
UNDP  
Grösslingová 35  
811 09 Bratislava 1  
Slovak Republic  
Tel : (421) 2-5933-7161 ; Fax : (421) 2-5933-7450  
E-mail : [andrea.cuzyova@undp.org](mailto:andrea.cuzyova@undp.org)

Mr. Tomasz Anusiewicz  
Programme Officer  
UNDP RBEC RSC  
Grösslingová 35  
811 09 Bratislava 1  
Slovak Republic  
Tel : (421) 2-5933-7439 ; Fax : (421) 2-5933-7450  
E-mail : [tomasz.anusiewicz@undp.org](mailto:tomasz.anusiewicz@undp.org)

**Transparency International**

Mr. Jeremy Pope  
Executive Director  
Transparency International Secretariat (London Office)

Unit 6, 16-18 Empress Place  
London SW6 1TT, United Kingdom  
Tel: (4420) 7610-1400; Fax: (4420) 7610-1550  
E-mail: [jeremypope1@compuserve.com](mailto:jeremypope1@compuserve.com)

### **CICP Secretariat**

Mr. Eduardo Vetere  
Director, CICP  
Tel : (43-1) 26060-4272, Fax : (43-1) 26060-5898  
E-mail : [eduardo.vetere@cicp.un.or.at](mailto:eduardo.vetere@cicp.un.or.at)

Mr. Jan J.M. van Dijk  
Chief, Crime Reduction and Analysis Branch  
Tel : (43-1) 26060-4229, Fax : (43-1) 26060-5898  
E-mail : [jan.vandijk@cicp.un.or.at](mailto:jan.vandijk@cicp.un.or.at)

Mr. Petter Langseth  
Programme Manager  
Global Programme against Corruption  
Tel : (43-1) 26060-4406, Fax : (43-1) 26060-5898  
E-mail : [petter.langseth@cicp.un.or.at](mailto:petter.langseth@cicp.un.or.at)

Mr. Dimitri Vlassis  
Commission Secretariat and Legal Affairs Branch  
Tel : (43-1) 26060-4534, Fax : (43-1) 26060-5898  
E-mail : [dimitri.vlassis@cicp.un.or.at](mailto:dimitri.vlassis@cicp.un.or.at)

Mr. Edgardo Buscaglia



Global Programme against Corruption

Tel : (1-431) 26060-4407, Fax : (43-1) 26060-5898

E-mail : [edgardo.buscaglia@cicp.un.or.at](mailto:edgardo.buscaglia@cicp.un.or.at)

Mr. Oliver Stolpe

Global Programme against Corruption

Tel : (1-431) 26060-4372, Fax : (43-1) 26060-5898

E-mail : [oliver.stolpe@cicp.un.or.at](mailto:oliver.stolpe@cicp.un.or.at)

### **3. Lists of Documents Distributed**

1. Draft UN Anti-Corruption Tool Kit, Revised July 2002 (CICP)
2. Draft UN Manual on Anti-Corruption Policy November 2001 (CICP)
3. Draft UN Convention against Corruption, July 2002
4. Preliminary Analysis of interagency coordination and cooperation (CICP)
5. Draft Project Idea for Afghanistan (CICP)
6. UND Policy Briefs, Fighting Corruption in Post-Communist States – Lessons from Practice, 2002
7. OECD/SPAI Anti-Corruption Measures in Eastern Europe, Civil Society's involvement, 2002
8. SPAI, Anti-Corruption measures in South-eastern Europe, 2001
9. Council of Europe – GRECO, Ensuring respect of international anti-corruption standards



#### 4. Presentations

##### a) *Global Dynamics of Corruption - Are we Winning or loosing the War*

Dr. Petter Langseth, Programme Manager, Global Programme against Corruption, Centre for International Crime Prevention, (CICP), ODCCP, March 2002

There is consensus that corruption is one of the main obstacles to peace, stability, sustainable development, democracy and human rights across the globe. It endangers the security of societies, the safety of citizens, the values of democracy and morality, and jeopardizes social, economic and political development. It simultaneously manages to support organized crime and the disorganization of legitimate social and economic activities.

Reducing corruption requires a broad range of integrated, long-term 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.

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.

Lessons learned

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:

1. *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.

2. *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.

3. *It takes integrity to fight 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

4. *Building integrity and credibility and consistency.* Most international agencies have not demonstrated sufficient integrity or determination to fight 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.

*Fighting Corruption is time-consuming and expensive.* Fighting 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>4</sup>

6. *Importance of involving the victims of corruption.* Most donor-supported anti-corruption initiatives primarily involve the people who are paid to fight 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 fighting corruption and to resist further attempts to victimise them. Victims also help to educate other social groups about the true cost of corruption.

7. *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.<sup>7</sup>

---

<sup>4</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>7</sup> Results from “client satisfaction surveys” conducted between multilateral agencies and the public in the past were often so bad that they were given limited circulation and/or ignored.

8. *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>5</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>67</sup> as much as \$1trillion in criminal proceeds is laundered through banks worldwide 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 1983-1998.<sup>8</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.

10. *Need for co-ordinated international measures.* Quality in government demands that measures be implemented worldwide 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 we 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.

---

Even within the international development agencies the trust level between their own staff and their internal complaints function is rarely monitored

<sup>5</sup> International Herald Tribune, 2001-02-08

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

<sup>8</sup> Financial Times, London 24/7/99, Nigeria's stolen money

11. *There is a need for an integrated, evidence based and comprehensive approach.* 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 fight against corruption. Abuse of power for private gain can only be fought successfully with an international, dynamic, integrated and holistic approach introducing changes both in the North and the South.

### **Are we winning or losing the war against corruption?**

If we accept the experience from the countries that have successfully fought systemic corruption over the last 30 years, we realise that both Hong Kong and Botswana 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.

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), most donors advocate an approach that would involve the civil society in the fight against 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. 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 fight against 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 fight 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 transference 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

### **Conclusion**

*Based on this assessment it seems that the war against corruption is being lost.*

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.

It often seems that donors are pretending to help fight corruption while the recipient countries are pretending to follow their guidance. The fact that most donors are not willing to “take the medicine they are prescribing for their clients”, does not help the situation.

We fear the situation may be worsening, but in truth the problem is so widespread and pervasive that we cannot really assess its full extent or whether it is expanding or not because of lack of evidence.

As a result the number of victims is increasing and their situation is worsening. At the same time the consequences for the responsible parties, the international and national civil servants are, if anything, insignificant.

What seems to be missing again is an integrated, holistic approach also addressing the incentive structure and accountability of national and international civil servants.

Anti-corruption business is a major one. 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.

***b) Fighting Fraud and Corruption at the World Bank Group***

Speech by Maarten de Jong, Director, Department of Institutional Integrity, The World Bank to Second Inter-Agency Anti-Corruption Coordination Meeting July 2002

Thank you. I would like to thank you for the invitation to join this distinguished group of colleagues. I would like to speak to you today about fighting fraud and corruption at the World Bank Group. My objective is to diagram for you our plan to implement an effective program to combat fraud and corruption in the Bank and in Bank-financed projects.

**Context:**

Let me provide you with some context to understand the institution that I serve. The World Bank provides loans to developing countries for projects aimed at reducing poverty. Last year, the Bank provided more than \$17 billion in loans to its borrowers. The Bank is the world's largest external funder of health programs. The Bank commits an average of \$1.3 billion in new lending each year for health, nutrition, and population projects in the developing world. Bank projects are helping to fight malaria in 46 countries and tuberculosis in 25 countries. The Bank is also the world's largest external funder of education. Since 1963, the Bank has provided over \$30 billion in loans and credits on education projects.

In 1996, the President of the World Bank, Mr. James Wolfensohn, gave a speech at the Bank's Annual Meetings and announced that the Bank would attack the cancer of corruption. For the first time in the fifty-year history of the institution, it became acceptable to use the "c" word, and the Bank began to take active steps to fight fraud and corruption in its projects. This included changing our procurement guidelines to allow us to blacklist firms engaging in fraud and corruption in Bank projects. We also amended our Staff Rules to make termination mandatory in cases of misuse of Bank funds by staff.

In October 1998, the Bank established an international hotline to receive allegations of fraud and corruption in World Bank projects. At the same time, the Bank formed an oversight committee to supervise those investigations. This oversight committee has since been replaced by my Department, which is now an independent department that reports directly to the President of the World Bank. Our core function is to investigate and prevent fraud and corruption in World Bank projects.

#### Diagram of our Plan to Fight Fraud and Corruption

So let me move to the diagram of our plan to fight fraud and corruption at the World Bank. We envision a several layered system consisting of deterrence, prevention, early detection, investigation, and remedial action.

First, we must have a deterrence system built on ethical values that are promoted from the top down. At the World Bank, we are very fortunate to have a president who has taken a leading role in the fight against corruption. In 50 years of the Bank's history, it had never been deemed acceptable to talk about corruption in Bank projects. Corruption was viewed as a "political" issue that the Bank was not permitted to consider. Mr. Wolfensohn changed all that in 1996, and he has continued to broadcast a message loud and clear at the Bank that corruption will not be tolerated.

Having a clear and committed message on ethical values coming from the top down is essential. Staff must know that the rules are the same for everyone and that ethics are important. Enron is a classic example of a case where the message was exactly the opposite – where senior management created a culture of deceit -- and you see now the end result.

Deterrence also comes from publication of information about successful cases where those who engaged in fraudulent activities are held responsible and convicted. Staff in an organization – and those outside of the organization -- need to understand fully the consequences of misusing the institution's funds.

Certainly, deterrence will not be enough to keep fraud out of a large organization, so let me turn now to discuss the topic of prevention. Prevention is really the second line of defense, although key components of prevention are a result of successful investigations. There are three types of prevention that we want to make part of our culture.

The first type of prevention is “lessons learned.” Lessons learned refers to the spotting of control weaknesses in the course of an investigation. Our investigators are asked not just to spot such weaknesses, but to articulate to management what can be done to strengthen the internal controls to counteract the weakness.

Preparing recommendations based upon lessons learned and then articulating and even advocating them to management can often be far more difficult than conducting the actual investigation. Our organizations are large, bureaucratic, and often political. There are competing interests within different departments, and there are always resource limitations. Nevertheless, as much as we investigators enjoy our jobs investigating, we must accept that we are not doing our job correctly if we are not making creative and analytical efforts to prevent the same types of cases tomorrow that we investigated yesterday.

