



# Conference of the States Parties to the United Nations Convention against Corruption

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## Open-ended Intergovernmental Working Group on the Prevention of Corruption

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### Good practices in the prevention of corruption and regulation models in the public sector\*

Background paper prepared by the Secretariat

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\* This document has not been formally edited.



## I. Introduction

1. At its third session, held in Doha from 9 to 13 November 2009, the Conference of the States Parties to the United Nations Convention against Corruption adopted resolution 3/2 on measures to prevent corruption. In that resolution, the Conference decided to establish an interim open-ended intergovernmental working group to advise and assist it in the implementation of its mandate on the prevention of corruption. The working group was set up in accordance with article 63 of the United Nations Convention against Corruption.<sup>1</sup>

2. In the same resolution, the Conference decided that the working group should perform the following functions:

(a) Assist the Conference in developing and accumulating knowledge in the area of prevention of corruption;

(b) Facilitate the exchange of information and experience among States on preventive measures and practices;

(c) Facilitate the collection, dissemination and promotion of best practices in corruption prevention;

(d) Assist the Conference in encouraging cooperation among all stakeholders and sectors of society in order to prevent corruption.

3. In the same resolution, the Conference requested the United Nations Office on Drugs and Crime (UNODC) to collect, analyse and disseminate information on good practices in the field of prevention of corruption, taking into account existing expertise within the United Nations system and other relevant organizations and focusing particularly on public procurement, management of public financing, integrity and transparency in public administration, awareness-raising initiatives and partnerships between the public and the private sectors to prevent corruption. The Conference further requested the Office to collect, analyse and disseminate information on existing regulation models for the public sector, including provisions addressing conflict of interest, and on professional codes of conduct, and to report on such efforts to the working group.

4. Pursuant to resolution 3/2, the present background paper reflects an attempt to collect and provide a preliminary analysis of good practices in preventing corruption in the aforementioned areas. While endeavouring to take into account existing expertise within the United Nations system and other relevant organizations, the present report does not purport to be comprehensive. It rather provides an overview of practices in preventing corruption as identified by relevant agencies, funds and programmes of the United Nations and other relevant organizations, or as supplied by the States parties to the Convention.

5. In this respect, it is worth recalling that in its resolution 1/2, the Conference of the States Parties decided that a self-assessment checklist shall be used as a tool to facilitate the provision of information on implementation of the Convention. In the same resolution, the Conference urged States parties to the Convention, and invited signatory States, to complete and return the checklist to the Office within the

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<sup>1</sup> United Nations, *Treaty Series*, vol. 2349, No. 42146.

deadline identified by it. To date, 91 States parties have provided information on implementation of a limited number of articles of the Convention. While an aggregate analysis of this information was presented to the Conference at its second<sup>2</sup> and third<sup>3</sup> sessions, the present report provides a more accurate account of reported efforts and practices to implement relevant articles of the Convention, such as articles 5 and 9, paragraphs 2 and 3, which regulate preventive anti-corruption policies and practices and the management of public finances respectively.

6. Recognizing that existing expertise and literature on preventing corruption in public procurement are broader than those related to other areas of corruption prevention, an account of good practices in preventing corruption in public procurement is provided in a separate background paper prepared by the Secretariat (CAC/COSP/WG.4/2010/3).

## II. Good practices in preventing corruption in the management of public finances

7. The proper management of public finances plays a key role in preventing corruption. Unclear or weak regulation and procedures for budget preparation and adoption, or the lack of scrutiny and monitoring of public spending, create vulnerabilities to malpractices and often corruption. Knowledge of efficient practices in managing public finances is therefore an indispensable step for the identification, transfer and adaptation of good practices.

