

Concept Note

Expert Group Meeting on Transparency in Political Finance

21 May 2019, Prague

Background

In 2018, the international community celebrated the 15th anniversary of the United Nations Convention against Corruption (Convention), adopted by the UN General Assembly on 31 October 2003. The Convention, which provides the only global legally binding framework for preventing and combatting corruption, has achieved near-universal adherence with 186 Parties.

The Preamble of the Convention refers to “cases of corruption that involve vast quantities of assets, which may constitute a substantial proportion of the resources of States and that threaten the political stability and sustainable development of those States”¹. In November 2017, the Conference of States Parties (CoSP) adopted resolution 7/2 entitled “Preventing and combatting corruption in all its forms more effectively, including, among others, when it involves vast quantities of assets, based on a comprehensive and multidisciplinary approach, in accordance with the United Nations Convention against Corruption”².

Resolution 7/2 was the first resolution to focus on the issue of corruption involving vast quantities of assets. In the resolution, States parties expressed concern about this form of corruption and requested UNODC to compile information on experiences and best practices to tackle it more effectively. In December 2018, UNODC convened the first Global Expert Group Meeting on Corruption involving Vast Quantities of Assets in Lima, Peru, in partnership with the Ministry of Foreign Affairs of Peru (see: <https://www.unodc.org/unodc/en/corruption/meetings/Lima-egm-2018.html>). That meeting aimed specifically to: (1) share lessons learned from the investigation of corruption cases involving vast quantities of assets, notably in terms of challenges and best practices; (2) consider the impact of corruption involving vast quantities of assets on security, the environment and the enjoyment of human rights; and (3) start identifying good practices to tackle corruption involving vast quantities of assets effectively, notably through criminal and civil measures and remedies to enhance international cooperation and asset recovery and the identification of beneficial owners of corporate vehicles abused in such corruption cases.

Around 80 experts specialized in investigating and prosecuting corruption involving vast quantities of assets coming from nearly 40 countries from all over the world took part in this first Global Expert Group Meeting on Corruption involving Vast Quantities of Assets. The Expert Group adopted an outcome statement at the end of the meeting, available [here](#). The statement acknowledged the various challenges and best practices identified during the meeting, as well as the impact of corruption involving vast quantities of assets on peace, security, human rights and the environment. The statement concluded with the following salient points, among others, on the way forward:

- (1) The experts recognized corruption involving vast quantities of assets as a threat to global peace and security, the enjoyment of human rights, and a liveable climate and biodiversity.

¹ http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf

² <http://www.unodc.org/documents/treaties/UNCAC/COSP/session7/V1800228e.pdf>

- (2) The experts encouraged continued learning on this important topic and the replication of successful policies identified during the meeting in order to prevent and combat corruption involving vast quantities of assets.

[...]

- (7) As a follow-up to the Lima Expert Group Meeting, the next meeting of experts, to be held in Oslo in June 2019, will focus on innovative ways of tackling the drivers and enablers of corruption involving vast quantities of assets.

The Lima Statement on Corruption involving Vast Quantities of Assets recognized various drivers of corruption involving vast quantities of assets. Most notably, in many cases, politically exposed persons (PEPs) pursue financial resources to stay in power. Experts noted “the need to explore mechanisms to reduce the costs of electoral campaigns, as well as to regulate election financing and increase transparency and accountability for political party financing.”

The Lima Statement also identified the following key enabling factors of corruption involving vast quantities of assets:

- (1) The availability of corporate structures that conceal beneficial ownership and financial and legal intermediaries willing to assist corrupt actors in hiding stolen assets abroad;
- (2) The frequent harassment, intimidation, physical attacks and sudden deaths of key witnesses, whistle-blowers and those investigating, prosecuting and adjudicating corruption cases involving vast quantities of assets; and
- (3) Conducive environments where PEPs are able to control all branches of power, notably the executive, legislative and judicial powers, as well as mass media.

In 2019, the United Arab Emirates will host the eighth session of the Conference of States Parties (CoSP) to the Convention in Abu Dhabi from 16 to 20 December. In the run-up to the CoSP, UNODC will host a second Global Expert Group Meeting on Corruption involving Vast Quantities of Assets in Norway in June 2019. The Expert Group Meeting (EGM) in Oslo, Norway, will discuss the outcome of the Lima Expert Group Meeting and will seek to analyse in more detail the various drivers and enablers of corruption involving vast quantities of assets, in order to adopt forward looking policy proposals, principles or recommendations to better prevent and combat corruption involving vast quantities of assets.

In preparation for the second EGM in Oslo, Norway, UNODC, in partnership with the International Foundation for Electoral Systems (IFES) and the OSCE Office for Democratic Institutions and Human Rights (ODIHR), will convene a smaller EGM on “Transparency in Political Finance”. The Convention stipulates in Article 7 (3) “Each State Party shall consider adopting appropriate legislative and administrative measures [...] to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties.” constitutes a follow-up to the adoption by the Conference of resolution 7/2 in November 2017 in Vienna, Austria, and intends to inform the discussions during the next CoSP in December 2019 on this important topic. Article 9 (2) also provides “Each State Party shall [...] take appropriate measures to promote transparency and accountability in the management of public finances. Such measures shall encompass, inter alia: [...] (b) Timely reporting on revenue and expenditure;”

A number of other Conventions and international organizations have looked at political finance, but no concerted attempts have been made at developing global principles for transparency in political finance. Given the importance of political finance in the context of corruption involving vast quantities of assets,

the EGM in Prague, Czechia, will provide an opportunity to discuss the existing standards and explore the desirability of global principles in this field.

Purpose

The Expert Group Meeting (EGM) in Prague will consider existing norms and practices around the world on transparency in political finance and suggest some common principles to be considered by the participants at the EGM in Oslo, Norway.

In this regard, participants will be expected to:

- (1) Share lessons learned from their experiences in strengthening transparency in political finance;
- (2) Identify good practices to enhance transparency in political finance;
- (3) Propose possible principles for transparency in political finance to be considered by the EGM in Oslo, Norway.

Participants

The participants will be experts, in particular, international policy-makers and practitioners with a long-standing experience in anti-corruption and electoral assistance programmes.

Methodology

The EGM will be convened for one day at the Villa Grebrovka (<http://ceeliinstitute.org/villa-grebovka/history/>) in Prague. The EGM will comprise presentations on:

- UNCAC and its implementation,
- Existing standards and norms on transparency in political finance,
- Identification of common ground towards the development of good practices and principles on transparency in political finance.