The next type of prevention that our institution has implemented is training. By this, I do not just refer to the typical investigator to investigator, on-the-job training. I refer to ethics training throughout the organization. In some organizations like the Bank, such training is carried out by a separate office, the Ethics Office. But organizational culture is important, and ethical values must be instilled in any organization in order to protect against an atmosphere in which fraud can flourish.

In addition to ethics training, our investigators play a part in counter fraud training for staff of the Bank. We are trying to train all of our key employees to be alert to the red flags of corruption and (and this is important) to know who to call when they come across

these red flags. All of our staff need to learn how to think a little bit more like a fraud investigator.

Finally, in the area of fraud prevention, we are devoting time to external cooperation. By external cooperation, I refer to cooperation with entities and agencies outside of the World Bank. We have played a key part in several conferences of international investigators, bringing together similar professionals from other international organizations and development banks like the U.N., the European Investment Bank, and the Asian Development Bank. These meetings are important for all of us to share experiences, discuss best practices, and streamline our ability to communicate effectively.

Of course, in our external cooperation, we must always remain sensitive to the sharing of information so as not to release confidential information. We have access to confidential personnel information of our staff. In this age of increased technology where data can be readily accessible to a large number of people, we must remember to maintain the confidentiality of sensitive information so as not to ruin the reputations of our clients and our own investigative services.

As we all know, deterrence and prevention will not always be successful. The next necessary element of an anti-fraud program is early detection of actual cases. The proactive investigation or fraud audit is the primary tool for early detection of fraud or corruption in a large organization. This is an area that I believe needs to be developed further in the investigative community and requires specific training, so let me explain what I am talking about. Receiving complaints and allegations of fraud and corruption is a necessary part of any investigative unit. Nevertheless, it does not necessarily point a counter fraud service to the areas of greatest risk in an institution. For this reason, professional investigators must also take the time to do risk assessments of their institutions and ask: where are the biggest risks? Where is the most money flowing? And where are the controls weakest? Once these areas are identified, then the next step is to conduct a fraud audit or fiduciary review.

A fraud audit can follow the more typical audit methodology of taking samples of transactions from within the relevant unit and analyzing those samples. The major difference from a regular audit, however, is that the professional investigator does not simply look for problems in the internal controls structure, the professional investigator looks for red flags – for indicators of possible fraud or corruption. I continue to be amazed at the fact that those without the training and background of a professional investigator or forensic accountant can look at the same data and see an entirely different picture. Sometimes, the internal controls and procedures have been followed, but the red flags are still there. And the investigator is the one with the training to spot them. At the Bank, we are doing our fraud audits in a team approach. Our forensic accountant leads the team, but we include other Bank staff from units such as procurement, internal audit, and regional staff, too. This maximizes our resources and allows us to train others to participate in these important proactive activities.

The fraud audit, however, is only the start of a larger process. Once it is completed, the fraud audit will often result in referrals for investigation, which is where the more traditional investigative skills come into use. The fraud audit without the appropriate investigative follow up is a dangerous risk, so the fraud audit must be planned with sufficient resources to carry out the required follow up work necessary to complete any resulting investigations.

This brings me to reactive investigations, where an organization has received a complaint or allegation. This remains the bulk of the work of my Department, though we are hoping to shift more emphasis over to the pro-active side. Nevertheless, it remains important to ensure that appropriate mechanisms are available for the reporting of fraud or corruption. We started at the Bank with an international Hotline, which is available 24 hours a day. We soon added other mechanisms for receiving allegations, such as a website address with a complaint form that can be submitted over the Internet, an e-mail address, and a collect telephone number. There is no one correct way to receive

allegations, and any good investigative unit must have multiple entry points. Not every complainant will be comfortable using the same type of input procedure.

Of course, having multiple points of entry can only be effective if these entry points are publicly advertised. Our employees and the general public must be aware of the entry points, so advertising in a number of different venues is essential. In the Bank, we advertise entry points on posters in the hallways and brochures that we distribute in training sessions.

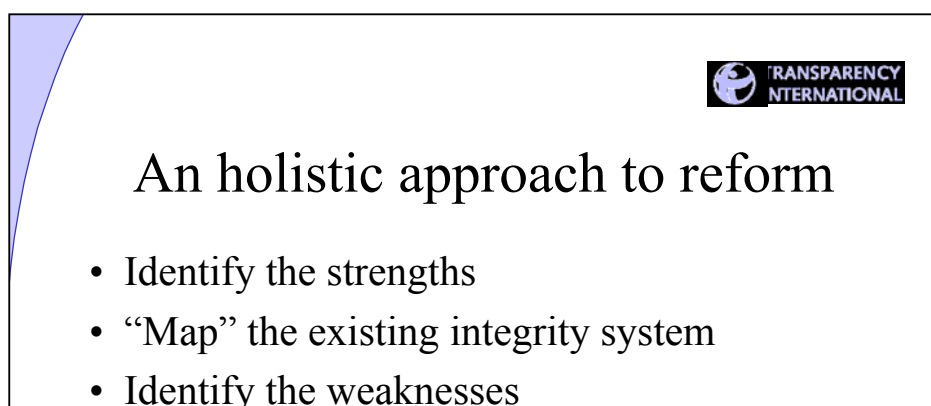
Lastly, we are trying to make effective use of our remedies once cases of fraud or corruption have been uncovered. These remedies generally fit into one of three categories: internal administrative action, external civil litigation, and criminal prosecution. We have many internal administrative remedies, including termination of staff, debarment of contractors, and suspension or cancellation of loans. We every organization must be willing in the more serious cases to make use of the external remedies such as referring cases for criminal prosecution. We cannot built an anti-fraud culture using only some of our tools: we must use them all.

In conclusion, large organizations such as ours need to establish their counter fraud culture along the lines that I have described: deterrence, prevention, early detection, investigation, and remedial action. Deterrence includes the ethical message set by top management and the announcement of action taken in successful cases. Prevention includes lessons learned, training for all key staff, and external cooperation. Investigations include both reactive cases and proactive activities in order to increase early detection and to ensure that the high risk areas are addressed regardless of whether complaints are received in those areas. Finally, remedial actions include use of the court systems – both civil and criminal – in addition to administrative actions.

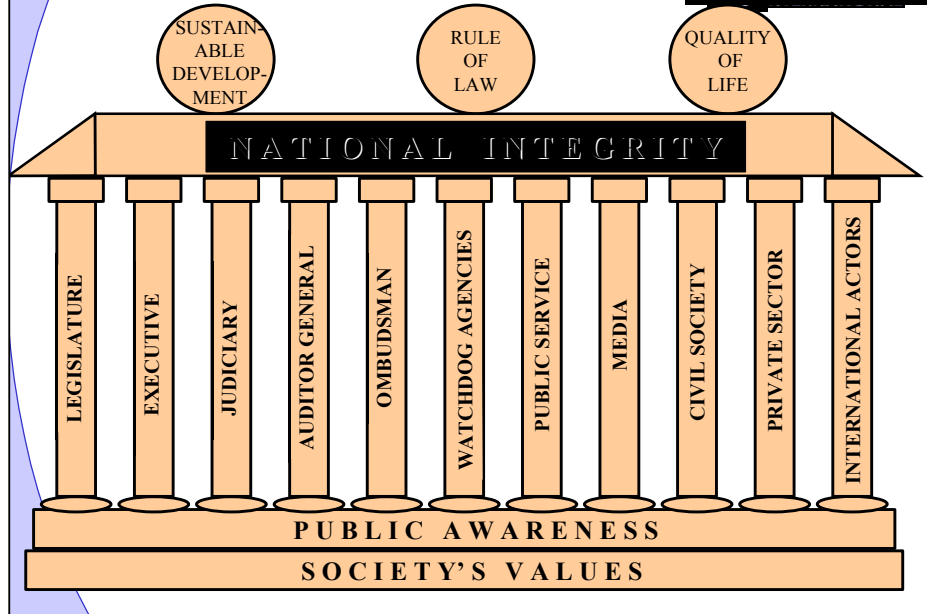


c) *A holistic approach to reform*

By Mr. Jeremy Pope, Executive Director of Transparency International, London Office.

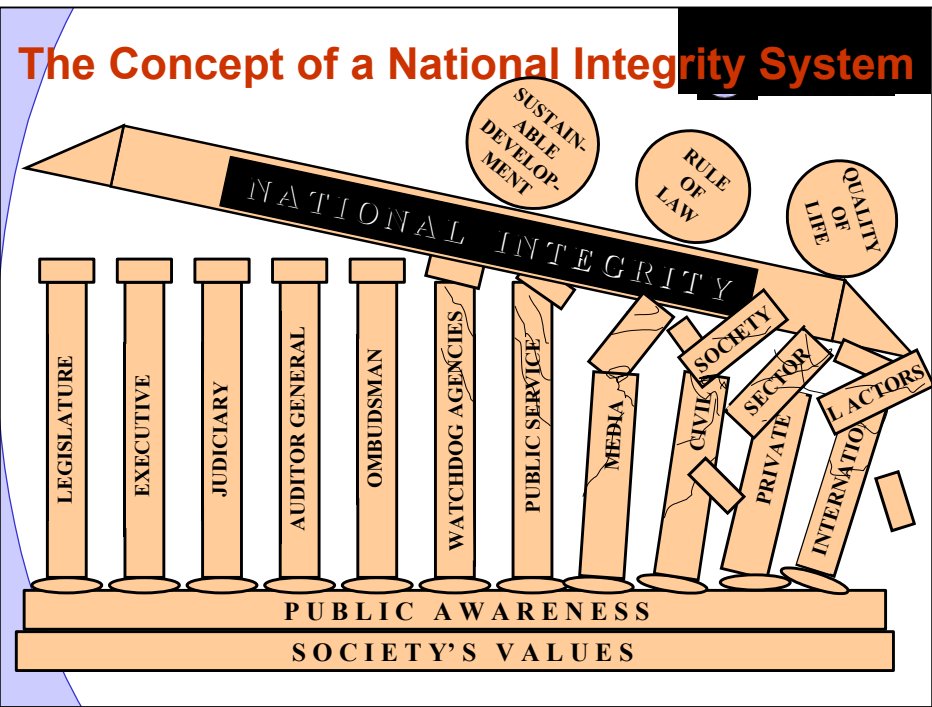


## The Concept of a National Integrity System



### “Horizontal Accountability”

- Each must have sufficient strength and capacity
- Each relates to others
- Each is accountable to others
- Each has elements of independence
- If pillars fail to bear their load they increase