8. At the international level, a number of organizations have collected good practices in the management of public finances. The Public Governance and Management website of the Organization for Economic Cooperation and Development (OECD) hosts information on Public Financial Management: Budgeting and Public Expenditures, and Public Finance.<sup>4</sup> The same website features good practices in Budgeting and Public Expenditure, and Public Finance. The Public Financial Management (PFM) Reform Database<sup>5</sup> of the World Bank contains information on Public Financial Management reform, including country case studies, good practices, reference models, tips and guidance. The website of the United Nations Procurement Capacity Development Centre (PCDC) links a broad network of individuals and organizations in both developed and developing countries. This website provides a forum for the exchange of information on procurement capacity development research, analysis, approaches, tools and lessons learned.<sup>6</sup>

9. Good practices are also found on the websites of the Asian Development Bank (section on financial management),<sup>7</sup> Inter-American Development Bank (section on public finance),<sup>8</sup> and Collaborative Africa Budget Reform Initiative.<sup>9</sup> Also the

<sup>2</sup> CAC/COSP/2008/2.

<sup>3</sup> CAC/COSP/2009/9.

<sup>4</sup> [www.oecd.org/topic/0,3373,en\\_2649\\_37405\\_1\\_1\\_1\\_1\\_37405,00.html](http://www.oecd.org/topic/0,3373,en_2649_37405_1_1_1_1_37405,00.html).

<sup>5</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTFINANCIALMGMT/0,,menuPK:313336~pagePK:149018~piPK:149093~theSitePK:313218,00.html>.

<sup>6</sup> [www.unpcdc.org](http://www.unpcdc.org).

<sup>7</sup> [www.adb.org/Financial-Management/default.asp](http://www.adb.org/Financial-Management/default.asp).

<sup>8</sup> [www.iadb.org/en/topics/public-finances/public-finances,1199.html](http://www.iadb.org/en/topics/public-finances/public-finances,1199.html).

website of the U4 Anti-Corruption Resource Centre, in a section on Corruption in Public Financial Management,<sup>10</sup> provides best practices and lessons learned.

10. The United Nations Department of Economic and Social Affairs (UNDESA) and UNDP published a handbook entitled “Public Sector Transparency and Accountability in Selected Arab Countries: Policies and Practices”<sup>11</sup> in 2004. The handbook provides an account of public financial management across the region. On its website, the Public Expenditure and Financial Accountability (PEFA),<sup>12</sup> a partnership between the World Bank, the European Commission, the International Monetary Fund and various donors, showcases the PFM Performance Measurement Framework, which provides information on measurement and monitoring of public financial management performance. At present, this website contains over 80 PEFA country assessment reports based on performance indicators listed in the Framework. While focusing on monitoring and results, these reports also highlight national good practices.

11. Conscious of the importance of a transparent and accountable financial management system to prevent corruption, the United Nations Institute for Training and Research (UNITAR) will conduct an e-learning course on “Combating Corruption in Public Financial Management” in February and March 2011. The course consists of five modules: introduction to the concept of corruption; corruption in public financial management; measures to combat corruption in public financial management; integrity management systems: a measure to combat corruption; and corruption and money-laundering.

12. UNODC has collected a limited number of national practices related to the management of public financing. Some of the 91 States parties that had responded to the aforementioned experimental self-assessment checklist on implementation of the Convention had provided examples of successful implementation of article 9, paragraph 2, which mandates measures to promote transparency and accountability in the management of public finances, and paragraph 3, which provides for the integrity of documents related to public expenditure and revenue. While an aggregate analysis of reported compliance with these provisions is contained in documents CAC/COSP/2008/2 and CAC/COSP/2009/9, some reported examples of successful implementation merit further consideration.

13. Reporting on procedures for adoption of the national budget (article 9, paragraph 2a), Brazil had indicated that no investments whose execution exceeded the fiscal year could be implemented without prior inclusion in the four-year plan. The Budget Guidelines Law sought to synchronize the Annual Budget Law with the objectives and targets determined by the four-year plan. Nigeria had indicated that the Yearly Appropriation Act passed by its National Assembly provided for the constant review of implementation of the budget and oversight by the National Assembly.

