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The following document is being circulated in accordance with paragraph 1 (i) of resolution 4/6 of the Conference of the States Parties to the United Nations Convention against Corruption and rule 17, paragraph 3 (b), of the rules of procedure for the Conference.

* The present document is processed in the form in which it was received.





25.11.2021

Honduras: Civil Society Report
by Asociación para una Sociedad más Justa
An input to the UNCAC Implementation Review Mechanism:
First year of review of UNCAC Chapters II and V

-Executive Summary-

This is the executive summary of a civil society shadow report from December 2021 that reviews Honduras's implementation and enforcement of selected articles in UN Convention against Corruption (UNCAC) Chapters II (Preventive Measures) and V (Asset Recovery). The report was supported by the UNCAC Coalition and is intended as a contribution to the UNCAC peer review process of Honduras covering those two chapters. The full report is available on the UNCAC Coalition's website.¹

While Honduras has made some progress towards developing normative legal frameworks for the application of articles of Chapter II and V of the UNCAC, several challenges remain in their effective implementation. There is a need for depoliticization of institutions, uniform regulations and stricter oversight and sanctioning mechanisms to advance anti-corruption efforts in the country.

Assessment of the review process

Has the government disclosed information about the country focal point?	Yes	Secretariat of Transparency (SDT)
Was the review schedule published somewhere?	No	There is no information published in this regard and the Secretariat of Transparency does not have a web portal, only very recently, its section in the Institute of Access to Public Information's transparency portal was enabled.
Was civil society consulted in the preparation of the self-assessment checklist?	Yes	Two workshops have been held with CSO actors for the development of the anti-corruption strategy and to complete the self-assessment checklist, but it is important to increase participation. Likewise, these consultations should focus on CSOs to ensure more impartiality.
Was the self-assessment checklist published online or made available to civil society?	No	The information was not published because the SDT does not have a website for online access, and despite the two workshops held with CSOs and UNODC, there is no

¹ Soon available here: <https://uncaccoalition.org/new-civil-society-report-on-honduras/>.

		knowledge of the results obtained as a result of this joint work.
Did the government agree to a visit to the country?	Not yet	According to information provided by the SDT, due to scheduling issues, a tentative date to carry out the visit was set for the first days of February 2022.
Was a country visit undertaken?	Not yet	
Was civil society invited to provide input to the official reviewers?	Yes	Civil society representatives were invited to two workshops to develop a national-anti-corruption strategy in summer of 2021.
Was the private sector invited to provide input to official examiners?	Yes	The second workshop was attended by representatives of the private sector.
Has the government committed to publishing the full country report?	Yes	Through the government of Honduras's signing the UNCAC Coalition's Transparency Pledge - specifically principle 4 of establishes this obligation.

Main findings and Recommendations (R)

Prevention of corruption and impunity

While Honduras has several laws in place for the prevention of corruption, the main challenge lies in the application of the law, which includes ensuring compliance by institutions and public servants. Honduras complies with international commitments to promote regulations, but its responsibility to ensure compliance falls short, due to political factors, reflected in the lack of will on the part of the authorities. At the same time, the bodies in charge of enforcing policies and regulations lack financial resources and independence when applying the law. The current Penal and Criminal Procedural Codes, as well as the so-called impunity pacts, shield individuals from being prosecuted for certain corruption offences.

R: Create a real system that contains measures to prevent the fight against corruption, integrated by the public sector, private sector and civil society actors; provide oversight institutions with more budgetary and technical resources and independence. Modify Penal and Criminal Procedural Codes and repeal the so-called impunity pacts for effective prosecution for corruption offences.

Public sector employment

Employment in the public sector is governed by regulations dating from back to the 1960s, and many hires are made outside the Civil Service Law, under the regime of temporary contracts. At the same time, there are a series of special personnel hiring regimes that provide differentiated treatment. The selection of high positions and decision makers in the fight against corruption (prosecutors, auditors, judges) is highly politicized, lacking a meritocratic scheme, based on the negotiation of the different political forces in the National Congress. This produces serious limitations of independence and aggravates impunity in institutions central to the fight against corruption, which previously been strengthened when the Support Mission Against Corruption and Impunity in Honduras was instated between 2016-2020 in conjunction with the Special Prosecutorial Unit Against Impunity for Corruption. The latter two bodies managed to prosecute high-impact corruption cases, but their work was interrupted in early 2020.

R: Create a selection system for senior public officials based on meritocracy, transparency and inclusion of all sectors in their selection. Renew the selection system for intermediate and low public officials, since the criteria are outdated and no longer respond to the reality of the country.

Codes of conduct, conflicts of interest & asset declarations

Codes of conduct are not applied uniformly -there are several codes- and no real control of their implementation or sanctions are applied. According to the law, public officials must present declarations of conflicts of interest, but according to consultations with authorities in the area of oversight, these are not mandatory and are left to the discretion of the institutions. Moreover, no effort is made to verify the information provided by public servants in their asset declarations and they are of little use for the investigation of illicit enrichment or other crimes.

R: Ensure compliance with the regime of declarations of conflict of interest. Strengthen the asset declaration system, effectively checking compliance and applying sanctions in cases of non-compliance.

Political financing

A lack of deterrence, investigation, access to information and sanctions are the main shortcomings regarding political financing in Honduras, which makes illicit money entering campaigns too easy.

Public procurement

Public procurement continues to be one of the main corruption problems in the country. The dispersion of contracting regimes and a lack of institutions that can supervise or control the processes, often leaves monitoring up to civil society organizations or the media. In recent years, a clear link has been observed between corruption in public contracting and concessions, and campaign financing, even with the participation of drug traffickers. The most common practices are directed bidding processes, splitting of purchases and direct purchases where overpricing, influence peddling, bribery and the use of front companies or NGOs to launder transactions are observed.

R: Strengthen the public procurement system in the country and generate the necessary advocacy mechanisms so that decision-makers can incorporate them both in regulatory actions as well as in practice.

Private sector transparency

R: Establish measures for the private sector to adopt integrity, business probity and transparency programs through certifications and a culture of compliance.

Access to information and participation of society

Access to public information is one of the most advanced prevention areas, mainly due to a law that has been institutionalized after more than 10 years in force. However, the public requires easier access to transparency portals and to properly disaggregated quality information in open data format for effective social control.

R: Strengthen the Institute of Access to Public Information by giving it constitutional rank and promote the depoliticization of the institution. Conduct awareness raising campaigns on the right to public information targeting all groups of society, also those with limited level of digital literacy.

Anti-money laundering and asset recovery

There is a legal framework in place for anti-money laundering and asset recovery, but there are challenges of coordination among the responsible entities, mainly owing to distrust in the handling of information collected due to the lifting of banking secrecy, as in the case of the National Banking and

Insurance Commission, where it is difficult to share information. For more than 10 years, the Office for the Administration of Seized Assets has been called into question due to irregularities and inappropriate administration of assets under its custody, which has led to criticism and attempts to reform the legislation. The level of international cooperation is very low, since there are very few requests sent by the State of Honduras for the recovery of assets that are abroad as a result of crimes committed in the Honduran jurisdiction.

***R:** Improve anti-money laundering practices by strengthening the technical and financial capacities of the prosecutors' offices in charge of investigating and prosecuting these cases. Create greater controls from the governmental sector accompanied by the supervision of the civil society regarding the level of the operation of the Office for the Administration of Seized Assets. Promote the use of the international cooperation mechanism among judicial officials, so that, through the use of this tool, investigations can be reinforced, as well as to locate property or assets that have been diverted from the public administration abroad more quickly.*