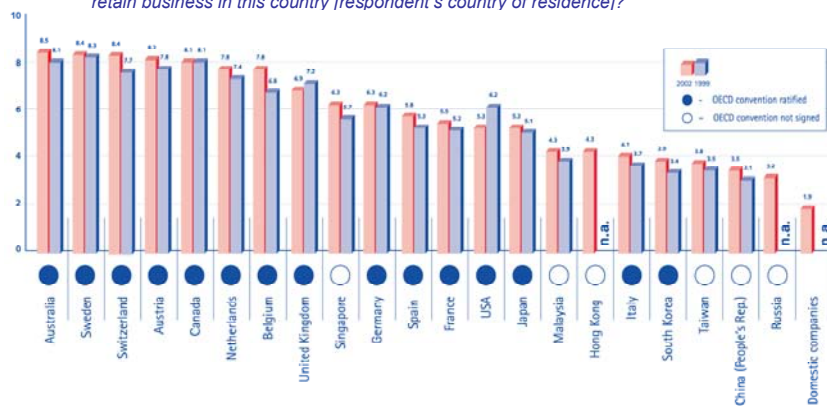




## Bribe Payers' Index

- “Balances” the CPI
- Tracks the Bribe Givers by country and by sector
- Highlights the “supply side”
- Tracks awareness of the OECD convention
- Business in emerging markets reports performance

*In the business sectors with which you are most familiar, please indicate how likely companies from the following countries are to pay or offer bribes to win or retain business in this country [respondent's country of residence]?*



The question related to the propensity of companies from leading exporting countries to pay bribes to senior public officials in the surveyed emerging market countries.  
 A perfect score, indicating zero perceived propensity to pay bribes, is 10.0, and thus the ranking starts with companies from countries that are seen to have a low propensity for foreign bribe paying. In the 2002 survey, all the data indicated that domestically owned companies in the 15 countries surveyed have a very high propensity to pay bribes – higher than that of foreign firms.

**1999 Transparency International Bribe Payers Index (BPI) Ranking 19 Leading Exporters**

Rank	Country	Score
1	Sweden	8.3
2	Australia	8.1
	Canada	8.1
4	Austria	7.8
5	Switzerland	7.7
6	Netherlands	7.4
7	United Kingdom	7.2
8	Belgium	6.8

**Bribe Payers Index**

Survey of 770 respondents (multinational and local business representatives) in 14 emerging markets



**TRANSPARENCY INTERNATIONAL**

### Bribery in business sectors – by frequency

*How likely is it that senior public officials in this country [respondent's country of residence] would demand or accept bribes, e.g. for public tenders, regulations, licensing in the following business sectors?*



The scores are mean averages from all the responses on a 0 to 10 basis where 0 represents very high perceived levels of corruption, and 10 represents zero perceived levels of corruption.

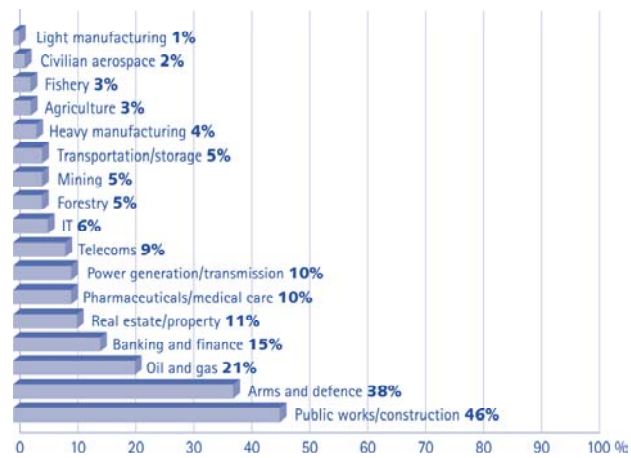
Precise comparisons between the 1999 and 2002 figures are not possible as the categories have been modified significantly.



**TRANSPARENCY INTERNATIONAL**

**Bribery in business sectors - by size of bribe**

*Among the business sectors mentioned previously, which are the two sectors where the biggest bribes are likely to be paid?*



The results reflect the percentage of respondents who mentioned the particular sector.

This question was not posed in the BPI 1999.

## For business the risks are growing.....

- Internal risks
  - Sales staff; audit staff
  - Executive staff...
- External risks
  - Brand name
  - Competitors capitalise on scandals
  - Growth of democracies

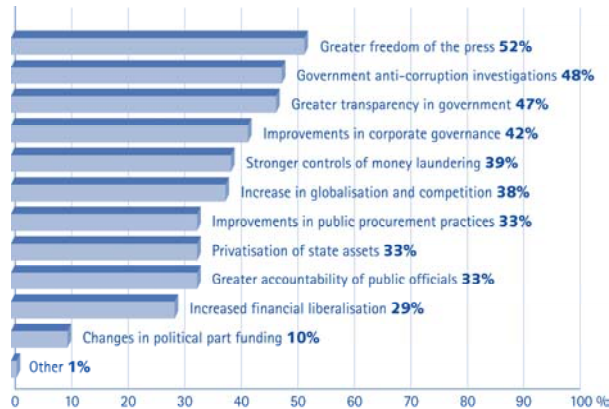




**TRANSPARENCY  
INTERNATIONAL**

If corruption is decreasing, then why?

*Have changes and developments in any of the following factors contributed significantly to [a decrease in the level of corruption by foreign companies of senior public officials in the past 5 years]?*



This question was asked to all those saying that the level of corruption by foreign companies of senior public officials had decreased somewhat or decreased significantly in the past five years.



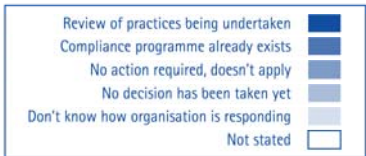
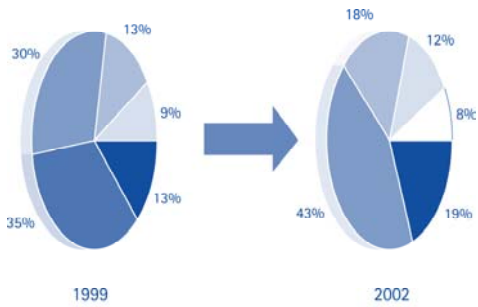
## The Conventions close in ....

- OECD Convention
- Tax deductibility... criminalisation  
.... professionals!
- In-country verification visits
- Highly intrusive... uniquely effective?



OECD Convention on Combating Bribery  
of Foreign Public Officials in International Business  
Transactions (Anti-Bribery Convention)

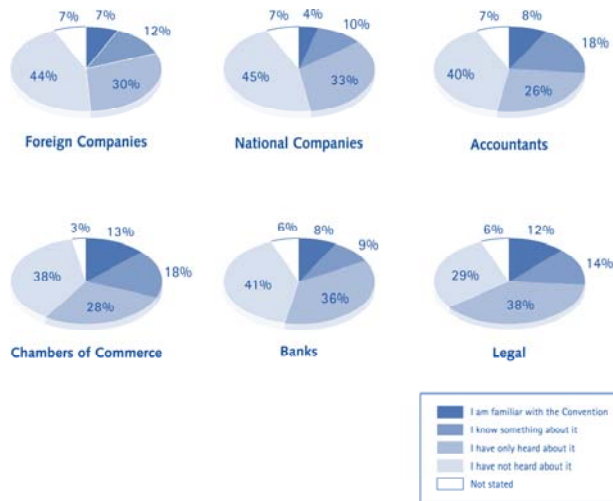
*Do you know how your organization is responding to this OECD Convention?*





OECD Convention on Combating Bribery  
of Foreign Public Officials in International Business  
Transactions (Anti-Bribery Convention)

Which of the following best describes how much you know about the convention?



## Across Europe....

- Council of Europe Criminal Law Convention
- Council of Europe Civil Law Convention
- The “menace” of GRECO

## The Americas and Africa....

- Inter-American Convention

## And now the Globe!

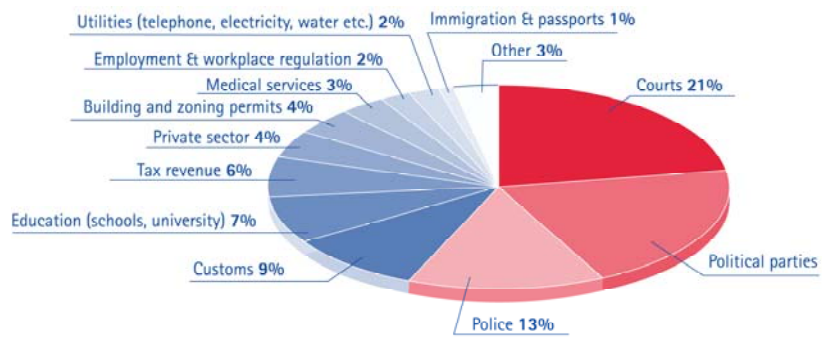
- United Nations joins in
- International consensus document
- Interlocking framework of offences and mutual legal assistance
- Perhaps moving towards a cleaner world....?
- Professionals increasingly exposed



**TRANSPARENCY  
INTERNATIONAL**

### Priorities in Fighting Corruption

*If you had a magic wand and you could eliminate corruption from one of the following institutions, what would your first choice be?*



## How can business best protect itself?

- Imitate the ostrich?
- Just accept the way things are
- Hope for the best?
- Or create and meet standards.....?

## The TI Business Integrity Principles!

- Developed by group of private sector interests, NGOs and trade unions
  - Shell, BP, GE, Norsk Hydro, Tata
- Practical effect to OECD Convention, ICC Rules of Conduct etc.
- Designed for SMEs as well as multi-nationals

## Objectives

- 📄 Framework for good business practices and risk management strategies;
- 📄 Assist enterprises to minimise risk of exposure to bribery;
- 📄 Demonstrate to interested parties their





## Guarantee that staff protected

“The policy should make it clear that **no employee will suffer demotion, penalty, or other adverse consequences** for not paying bribes even when the enterprise may lose business as a result of such employee’s refusal to do so...”