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<sup>9</sup> [www.cabri-sbo.org/](http://www.cabri-sbo.org/); <http://www.cabri-sbo.org/en/publications-and-documents>.

<sup>10</sup> [www.u4.no/themes/pfm/main.cfm](http://www.u4.no/themes/pfm/main.cfm).

<sup>11</sup> [www.igac.net/pdf/publications\\_desa\\_arabtransparency\\_e.pdf](http://www.igac.net/pdf/publications_desa_arabtransparency_e.pdf).

<sup>12</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/PEFA/0,,menuPK:7313471~pagePK:7313134~piPK:7313172~theSitePK:7327438,00.html>.

14. Reporting on measures adopted to ensure timely reporting on revenue and expenditure (article 9, paragraph 2b), Brazil had indicated that its Federal Constitution provided for the obligation to publish, within 30 days from the closing of each two-month period, a summarized report on budget implementation. Brazil also reported that the Office of the Comptroller General's (CGU) had established the Web-based Transparency Portal. The portal contains information on resources spent by federal departments, or transferred to other levels of administration, providing an account of government transactions totaling over US\$ five trillion. Colombia had indicated that all public entities had to report on their revenue and expenditure to the Auditor General's Office, which was entitled to request correctional plans (104 such plans were submitted between March and October 2006). Reports on revenues and expenditures are entered in a database,<sup>13</sup> which also provides information on the implementation of the National Plan for Development. Afghanistan had indicated that a booklet detailing revenues and expenditures was published on a periodic basis (quarterly and annually) and posted on the website of the Ministry of Finance. Cyprus had indicated that it had a computerized financial information and management accounting system, which was used by all Ministries. The system provides daily updates on revenues and expenditures.

15. Reporting on measures adopted to establish or enhance accounting and auditing standards, (article 9, paragraph 2c), and systems of risk management and internal control (article 9, paragraph 2d), Nigeria had indicated that its National Assembly had the authority to summon and audit ministries, departments and agencies and seek explanations on budget implementation. Indonesia had reported that its State Audit Board was entrusted with the authority to audit the management of state finances. Indonesia had further indicated that each government institution had its own internal audit unit. Tanzania had reported that every ministry, department and organization had an internal audit unit, and that an annual aggregate report of such units was published by the Auditor General. Latvia had indicated that the Ministry of Finance submitted to the Cabinet of Ministers and the State Audit Office an annual report on the work of internal audit units of other ministries and institutions.

16. Reporting on measures adopted to ensure corrective action upon failure to comply with the requirements of the article 9, paragraph 2, (article 9, paragraph 2e), Canada had indicated that the Federal Accountability Act created a new offence of fraud involving public funds, which carried a fine from CAD\$ 5000 to CAD\$ 14000, and automatic dismissal of any public servant convicted of that offence.

17. Reporting on measures adopted to preserve the integrity of documents related to public expenditure and revenue (article 9, paragraph 3), the Philippines had indicated that infidelity in the custody of accounting books and records constituted an administrative offence for which public officials were subjected to dismissal from service and forfeiture of all benefits.

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<sup>13</sup> [www.sigob.gov.co](http://www.sigob.gov.co).

### III. Good practices in promoting integrity and transparency in public administration

18. The importance of adopting and implementing good practices that promote integrity and transparency in public administration is widely acknowledged. Lately, it has been further highlighted in response to the heavier demands imposed on public administrations by the need to react to the global financial crisis. Another recent line of discussion relating to transparency pertains to access to information. A number of initiatives at the international and national levels may provide useful guidance on relevant good practices.

19. In its resolution 2001/45, the Economic and Social Council (ECOSOC) established the United Nations Committee of Experts on Public Administration. The Committee, which meets annually in New York, supports the work of ECOSOC on the promotion and development of public administration and governance among Member States in connection with the UN Millennium Development Goals.<sup>14</sup> Its work programme for the years 2011-2013 includes work on institutions, practices, problems and policies relating to transparency and accountability in the public administration, including the relation between public administration and audit institutions.

