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Position paper submitted by Indonesia
“ Efforts to facilitate asset recovery”

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**INDONESIA's POSITION PAPER ON
"EFFORTS TO FACILITATE ASSET RECOVERY"
First COSP of UNCAC
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1. Corruption is an illness that has to be fought at all levels. The seriousness of problems and threats posed by corruption to the stability and security of societies and individuals has been well-recognized and accepted. It undermines the institutions and values of democracy, ethical values and justice, and jeopardizing sustainable development and the rule of law. It impairs the ability of governments to fulfill human rights, particularly the economic and social rights of the most vulnerable and marginalized as well as the right to development.
2. Governments, private sector, and society at large have been relentlessly trying to work closely in fighting this illness. A considerable amount of commitments and pledges has been pouring over the years to fight corruption at all levels. Heads of Governments and States had in many occasions reiterated their staunch commitment to cooperate closely in fighting corruption. The World Summit 2005 urged all States to become parties to the relevant international conventions on transnational organized crime and corruption and to implement them effectively. Monterrey Consensus on Financing for Development underlined that fighting corruption at all levels is a priority. Johannesburg Declaration on Sustainable Development even declared corruption a threat to the sustainable development.
3. More importantly, Heads of States and Governments have been urging all countries to intensify international and regional cooperation to deny safe havens to officials and individuals guilty of corruption, those who corrupt them and their illicitly-acquired asset, and to prosecute those engaged in bribery. This new development has to be embraced.
4. With such high-level of commitments and pledges, community of anti-corruption has in its possession a valuable political capital to undertake its core objectives of reducing corruption and providing further disincentives for corruption to occur. The commitments of heads of states and governments have also to be translated into concrete actions with tangible impacts. There are some instances on how actions taken had not produced real impacts. Impacts are essential in the fight against corruption.
5. To proceed in taking concrete actions against corruption with concrete impact, we need to assess the global efforts against corruption and what are the major impediments to implement them. We come into conclusion that effective international cooperation is far from reaching its optimum curve and brings about tangible effects in reducing corruption. One of the weak points of the chain of cooperation in fighting corruption is the slowness in returning illicitly acquired asset to the countries of origin or requesting states.
6. Corrupt officials and their associates can transfer their assets in a blink of eye by using Information and Communication Technology (ICT). ICT has immensely facilitated capital movement across jurisdictions. It fosters unprecedented growth and promotes democratic values. Place and time have been rapidly shrunk in our era with ICT.
7. However, ICT in the wrong hands with deceit purposes will only bring havocs and pain to any given country. A wire transfer from X country to a far flung place can be done in no time. A single click from one's laptop can transfer billions of dollars. Such click can also bring tremendous pains to many developing countries if such click represents billions of dollars of illicitly acquired assets.
8. The irony of this tale is it will take time and considerable resources to return illegitimately-acquired assets. It is such a disproportionate fact. A corrupt official can easily transfer its illicitly-acquired asset in

no time but a victimized country will have to wait an eternity before it can be able to reap the benefit of such asset upon its return.

9. A surge of impediments will suddenly rise when country like Indonesia decides to extradite officials guilty of corruption and repatriate their illicitly-acquired asset. There is a handful of successful efforts to facilitate asset recovery such as the case of the Philippines and Nigeria. The international community can learn from their experiences and how they establish constructive dialogues and cooperation with relevant parties. However, we have to recognize that there is a lack of progress in asset recovery to the country of origin. Such lack of progress impedes efforts conducted by developing countries to promote sustainable development and implement rule of law. The knowledge that it would take an eternity to return illicitly-acquired asset to the country of origin/requesting state provides enormous incentives for corrupt officials to carry on their illegitimate activities. Thus, a speedy return of illicitly-acquired asset to the requesting states will exceedingly assist efforts to prevent corruption and expunge a culture of impunity.
10. At the same time, billions of dollar of illicitly-acquired asset have been circulating the world with great impunity. Such asset has brought about economic growth and welfare to those that can properly utilize it. Such asset is a source of “cheap money” for those harboring it. But, for the victimized state, namely developing countries, it is a source of “expensive money.” The UN Convention against Corruption represents a hope for all of us in curbing such vice practice that has taken the lives of many impoverished individuals and societies. The effective implementation of the United Nations Convention against Corruption has concrete impact in advancing the commitment of the international community towards a more secure and just world.
11. The Convention recognized that to facilitate asset recovery to the country of origin requires strong and effective bilateral, regional, and international cooperation. We also need to engage the private sector, at both the international and the national levels, including small, medium, large and transnational companies to remain fully engaged in the fight against corruption. Various works have been undertaken by countries, regional, and international organizations, and non-governmental organizations to promote corporate responsibility and accountability. National and international financial institutions have also crucial roles in facilitating international efforts in asset recovery and their involvements have to be sought.
12. Indonesia views that Chapter V of the Convention offers a truly groundbreaking mechanism to repatriate illicitly-acquired asset. However, the complexity of the situation on the ground and the novelty of Chapter V dictated all of us to coordinate efforts to further our understanding on asset recovery.
13. For the above-mentioned reasons, Indonesia views that this Conference should establish an ad-hoc expert working group. The Ad-Hoc has to be composed of highly-qualified experts representing equitable geographic representation. This Ad-hoc will be in line with paragraph 7 of Article 63 of the Convention. Its main purpose is to assess the progress of implementation of Chapter V in a comprehensive manner and to provide practical recommendations. The Ad Hoc would further facilitate our understanding the root causes of such impediments and to assess the difficulty to implement Chapter V of this Convention. It could help our efforts to establish stronger international cooperation to fight corruption.
14. Indonesia offers its readiness to host one session of the Working Group soon after its composition has been decided.

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Jordan, 10th December 2006