## Next steps with the Principles...

- Finalised on 28 June 2002
- Guidance document
- Further field testing...
- “Roll out” launches in first eight countries... UK, USA, France, Germany, Russia, South Africa, Brazil...
- External verification to come?



The End

Or is it only the beginning?

[www.transparency.org](http://www.transparency.org)

***d) The Inter-American Development Bank's Anti-Corruption Strategy***

By Malkah Nobigrot, Advisor to the Representative at the Special Office in Europe  
Inter-American Development Bank

Let me start by saying that it is a pleasure to be in this meeting. I hope that this experience will serve to further the cooperation and coordination between our agencies so that we have a greater impact fighting corruption.

As a matter of fact, the fight against corruption has been increasingly on the current multilateral discussion on development as well as in the dialogue with our member countries. It has been acknowledged that corruption represents a serious obstacle for the social and economic development of Latin America and the Caribbean countries. Corruption blooms where poor governance systems and structures exist. Therefore, it is our belief that in order to diminish corruption, it is crucial to strengthen the State structures and ensure transparency, efficiency and accountability in the operation of the State. The governments and civil society in our region – together with the Bank - are engaged in efforts at addressing these issues.

The Bank's contribution in this area has had an external and internal dimension. On the one hand it reflects the assistance through financial and non-financial activities to our borrowing member countries in order to support good governance and increase the modernization, efficiency and accountability of the State. On the other hand, it reflects the obligation to ensure our member countries that the resources used to finance our operations are used efficiently and that our processes are transparent.

In my presentation I will further address the internal and external dimensions of the IDB's work in this area. Regarding the internal dimension, I will speak mainly about the Bank's mandates and its Anti-corruption Strategy. As for the external dimension, I will speak about the Bank's activities to support its borrowing member countries in the fight against corruption.

Let me start by noting that in the last decade, Latin America has undergone a series of important changes. We have witnessed free elections at a national, state and local level; an increase in the participation of civil society in decision-making processes and a better

informed citizenry; a greater participation of the private sector in functions traditionally reserved for the State; a higher integration among economies in the Region; and the wider decentralization of State functions that has resulted in the expansion of the role of local governments. However, this new economical and political framework has been beset by a series of problems. Poverty has increased, as has the inequality in income distribution. The continuing socioeconomic exclusion of wide sectors of the population has undermined democracy. The countries' institutions remain vulnerable to external shocks. The lack of transparency and the absence of public participation in decision-making processes, the excessive discretion in government functions, deficiencies in the civil service; and outdated legal systems are issues that compromise the accountability and efficiency of the States' institutions in the countries of our Region.

In order to address these issues, the Bank's Board of Governors gave the institution special **Mandates** when it agreed in 1994 to the terms of the Eight General Increase of Resources. The Governors stressed the need to strengthen public institutions by establishing suitable regulatory and supervisory functions; modernizing and strengthening judicial systems; reforming tax and budgetary systems; supporting national parliaments and increasing the State's capacity to prepare and execute development programs. Most recently, during the meeting of the Board of Governors in Fortaleza - Brazil last year, the Governors agreed to certain goals for the Bank's activities in the future. Mainly, they stressed the need to continue supporting the modernization of the State in our borrowing member countries by increasing ethics and transparency – particularly in State procurement; and strengthening the internal audit function; the institutions of the judiciary and the legislative branches of government; the supreme audit institutions; and the private sector. In addition, it was determined that specific anti-corruption programs and strategies could be financed. More specifically, as a result to the Mandates set forth in the Bank's Eight Capital Increase by the Board of Governors, the Board of Executive Directors approved in 1996 the "Modernization of the State and the Strengthening of Civil Society Policy". This document specifically spells out the goals

that must be attained in supporting activities dealing with the three branches of government and the strengthening of civil society in the countries of the Region.

It was determined that Executive branch programs should strengthen the capacity of financial management and of regulatory institutions; enhance the capacity to frame and execute public policies; improve the civil service; increase the capacity for efficient oversight and auditing, foster decentralization of activities, streamlining of processes and increase transparency and accountability. It was determined that Legislative branch programs should support training and education, as well as the establishment of a professional and efficient administration. It was determined that the Judicial branch support programs should strengthen the administration of the judiciary system; promote alternative dispute resolution systems, and increase training and education programs. In accordance to the mandates that the Bank was given, the IDB has financed activities in all of these areas over the last 7 years.

On the basis of this experience, the following reflections are appropriate. First, the Bank's efforts are directed towards ensuring effective and transparent governance structures that will support the economic and financial reforms that have been undertaken. Second, it has worked to set proper controls and mechanisms to ensure the suitable use of its resources during the lending process. Third, the Bank has dealt with new actors such as the private sector, civil society and local governments who possess new responsibilities. On the other hand, there are new financial instruments that the Bank now uses, including sector loans, emergency loans and multi-phase loans. Therefore, under these new circumstances, it is important that the Bank design its operations ensuring the proper controls to guarantee transparency, efficiency and accountability.

Now, let me say a few words about our **Anti-Corruption Strategy**. It is clear that efforts made by the Bank to ensure transparency and efficiency, to support the modernization of the State in its member countries and to include civil society in their activities, serve to curb corruption. The need to stress the Bank's commitment to fight corruption and

support good governance served as a basis for the decision to create a working group to develop a framework to deal internally and externally with this issue. The Board of Directors approved on the 26th of February the strategy paper entitled “Strengthening a Systemic Framework against Corruption” that resulted from the assessments made by this working group. The Strategy deals with three main areas. First, it addresses the need that the Bank’s staff always acts in accordance with the highest standards of integrity. Second, the Bank must have in place internal management controls that ensure that lending programs are properly designed and executed, that funds are used as intended, and that funds are spent according to the Bank’s policies and procedures. Third, the Bank must continue to support financial and non-financial activities in its borrowing member countries in order to combat corruption.

With respect to the first of these goals, it is important that the Bank constantly review its internal processes and procedures designed to control fraud and corruption. The Bank must ensure that its system of incentives, rewards and sanctions results in clear guidelines and procedures that guaranty the ethical behavior of its staff members and reflect the institution’s values. The second goal addresses the need to have at all times a proper internal control environment for the Bank’s financial and non-financial activities. The Bank has set in place measures that will ensure that its policies and procedures are respected during the selection and design of operations, their execution and subsequent evaluation. Two particular issues during the program execution phase deserve special attention. First, it is critical that any procurement undertaken with resources of the Bank’s loans be absolutely transparent. The Bank’s procurement rules and regulations contain the necessary safeguards so that the Bank may act if there are any allegations of fraud or corruption. And second, there is also the need to increase the training activities for more efficient corruption and fraud detection.

Let me add a few words with respect to the external dimension of the IDB’s work to fight corruption. The Bank is committed to continue to support programs presented by borrowing member countries in those areas already identified, funding operations



designed to eliminate the focal points where corruption is more likely to arise, and adding specific anti-corruption components where needed. The need to curb corruption and to design programs that will support a modern, efficient and transparent State ranks high in the social and political agendas of the Region. We must note however that this certainly doesn't mean that corruption is rampant; it simply means that there is a greater awareness by our governments and citizenry to address this issue at once.

As previously stated, the activities identified in the Modernization of the State and Strengthening of the Civil Society document, such as support of the reform and strengthening of three branches of government will continue to be funded. In addition, other critical activities regarding State building and strengthening are being funded as well. Amongst these activities are those dealing with strengthening the financial management capability of the State, tax reform, reform of the customs services, support of the supreme auditing institutions, and the promotion of a professional civil service. Regarding financial systems, programs that strengthen the supervision of domestic and off-shore financial institutions, including anti-money laundering efforts are also being carried out. Activities to foster transparency in monetary and fiscal policies and implement standardized norms are also being funded. With respect to public procurement, the Bank will continue to support suitable legal frameworks, the use of modern information systems, data collection and institutional strengthening programs. In its private sector activities, the Bank will continue to ensure that privatization processes are transparent, and will promote the use of codes of conduct and corporate governance frameworks. On the other hand, the Bank will continue to cooperate with the OAS in programs to help the Bank's borrowing member countries to implement the Inter-American Convention against Corruption.

With this I conclude my presentation. Thank you Mr. Chairman.

e) ***Council of Europe and anti corruption measures***

By Björn Janson, Administrative Officer, Directorate General, Legal Affairs, Council of Europe

The Council of Europe is the main organisation in Europe for the protection of democracy, human rights and the rule of law. Set up in 1949 by ten European states, this intergovernmental organisation covers today the whole of the European continent, comprising currently 44 member states in western, central and eastern Europe.

The Council of Europe has been involved in anti-corruption activities for more than a decade. This work has an *intergovernmental* dimension as well as one side dealing with *technical assistance* in member states.

I. Intergovernmental activities and monitoring

It was in 1994 that European Ministers of Justice considered that corruption was a serious threat to democracy, the rule of law, human rights and to social progress. The Council of Europe, being the pre-eminent European institution defending these fundamental values, was called upon to respond to that threat.

As a result, the Committee of Ministers of the Council of Europe established in 1994 the Multidisciplinary Group on Corruption (GMC) and gave it terms of reference to examine the measures to be included in an international programme of action against corruption, comprising the drafting of legal instruments (conventions and recommendations to member states) as well as the possibility of setting up follow-up mechanisms to implement undertakings contained in such instruments.

*A Programme of Action against Corruption* covering all aspects of the international fight against corruption was adopted by the Committee of Ministers in 1996. The GMC was instructed to implement the Programme with priority.

Within the framework of the Programme of Action against Corruption, the following intergovernmental legal instruments have been developed and adopted :

*The Twenty Guiding Principles for the Fight Against Corruption (Resolution (97) 24);*

*The Criminal Law Convention on Corruption (1999) ETS – No. 173;*

*The Civil Law Convention on Corruption (1999) ETS – No. 174;*

*Recommendation on Codes of Conduct for public officials (Rec No. R(2000)10).*

In addition, a draft additional protocol to the Criminal Law Convention on Corruption concerning arbitrators and jurors and a draft recommendation on Common Rules against Corruption in the Financing of Political Parties and Election Campaigns have been developed within the framework of the GMC. These instruments have not yet been adopted by the Committee of Ministers.

In 1998, the Committee of Ministers of the Council of Europe authorised the establishment of the *Group of States against Corruption – GRECO* in the form of a partial and enlarged agreement and invited member states and non-member states to notify their participation. Greco was formally set up in 1999 by 14 founding states. Today there are 34 members of Greco (33 European states and USA). The member states have appointed permanent representatives who participate in plenary meetings of Greco and who are entitled to vote.