20. The Division for Public Administration and Development Management of UNDESA promotes good governance and sound public administration. In this framework, the Division has carried out work on the nexus between corruption, poor administration and mismanagement, preparing studies, compilations of laws and practices, and organizing technical assistance activities. This work has facilitated, inter alia, the preparation and adoption of the Charter for the Public Service in Africa<sup>15</sup> and of the Ibero-American Charter for the Public Service<sup>16</sup> (see also section VI below).

21. UNDP is active both in the area of the fight against corruption and in the area of public administration. In this respect, it should be noted that the adoption of high standards of integrity and transparency in the public sector is key to the efficient delivery of the services necessary to achieve the Millennium Development Goals. One example of UNDP initiative dealing with transparency and accountability, including in the public sector, is represented by its Programme on Governance in the Arab Region (POGAR).<sup>17</sup> UNDP also supports States' efforts to establish merit-based measures in the public sector, including performance-based remuneration and compensation regimes.<sup>18</sup>

22. The OECD promotes integrity in public administration as a fundamental element of good governance.<sup>19</sup> In particular, the OECD is assisting countries in reviewing and modernizing their integrity framework by mapping out good practices and developing principles, guidelines and tools. Such reviews focus on the

<sup>14</sup> [www.unpan.org/cepa.asp](http://www.unpan.org/cepa.asp).

<sup>15</sup> UN doc. A/56/63-E/2001/21.

<sup>16</sup> UN doc. A/58/193.

<sup>17</sup> [www.pogar.org/governance/transparency-and-accountability.aspx](http://www.pogar.org/governance/transparency-and-accountability.aspx).

<sup>18</sup> UNDP, Institutional Reform and Change Management: Managing Change in Public Sector Organisations, 2006: [www.undp.org/capacity/instit.shtml](http://www.undp.org/capacity/instit.shtml).

<sup>19</sup> [www.oecd.org/gov/ethics/integrityframework](http://www.oecd.org/gov/ethics/integrityframework).

identification of those areas more vulnerable to misconduct, fraud and corruption. The methodology is based on the OECD Principles for Managing Ethics in the Public Service,<sup>20</sup> which may be used for guidance by policymakers at different levels of government. The OECD has also prepared diagnostic tools, benchmarks and indicators to facilitate country integrity framework reviews. Other relevant products of the work of the OECD include the Guidelines for Managing Conflict of Interest in Public Service<sup>21</sup> (see also section VI below).

23. Additional information may be found in the resources on e-government referred to in Section II of document CAC/COSP/WG.4/2010/3.

#### **IV. Awareness-raising initiatives to prevent corruption**

24. Raising public awareness of the negative effects of corruption is an integral part of any effective corruption prevention strategy. In its resolution 3/2, the Conference of the States Parties recognized that, while the implementation of the Convention is the responsibility of States parties, the promotion of a culture of integrity, transparency and accountability and the prevention of corruption are responsibilities to be shared by all stakeholders and sectors of society, in accordance with articles 7 to 13 of the Convention. Based on the experience of UNODC and other relevant organizations, as well as State parties' responses to the self-assessment checklist, this section provides a non-exhaustive catalogue of existing awareness-raising initiatives without endeavouring to assess their impact.

25. In its resolution 58/4 of 31 October 2003, the General Assembly designated 9 December as International Anti-Corruption Day to raise awareness of corruption and of the role of the UN Convention against Corruption in combating and preventing it. Ever since, many international organizations within the United Nations system and beyond have conducted major anti-corruption awareness-raising campaigns.