Greco is a flexible and efficient evaluation mechanism to monitor, through a process of mutual evaluation and peer pressure the observance of the above mentioned legal texts. However, it cannot be excluded that Greco in the future may expand its scope beyond these instruments. The Statute of Greco defines a master type procedure which can be adapted to the different instruments under review.

The evaluation procedures are carried out by ad-hoc teams of experts selected from a list of experts proposed to the Greco by its members. The experts are assisted by the Greco secretariat. Based on written replies to a detailed questionnaire and of information gathered during a fact finding visit to the country under scrutiny, the experts prepare a report on the situation in the particular country and propose recommendations for improving the situation. The reports are discussed and finally adopted by Greco, sitting in plenary. This procedure is not public, but up to now no country has refused to make its report public after the adoption by Greco. Reports are being published on the Greco home page (<http://www.greco.coe.int>).

All members are being evaluated under the same specific theme decided by the Greco. Its First evaluation cycle dealing with three of the “Twenty Guiding principles” will be finalised by the end of 2002 and Greco is presently considering the theme for its Second evaluation round.

## II. Technical assistance

In addition to the described intergovernmental activities of the Council of Europe, the organisation has since the fall of the Berlin Wall been active in central and eastern Europe in order to support the new democracies to establish the fundamental values of the Council of Europe. These ad hoc activities have included for example legal expertise on the drafting of new legislation and training of public officials. Several programmes have been established, inter alia targeting particularly important sections of public administration, such as the police, prosecution, judiciary, etc.

Specific programmes for the fight against corruption, often interlinked with the fight against organised crime, have also been implemented over the years. Some of these activities have been carried out as joint ventures between the Council of Europe and the European Union (joint programmes).

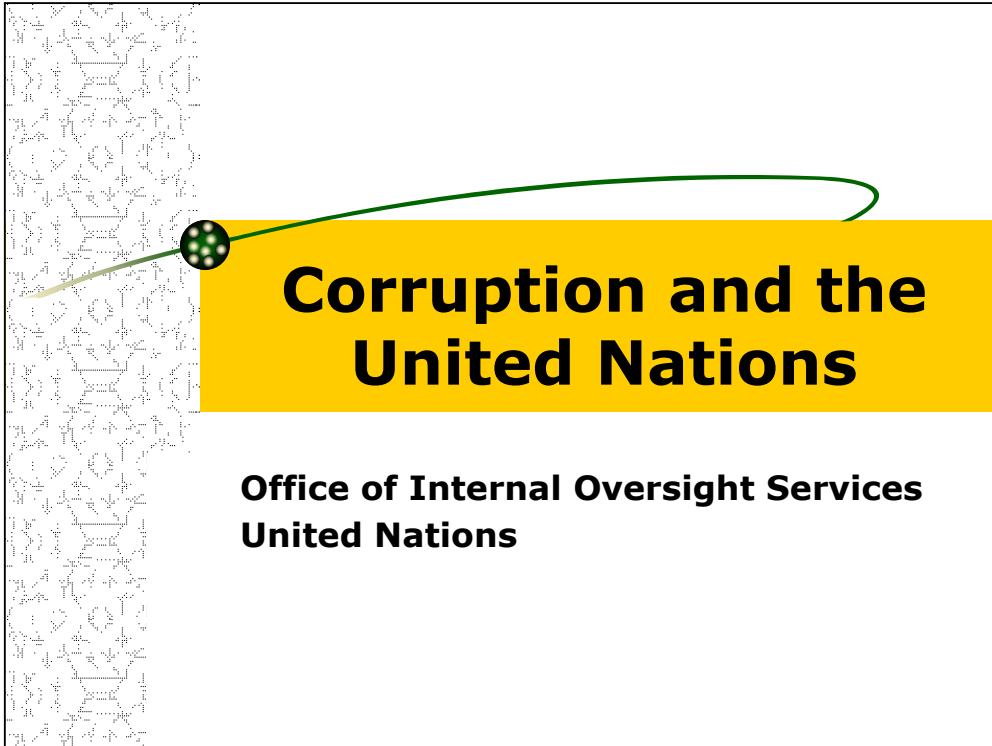
The Octopus programme (since 1996) is aimed at providing assistance to countries of central and eastern Europe in their fight against corruption and organised crime. More recently, the Programme against corruption and organised crime in South-eastern Europe (PACO) was established to support the implementation of the Stability Pact Anti-corruption Initiative (SPAI) as well as the Stability Pact Initiative against Organised Crime (SPOC). The activities of these programmes are contained in the Fact sheets.

### III. Concluding remarks

The Council of Europe welcomes the UN initiative to enhance the co-operation between various international organisations in the fight against corruption. Such a co-operation must, however, take into account the ongoing activities and to the extent possible hinder undue duplication. To this end, well functioning systems and mechanisms already in place, for example at the regional levels, should be used and developed to the extent possible. The Council of Europe and its associated bodies are open for a continuing dialogue with the UN and other international organisations in order to make the fight against corruption as efficient as possible.

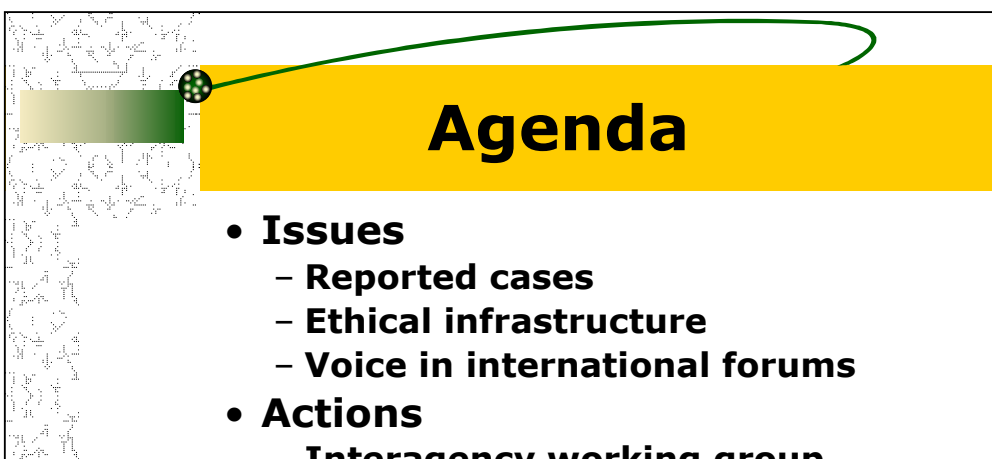
*f) Corruption and the United Nations*

By Tay Keong Tan, Special Assistant to the Under-Secretary-General, office for Internal Oversight Services.



# **Corruption and the United Nations**

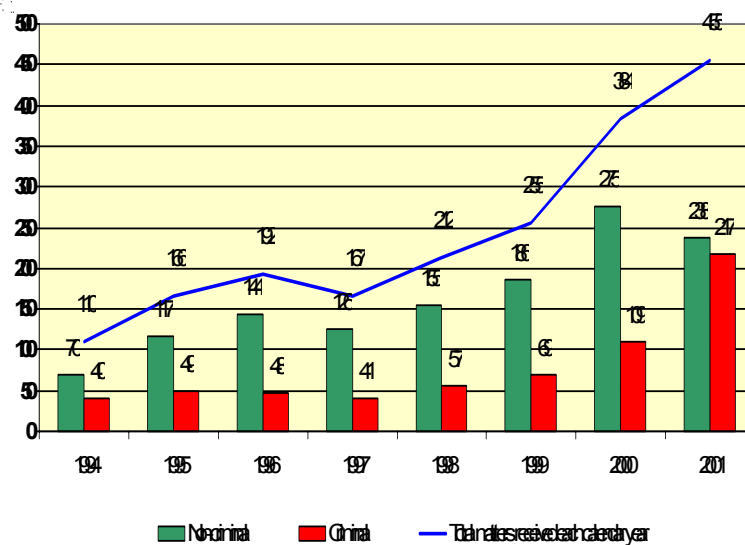
**Office of Internal Oversight Services  
United Nations**



# **Agenda**

- **Issues**
  - Reported cases
  - Ethical infrastructure
  - Voice in international forums
- **Actions**
  - Interagency working group

# "Criminal Cases"





## Issues

- **Rising incidences of reported “criminal cases”. Need timely diagnosis of nature and extent of corruption.**
- **Lack of coherent ethical infrastructure (mandates and tools, but systems not in place).**
- **Absent voice in international forums to account for UN’s work.**





## **Actions**

- **Initiate and sustain an interagency task force.**
- **Develop an Organizational Integrity System based on Best Practices – debarment, codes, counseling, Ombudsman.**
- **Account publicly and regularly in international forums.**



## **Proposals**

- **Support and Sponsorship - Senior Management Group.**
- **Capacity and Synergy**



## 5. Preliminary Analysis of Interagency Collaboration and Cooperation

### I. Executive Summary

Subsequent to the first interagency meeting, organised by CICIP from 5 to 6 February 2002 in Vienna, agencies were invited to contribute to a “fact sheet” documenting past, present and future activities. On the basis of the information derived from participating entities, CICIP has drawn up a “map” of global anti-corruption initiatives with a view toward paving the way for continuing dialogue with critical self- and group-assessment of how global anti-corruption activity could be more effective in terms of strategic focus, geo-political coverage, needs assessment, impact evaluation, mobilisation and utilisation of resources.

The key findings from the preliminary assessment of the fact sheet, completed by the institutions attending the first meeting, are that there is:

- ***Imperfect data:*** The following analysis and conclusions are based on incomplete data as only 12 out of an estimated 50-60 institutions involved in supporting countries in anti corruption work had filled in the “UN Fact Sheet”. Key organizations left out of the analysis were several Departments of the World Bank as well as other regional banks and bi-lateral institutions.
- ***Insufficient sharing of information among donors*** about: (i) past, current and future anti corruption initiatives, (ii) assessment of types, levels, causes and costs of corruption; (iii) assessments of anti corruption measures in place and their successes and failures; (iv) assessments of trust level between the public and national and international institutions and finally (v) assessments of leakage and corruption within the donor projects themselves;
- ***Inadequate co-ordination and planning of externally supported anti corruption initiatives:*** resulting in lack of strategic distribution of donor resources and/ or activities across regions, countries and sectors of anticorruption work. Even when donors are aware of similar activities within a certain region, country or sector, co-ordination remains a low priority.
- ***Insufficient money being “invested”*** in building integrity to fight corruption. In 2001 more than US\$ 220 billion were invested in developing countries and countries in transition either in form

of development aid or direct foreign investment,<sup>9</sup> while most likely less than US\$ 200<sup>10</sup> million (i.e. less than 0.1 %) were “invested” to protect this money from being diverted.

- ***Imprecise definition of what constitutes “an anti corruption initiative”***: At the current moment there is little clarity on what constitutes an “anti-corruption” initiative. Only very few projects or programmes address directly the building of integrity and/ or the control of corruption. However, many initiatives – often by far bigger in scale - contribute to creating a political, economical or social environment less susceptible to corruption.
- ***Lack of an evidence-based national or international approach to curb corruption***. Since the early 1990s, the World Bank has been contributing, directly or indirectly, the majority of research available on corruption. In accordance with its institutional mandate this research tends to be economics-led and avoids, for the most part, directly addressing overtly political as well as criminal justice related issues. So far this research has been of little assistance when it comes to actually identifying practical measures that have proved efficient and effective in building integrity and/or curbing corruption in the respective sectors. As a consequence currently there is no global and/ or national approach to fight corruption.

**Conclusion:** The United Nations and its counterparts in the anti-corruption field could be much more effective in helping Member States build integrity to curb corruption if their advice and support was more co-ordinated, consistent, transparent, evidence based, comprehensive, better funded and impact oriented.

### **Recommendations:**

- ***Increased investment in donor co-ordination***. One institution should be made responsible for donor co-ordination and sufficient resources have to be allocated for: (i) all key organisations to participate in two co-ordination meetings per year (estimated travel funds, US\$ 100,000), (ii) full time secretariat to collect, verify and update the fact sheets of all multi lateral, bi-lateral and international NGO’s involved in helping member states fight corruption (estimated staff cost US\$ 100,000). Each involved UN agency should contribute in accordance with its budget for anti corruption work.

---

<sup>9</sup> US\$ 52 billion was given as aid and another US\$ 170 billion was injected as direct investment.

<sup>10</sup> The current fact sheets are showing less than US\$ 100 million and we are adding another US\$ 100 million for the organizations not participating in the first survey.

- ***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 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 co-ordination process to include all key organisations involved in supporting countries in anti corruption initiatives.*** A decision has to be made whether this co-ordination process should be a central/global one or whether it should be based on regional initiatives already in place.

#### **Discussion points:**

1. ***How to create a systematic information sharing process on upcoming events and initiatives?***
2. ***What constitutes an anticorruption initiative, project and programme?***
3. ***How to come up with a common terminology in the field of anti-corruption work?***
4. ***How to increase the division of labour among agencies in accordance to the specific comparative advantage?***
5. ***Clarify and subdivide the concept of partnership.***
6. ***Choosing a country for the pilot testing of a more systematic approach to donor co-ordination and establish the terms of reference for such a collaboration.***
7. ***What should be the target amount spent worldwide on anti-corruption work?***
8. ***Desirability of a pilot project on interagency co-ordination?***

## II. Key Findings

### 1. Preliminary Definition of an Anti Corruption Activity

Before analysing the findings from the fact sheet, it would be useful to define the term “anti-corruption initiative”. Only very few projects or programmes address directly the building of integrity and/ or the control of corruption. However, many initiatives – often by far bigger in scale - contribute to creating a political, economical or social environment less susceptible to corruption. Such examples may include public and private sector reforms, strengthening citizen’s participation, enhancing the rule of law and privatisation. Even though not targeted directly at reducing corruption many of these projects, also because of their large and comprehensive scope, may impact significantly on the corruption situation of a country. In the context of interagency co-ordination of anti-corruption work, however, there is a need for a much more stringent definition in order to maintain the clear and targeted scope of the initiative. At the same time it is not the role of CICP to impose a definition on its partners within the co-ordination effort. It will be the task of this and future interagency co-ordination meetings to come up with a definition agreeable to all institutions involved.

**Suggested discussion point: *What constitutes an anticorruption initiative, project and programme.***

*During the second interagency meeting it was proposed that in order to maintain the focus of the co-ordination effort only such initiatives should be included, which stated as their objectives the fight against corruption or the enhancing of integrity, transparency and/or accountability.*

### 2. Imperfect Data

The current analysis is based on the information provided by 12 institutions out of an estimated 50-60 institutions involved in supporting countries in anti corruption work. Key organizations left out of the analysis include several Departments of the World Bank, the other regional banks as well as bi-lateral institutions.

<b>Institutions</b>	<b>Data Sheet Last updated</b>
<b>UN Agencies</b>	
UNDP	Feb 2002
DESA	Feb 2002
OIOS	Jun 2002
CICP	Jun 2002
<b>Other Multi-lateral Organizations</b>	
OECD	Feb 2002
Council of Europe	Feb 2002
European Union	July 2002
World Bank	Initial Input by the Dep. For Inst. Integrity, July 2002
World Customs Organization	July 2002
Interpol	Jun 2002
<b>International NGOs</b>	
Transparency International	Feb 2002
Ethics Resource Centre	Jun 2002

### 3. **Insufficient Information Gathering and Sharing**

The analysis of the fact sheets revealed that there was insufficient sharing of information among donors about past, current and future anti corruption initiatives. As a matter of fact it seems that particularly at the international level proactive information sharing is the exception rather than the rule. However, such information sharing is particularly important since only some donors afford the “luxury” of permanent field representation. Furthermore, only sporadically information is being shared on single events such as workshops and conferences, which hinders other organizations of contributing to such initiatives.

**Suggested discussion point: *Creation of a systematic information sharing process on upcoming events and initiatives – Anti-corruption newsletter.***

*CICP will continue updating and analyzing of the fact sheets and develop a framework for the information sharing process, which will be presented to the other participating agencies at the third interagency coordination meeting in December in New York.*

At the same time assessments of types, levels, causes and costs of corruption are not being shared in a systematic manner. It should actually be a natural obligation for any organization conducting such assessments to inform other organizations active in the field of anti-corruption work. In some occasions it may even be advisable to involve other organizations in the planning stage in order to draw from each others specific expertise and, in case, to use the same survey instruments to cover several subject matters relevant to various organizations.

Moreover, there is no systematic information sharing process in place by which lessons learned both from successes and failures are being disseminated to all relevant institutions. The importance of such information sharing is evident. However, it may require a level of self-criticism that goes beyond what some donors can or want to afford.

Effective information sharing depends on the use of a common terminology. Analysing the fact sheet it became evident that there are diverse views on the meaning of some of the terms. In particular the broader ones such as prevention, awareness raising and enforcement seem to be used by the various organisations in a rather diverse manner. E.g. some organisation used the term of law enforcement describing the application of any law in general. As a consequence any measure which



even indirectly fosters the application of existing laws was defined as an activity in the area of law enforcement. Others defined the concept more narrowly as the activity of the criminal justice system, in particular prosecution, police and similar institutions, in maintaining the rule of law.

**Suggested discussion point: *How to come up with a common terminology in the field of anti-corruption work.***

*A working group met during the interagency meeting, reviewed and revised the categories proposed by CICIP based on the initial inputs provided by the various agencies for describing anti-corruption initiatives. As a result it was agreed that for the purpose of completing the fact sheet in the future the following terms should be used to define the sectors which the respective anti-corruption initiative is taking place: Awareness Raising / Action Planning and National Anti-Corruption Strategy / Legislation / Intersector and Interagency co-ordination and co-operation / Civil Society, Education & Media / Prevention / Financial Sector and Audit / Tax Authority and Customs / Private Sector / Public Sector / Procurement / Civil Service Reform / Election / Parliament / Anti Corruption Agency / Judiciary/ Law Enforcement (Police, Prosecution and other law enforcement institutions in strictu sensu) / Local Government and Decentralisation / Assessment of Corruption Situation.*

#### **4. Insufficient Co-ordination of Anti-Corruption initiatives**

##### ***a) Insufficient coordination across regions and sectors***

The fact sheets revealed that anti-corruption activities are not equally distributed across regions, countries and even sectors within the same country. Current and future anticorruption efforts of the participating agencies are distributed as follows: In

- *Africa* 66 projects in 21 out of 52 countries;
- *Europe* 200 projects in 20 out of 20 countries;
- *Asia* 83 projects in 26 out of 48 countries
- *Latin America and the Caribbean* 22 projects in 11 out of 40 countries
- *Arab World* 19 projects in 9 out of 21 countries.

Naturally this unequal distribution of efforts and resources may be justified to some extent by the varying neediness of countries when it comes to support. At the same time the preconditions for successful work in terms of political willingness as well as the already existing capacities vary across regions, countries and even sectors. Often it is the countries themselves not being ready to

address corruption. In particular, where corruption is systemic and reaches into the highest levels of Governments it is unlikely that requests for assistance will be received and even if that should be the case then the effort rather serves the gaining political capital than seriously addressing the problem.

### Sectors covered by bi-lateral projects in the present and future across organizations

	OECD	DESA	T.I.	UNDP	CoE	CICP	EU	WCO	ERC
Awareness raising		1	2	3		1	2		6
Action Plan & National AC Program		1		5		2	4	14	
Assessments						5			2
Legislation	16	1	1	2	24		4		
Inter sector coordination & cooperation			5				5		3
Civil Society/ Media & Education				4			3		
Prevention				2	1	1	1		3
Financial Sector & Audit	28		1	3	2		3		1
Tax authority & Customs		1					7	1	
Private Sector	16			1					4
Public Sector	8	3		5		1	2		5
Procurement							1		
Civil Service Reform		1		2			1		
Election									
Parliament		1		1					
AC Agency				2					
Judiciary	1			3	3	5	2		
Law Enforcement	4	5	2	7	52	2			
Local Government/Decentralization				2		1			

Furthermore when comparing the fact sheets it becomes clear that some organizations tend to be active in a large variety of fields while others seem to have more focused approach. It is evident when looking at the above table, that only some of the participating agencies seem to seek a sectorial niche and build a comparative advantage. Laudable in this regard are the focused approaches of the Council of Europe and the OECD. The UN organisations on the other hand do

not only spread themselves rather thinly as far as the substantive fields of work are concerned but they also compete among each others in various sectors. This gives rise to the question if some of the agencies, in particular those ones belonging to the UN system, could not be more effective if they identify and focus on their own specific comparative advantages.

**Suggested discussion point: Increasing the division of labour among agencies in accordance to the specific field of expertise.**

*Even though it was appreciated by the participants that it may be beneficial that agencies may increasingly concentrate on such sectors corresponding to their specific field of expertise, it was also mentioned that the comparative advantage of some agencies relate to a combination of having a broad mandate as well as a wide field representation. This allowed a response to a large variety of needs of Governments.*

**b) *Imprecise definition of the concept of partnership and collaboration***

The analysis of the fact sheet revealed also that the concept of “partner” needs further definition and the creation of additional subcategories. Some respondents understood this concept very broadly and as a consequence named also their government counterparts, beneficiaries, donors while others might have understood it in a narrow sense.

This becomes obvious when comparing the responses of the various agencies. E.g. UNDP indicates collaboration in 15 of its 25 current projects with other institutions. The OECD currently provides 43 countries with bi-lateral technical assistance projects. Apparently in 11 of these the organisation collaborates with other agencies, mainly the EU. CACP indicates extensive collaboration under all its projects. while DESA does mainly collaborate with CAFRAD and UNDP within the framework of its regional and global activities, while less frequently the organisation seems to seek synergies within its bi-lateral technical assistance projects.

Partner in the strict sense should probably only indicate an entity which is directly and actively involved (collaborates) in the planning, implementation or monitoring of an anti-corruption initiative without being the beneficiary of it.

Because of the insufficient clarity of the concept it is currently not possible to make any reliable statements about the levels of real collaboration between various agencies active in the field of anti-corruption work. Since enhancing donor Cupertino is one of the main objectives of the interagency co-ordination meeting, the group should agree upon the various forms and levels of co-ordination and collaboration.

**Suggested discussion point: Clarify and subdivide the concept of partnership (e.g. collaboration, co-ordination, information sharing).**

*It was agreed that in the future the fact sheet would differentiate between partners, donors and beneficiaries.*

It became also clear that most agencies seem more easily to collaborate within a concrete context such as a project or an activity. The next logical step as it had been already suggested during the first meeting would be to strengthen collaboration within the context of a pilot country. The meeting should further elaborate on this suggestion and possibly choose a concrete country as well as establish the terms of reference for such collaboration.

**Suggested discussion point: Choose a country for the pilot testing of a more systematic approach to donor co-ordination and establish the terms of reference for such collaboration.**

*The issue of the pilot testing of a more systematic approach to donor co-ordination was only touched upon shortly. Participants in particular discussed the issue within the context of the reconstruction of Afghanistan.*

## 5. Insufficient money being invested

### a) *Insufficient resources for anti-corruption initiatives*

Analysing the data sheets it becomes obvious that the amounts of money being invested to curb corruption does not even faintly match the extent and gravity of the problem of corruption. In 2001 more than US\$ 220 billion were invested in developing countries and countries in transition either in form of development aid or direct foreign investment,<sup>11</sup> while most likely less than US\$ 200<sup>12</sup> million (i.e. less than 0.1 %) were “invested” to protect this money from being diverted.

The total annual budget of the participating organisations that surely have to be considered at the forefront of the anti-corruption work not even amounts to a US \$ 60 Million<sup>13</sup>.

*UNDP* has a number of projects in different countries for which the budget for 1998-99 amounted to \$ 26.5 million and 2000-2001 \$ 29.2 million.

*DESA* in recent years has considerably increased its involvement in anti-corruption work. While in the period 1995-1997 *DESA* carried out only one anti-corruption project with a budget of US \$ 150.000 today *DESA*'s anti-corruption programme involves 9 countries as well as several regional activities with a budget of about US \$ 4.4 Million.

*CICP* has launched its Global Programme against Corruption in 1999 and today provides technical assistance to six countries with four additional projects pending. *CICP*'s budget since 1999 amounts to a US \$ 2,6 Million for anti-corruption activities. For the year 2002-03 the budget amounts to approx. \$1.7 Million.

---

<sup>11</sup> US\$ 52 billion was given as aid and another US\$ 170 billion was injected as direct investment.

<sup>12</sup> The current fact sheets are showing less than US\$ 100 million and we are adding another US\$ 100 million for the organisations not participating in the first survey.

<sup>13</sup> However, some organizations did not provide any information on their overall budget spent on anti-corruption initiatives

Since the Council of Europe has launched its various anti-corruption initiatives (OCTOPUS I and II, PACO and GRECO) approx. US \$ 1.1 Million were spent. The budget for 2002 amounts to a approx. US \$ 3.4 Million (GMC: € 245.000, GRECO: € 1,58 mil.; OCTOPUS € 600,000 and SPAI/PACO € 1Million.)

TI's budget for 2001 was \$ 5,5 million. The budget for 2002 was not communicated.

The OECD, EU, WCO and the Ethics Resource Centre did not lay open their current budget spent on anti-corruption initiatives.

Beyond its institutional mandate of facilitating law enforcement cooperation, Interpol currently is not active in providing technical cooperation to countries in the field of anti-corruption.

**Suggested discussion point: *What should be the target amount spent worldwide on anti-corruption work***

*It was agreed that funds currently being invested into anti-corruption work were grossly inadequate. 1 % of the aid and direct foreign investment were proposed as an investment target.*

***b) Low priority of international donor coordination***

Even when given the opportunity to increase cooperation the issue seems to have not the highest priority for many donor organizations. Out of 20 agencies active in the field of anti corruption work that were invited to the first meeting in February only 9 attended. At the second meeting 25 organizations were invited and again only 9 attended.

This raises the question is an interagency coordination useful at all and if that is so, what has to be done in order to increase the participation and allocation of resources to such an exercise.

Invited Institutions	Invited 1 <sup>st</sup> Meeting /2-5/2/02	Attended	Invited 2 <sup>nd</sup> Meeting /7-2/7/02	Attended	Fact Sheet
Depart of Economic and Social Affairs	Yes	Yes	Yes	No	Yes

Office of International Oversight Services	Yes	Yes	Yes	Yes	Yes
United Nations Development Programme	Yes	Yes	Yes	No	Yes
Office of Legal Affairs	Yes	No	Yes	No	No
Department of Public Information	Yes	Yes	Yes	Yes	No
United Nations Educational Scientific and Cultural Organization	No	No	Yes	No	No
United Nations Conference on Trade and Development	No	No	Yes	No	No
International Trade Centre	No	No	Yes	No	No
Organization of American States	Yes	No	Yes	No	No
European Commission	Yes	No	Yes	Yes	Yes
Economic Community of West Africa States	Yes	No	Yes	No	No
Council of Europe	Yes	Yes	Yes	Yes	Yes
Commonwealth Secretariat	Yes	No	Yes	No	No
Interpol	Yes	Yes	Yes	No	Yes
Europol	Yes	No	Yes	No	No
Organization of African Unity	Yes	No	Yes	No	No
Commonwealth of Independent States	Yes	No	Yes	No	No
Organization of Economic Co-operation	Yes	Yes	Yes	No	Yes
African Development Bank	Yes	No	Yes	No	No
Asian Development Bank	Yes	No	Yes	No	No
Inter-American Development Bank	Yes	No	Yes	Yes	No
European Bank for Reconstruction and Development	Yes	No	Yes	No	No
World Bank	Yes	No	Yes	Yes	Partial
International Monetary Fund	Yes	No	Yes	No	No
Southern Africa Development Community	Yes	No	Yes	No	No
Ethics Resource Centre	No	No	Yes	Yes	Yes
Transparency International	Yes	Yes	Yes	Yes	Yes
World Customs Organization	No	No	Yes	No	Yes



**Suggested discussion point: *Desirability of a project on interagency co-ordination.***

*It was agreed that the UN agencies should take the lead to receive a formal mandate from the UN Senior Management Group as well as the necessary funds to further support the work of the interagency task group.*



**Past, Present and Future Technical Assistance Initiatives in the field of anti-corruption across sectors and countries in Africa**

Recipient countries	Awaren. Raising	Action Plan, Nat. Integrity Program & WS	Legis.	Inter-sector coord. & coop.	Civil Society & Media & Education	Prevent.	Financial Sector & Audit	Tax authority & Customs	Private Sector	Public Sector	Civil Service Reform	Election	Parliament	AC Agency	Judiciary	Law Enforce.	Procurement	Local Gov./ Decentral.	Assessment
Benin																			
Botswana																			
Burkina Faso	UNDP	DESA														DESA			
Burundi	UNDP/ DESA	UNDP							UNDP	UNDP			UNDP			DESA			
Cameroon																			
Cape Verde																			
Chad																			
Rep. of Congo	UNDP					UNDP									UNDP	UNDP			
Ethiopia	UNDP																		
Guinea Bissau																			
Guinea Conakry			UNDP													UNDP			
Ivory Cost																			
Kenya																			
Lesotho		WCO																	
Liberia																			
Mauritania																			
Malawi	TI			TI															
Mali		WCO?																	

Mauritius									UNDP							UNDP			
Mozambique	UNDP	WCO?								UNDP								UNDP	
Namibia																DESA			
Nigeria														UNDP	CICP	UNDP			
Rwanda	UNDP	UNDP	UNDP																
Senegal		WCO																	
Sierra Leone																			
South Africa	ERC	CICP	CICP TI		ERC	ERC	OECD		ERC	ERC							CICP TI		
Sudan											DESA								
Swaziland																	DESA		
Tanzania	UNDP TI		UNDP TI	TI					DESA	DESA							TI UNDP		
Recipient countries	Awaren. Raising	Action Plan, Nat. Integrity Program & WS	Legis.	Inter-sector coord. & coop.	Civil Society & Media & Education	Prevent.	Financial Sector & Audit	Tax authority & Customs	Private Sector	Public Sector	Civil Service Reform	Election	Parliament	AC Agency	Judiciary	Law Enforce.	Procurement	Local Gov./ Decentral.	Assessment
Togo																DESA			
Uganda	TI	UNDP WCO	DESA											UNDP		TI			
Zambia								WCO		DESA									

**Past, Present and Future Technical Assistance Initiatives in the field of anti-corruption across sectors and countries in Asia**

Recipient countries	Awaren. Raising	Action Plan, Nat. Integrity Program & WS	Legis.	Inter-sector coord. & coop.	Civil Society & Media & Education	Prevent.	Financial Sector & Audit	Tax authority & Customs	Private Sector	Public Sector	Civil Service Reform	Election	Parliament	AC Agency	Judiciary	Law Enforce.	Procurement	Local Gov./ Decentral.	Assessment
Armenia	CoE		DESA CoE OECD			CoE	OECD		OECD				DESA			CoE			
Arzeijbaijan	CoE		CoE			CoE	OECD		OECD							CoE			
Bangladesh		WCO	UNDP							UNDP									
China			UNDP				OECD		OECD	UNDP									
South Corea	ERC	WCO?					ERC												
East Timor						UNDP				UNDP									
Georgia	UNDP	UNDP	OECD CoE			CoE	OECD		OECD							CoE			
Hong Kong	ERC					ERC	OECD		ERC	ERC									
Indonesia		UNDP	UNDP TI	TI	UNDP						UNDP				CICP UNDP	TI			
India		WCO	TI			TI	OECD									TI			
Japan		WCO																	
Kazakhstan			OECD						OECD										
Kyrgyzstan	UNDP		OECD						OECD										
Malaysia	TI			TI			OECD												
Mongolia	UNDP	UNDP					OECD		OECD				UNDP						
Nepal															UNDP				

Pakistan	TI									UNDP									
Papua New Guinea	TI		TI													TI			
Philippines						UNDP													
Singapore								OECD											
Sri Lanka		WCO																	
Tajikistan			OECD							OECD									
Thailand																			
Turkmenistan			OECD							OECD									
Uzbekistan			OECD													OECD			
Vietnam		WCO						OECD								OECD			

**Past, Present and Future Technical Assistance Initiatives in the field of anti-corruption across sectors and countries in the Middle East and Arab World**

Recipient countries	Awaren. Raising	Action Plan, Nat. Integrity Program & WS	Legis.	Inter-sector coord. & coop.	Civil Society/ Media & Education	Prevent.	Financial Sector & Audit	Tax authority & Customs	Private Sector	Public Sector	Civil Service Reform	Election	Parliament	AC Agency	Judiciary	Law Enforce.	Procurement	Local Gov./ Decentral.	Assessment
Egypt							OECD												
Lebanon	CICP	CICP				CICP													
Libya																			
Iran															CICP				

Israel							OECD											
Jordan		WCO					UNDP	DESA								UNDP		
Morocco	UNDP					UNDP	UNDP OECD											
United Arab Emirates	ERC					ERC			ERC	ERC								
Yemen										DESA								

**Past, Present and Future Technical Assistance Initiatives in the field of anti-corruption across sectors and countries in Europe**

Recipient countries	Awaren. Raising	Action Plan & Nat. AC Program & WS	Legis.	Inter-sector coord. & coop.	Civil Society/ Media & Education	Prevent.	Financial Sector & Audit	Tax authority & Customs	Private Sector	Public Sector	Civil Service Reform	Election	Parliament	AC Agency	Judiciary	Law Enforce.	Procur. ment.	Local Gov./ Decentral.	Assess- ment
Albania	CoE		CoE OECD			CoE	OECD		OEDC	OECD						CoE			
Belarus			OECD				OECD		OECD										
Bosnia Herzegovina			OECD				OECD			OECD									
Bulgaria	CoE EU		CoE			CoE	OECD	EU	OECD	OECD					CoE EU	CoE			
Croatia	CoE		OECD CoE			CoE	OECD	OECD	OECD							CoE			
Cyprus			EU				EU												
Czech Rep.	CoE EU	EU WCO	CoE ERC			CoE									ERC	CoE EU			
Estonia	CoE		CoE			CoE	OECD	EU	OECD	OECD					OECD	CoE OECD			
FYR Yugoslavia	UNDP		UNDP				UNDP												
FYR of Macedonia	CoE		CoE OECD			CoE	UNDP		OECD							CoE			



Hungary	CICP CoE	CICP EU	CoE EU	EU	EU	CoE	CoE									CoE EU	EU		EU
Kosovo	CoE		CoE							OECD						CoE			
Latvia	CoE	EU	CoE OECD EU	EU	EU	CoE EU	OECD EU	EU	OECD	OECD EU					OECD	CoE OECD EU			EU
Lithuania	CoE		CoE EU			CoE	OECD	EU	OECD	EU	EU				OECD	CoE OECD			
Moldova	CoE		CoE OECD			CoE	OECD		OECD							CoE			
Montenegro			CoE													CoE			
Poland	CoE		CoE		EU	CoE	EU	EU								CoE UNDP			

Recipient countries	Awaren. Raising	Action Plan & Nat. AC Program & WS	Legis.	Inter-sector coord. & coop.	Civil Society/ Media Education	Prevent.	Financial Sector & Audit	Tax authority & Customs	Private Sector	Public Sector	Civil Service Reform	Election	Parliament	AC Agency	Judiciary	Law Enforce.	Proure-ment	Local Gov./ Decentral.	Assess-ment
Romania	CoE		CoE CICP OECD	EU		CoE	OECD	EU	OECD						CICP EU	CICP CoE			
Russia	CoE ERC		OECD CoE		ERC	CoE	OECD		OECD ERC	OECD CoE ERC						CoE		ERC	
Slovakia	CoE	EU	CoE OECD	EU		CoE	OECD	EU	OECD							OECD CoE			
Slovenia	CoE		CoE	EU		CoE	OECD		OECD							CoE OECD			
Turkey	ERC				ERC					ERC									
Ukraine	UNDP CoE	UNDP	CoE UNDP OECD			CoE	UNDP		CoE							CoE			

### Technical Assistance Initiatives in the field of anti-corruption across countries and sectors in Latin America and the Caribbean

Recipient countries	Awaren. Raising	Action Plan & Nat. AC Program & WS	Legis.	Inter-sector coord. & coop.	Civil Society/ Media & Education	Prevent.	Financial Sector & Audit	Tax authority & Customs	Private Sector	Public Sector	Civil Service Reform	Election	Parliament	AC Agency	Judiciary	Law Enforce.	Procurement	Local Gov./ Decentral.	Assessment
Argentina							TI OECD												
Bolivia		UNDP			UNDP					UNDP	UNDP					UNDP			
Brazil							OECD												
Chile							OECD												
Columbia							OECD										CICP	CICP	
Ecuador																			
Guatemala															CICP	CICP		UNDP	
N. Antilles																			
Haiti																			
Panama					UNDP				TI										
Peru							OECD												
St. Vincent			UNDP																
Uruguay														UNDP					
Venezuela		WCO					OECD												



**Activities carried out by bodies focusing on preventing and controlling corruption internally within their respective Institutions, such as institutions Office of Internal Oversight Service (OIOS) an the World Bank Department for Institutional Integrity.**

<b>Fields of activities</b>	<b>OIOS</b>	<b>WB</b>
Data mining	X	X
Debarment of contractors		X
External cooperation: <ul style="list-style-type: none"> <li>• technical cooperation</li> <li>• collaboration with law enforcement agencies</li> <li>• corruption diagnostics</li> </ul>	X X	X X
Follow-up: <ul style="list-style-type: none"> <li>• reactive assessment of institutional and organizational propensity towards corruption propensity</li> <li>• monitoring of sanctioning of corrupt and fraudulent practices</li> </ul>	X	X
Pro-Active Fraud Audits		X
Reactive Investigations	X	X
Mainstreaming integrity and anti-corruption		X
Management Audit	X	
Monitoring and evaluation	X	
Pro active Audits and Audit	X	
Ethics Training		X

## 6. Fact Sheet: Guidelines for the completion of the fact sheet:

Name of the Organization								
<b>Anti-Corruption Mandate, Strategy and Core Programme Activities</b>								
<b>Activities in the past</b>								
<i>Place</i>	<i>Sectors</i>	<i>Objectives</i>	<i>Ending date</i>	<i>Budget</i>	<i>Project Manager (contact detail)</i>	<i>Partners</i>	<i>Beneficiaries</i>	<i>Donors</i>
<b>Current activities</b>								
<i>Place</i>	<i>Sectors</i>	<i>Objectives</i>	<i>Invisaged Ending date</i>	<i>Budget</i>	<i>Project Manager (contact details)</i>	<i>Partners</i>	<i>Beneficiaries</i>	<i>Donors</i>
<b>Future Activities</b>								
<i>Place</i>	<i>Sectors</i>	<i>Objectives</i>	<i>Ending date</i>	<i>Budget</i>	<i>Project Manager (contact detail)</i>	<i>Partners</i>	<i>Beneficiaries</i>	<i>Donors</i>
<b>Human and Financial Resources</b>								
<i>Total Budget</i>			<i>Donors</i>			<i>Number of Staff</i>		
						<i>At Headquarters</i>	<i>In the field</i>	
<b>Contacts</b>								
		<i>Names</i>	<i>Address</i>					
<i>Headquarter</i>								
<i>Field Offices</i>								

In order to facilitate the information sharing process, CICP kindly requests that organisations comply with the proposed fact sheet and possibly use the following categories to describe the sectors in which the

respective activity or project is taking place. If the initiative covers activities in several sectors all of them should be indicated.

If your agency/body assists countries in the fight against corruption, the following terms should be used to indicate the sector(s): Awareness Raising / Action Planning and National Anti-Corruption Strategy / Legislation / Intersector and Interagency co-ordination and co-operation / Civil Society, Education, Media / Prevention / Financial Sector and Audit / Tax Authority and Customs / Private Sector / Public Sector / Procurement / Civil Service Reform / Election / Parliament / Anti Corruption Agency / Judiciary/ Law Enforcement (Police, Prosecution and other law enforcement institutions in strictu sensu) / Local Government and Decentralisation / Assessment of Corruption Situation.

If you agency/ body focuses on preventing and controlling corruption internally, within your own organisation, the following terms should be used to indicate the sector(s): Data Mining / Debarment of contractors / External co-operation: technical co-operation, collaborations with law enforcement agencies, corruption diagnostic / Follow-up: reactive assessment of institutional and organizational propensity towards corruption propensity, monitoring of sanctioning of corrupt and fraudulent practices / Pro-Active Fraud Audits / Reactive Investigations/ Mainstreaming integrity and anti-corruption / Management Audit / Monitoring and evaluation / Pro active Audits and Audit / Ethics Training.