26. One of such campaigns is UNODC's "Your NO Counts".<sup>22</sup> The campaign aims to increase awareness of corruption and its negative impact on individuals and societies as well as promote the Convention and the observance of the International Anti-Corruption Day. To mark the International Anti-Corruption Day 2009, UNODC and UNDP developed a global campaign focusing on how corruption hinders the achievement of the Millennium Development Goals by impacting education, health, justice, democracy, prosperity and development. The campaign material included leaflets, posters, CDs and joint press releases. To further promote this campaign, UNODC invited all its field offices to mark the International Anti-Corruption Day and many heads of State participated in the activities organized by the field offices. Such activities included round-table discussions, public information fairs, press conferences, university seminars, essays and short film competitions to disseminate anti-corruption information through national TV and radio channels, newspapers and mobile phone networks. The 2009 "Your NO Counts campaign" also had a

<sup>20</sup> [www.oecd.org/dataoecd/60/13/1899138.pdf](http://www.oecd.org/dataoecd/60/13/1899138.pdf).

<sup>21</sup> [www.oecd.org/document/46/0,3343,en\\_2649\\_34135\\_41879598\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/46/0,3343,en_2649_34135_41879598_1_1_1_1,00.html).

<sup>22</sup> [www.unodc.org/yournocounts/](http://www.unodc.org/yournocounts/).

significant online resonance, both on its website and the corresponding Facebook group and through the UNODC Twitter feed.

27. UNODC and the Communication for Governance and Accountability Programme (CommGAP) of the World Bank organized an event in the margins of the third session of the Conference of the States Parties.<sup>23</sup> At the event, anti-corruption practitioners shared experiences on the establishment of collaborative relationships with the media and good practices in awareness-raising campaigns. The event highlighted that awareness-raising and educational activities are an integral part of anti-corruption work, and reiterated the importance of identifying success criteria for campaigns. It concluded that successful campaigns required wide support, coalition-building, strong leadership, mass exposure and public pressure. The following examples of anti-corruption campaigns are based on presentations delivered during this event.

28. The programme named “The Eagle Eye on Public Money” of the Office of the Comptroller General’s (CGU) of Brazil aims to promote change in society through education, access to information and social mobilization. To this end, CGU has developed an Online School, which offers free courses on internal control, social control, social control of the Government Education Programme, public procurement and contracts. CGU has also distributed over 1.5 million free copies of “The Eagle Eye on Public Money” booklets. The programme “One for All and All for One for Ethics and Citizenship” of CGU and the Mauricio de Sousa Institute is designed to foster citizenship, ethics and responsibility among educators, students, families and communities. Under these programmes, CGU has published comic books, organized short-film contests and drawing contests for children. CGU also has an awareness-raising website specifically designed for youngsters.<sup>24</sup>

29. The outreach team of the Rwandan Office of the Ombudsman travels the country to sensitize citizens to fight, reject and report corruption. Its target groups include secondary schools and learning institutions, civil servants, the private sector, civil society, the media and the police. The Office has also created anti-corruption clubs at secondary schools and learning institutes. To facilitate citizens’ reporting of corruption, it has established special cybercafés and toll-free telephone numbers. Other awareness-raising activities of the Office include signposts with anti-corruption messages, drama plays to sensitize citizens, integrity awards and anti-corruption cups for sports teams.

30. Based in the United States of America, 5th Pillar is a non-governmental organization engaged in a variety of awareness-raising initiatives, including the campaign “Zero Currency to Fight Corruption”. Under this campaign, 5th Pillar distributed zero currency notes with an anti-corruption message worldwide for citizens to hand them over to corrupt officials who ask for a bribe. In 2007, 5th Pillar distributed one million Zero Rupee Notes throughout India. The Zero Currency website<sup>25</sup> provides downloadable “Zero currencies” of many countries.

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<sup>23</sup> [www.unodc.org/yournocounts/en/events/doha-2009.html](http://www.unodc.org/yournocounts/en/events/doha-2009.html).

<sup>24</sup> [www.portalzinho.cgu.gov.br/](http://www.portalzinho.cgu.gov.br/).

<sup>25</sup> <http://zerocurrency.org/>.



31. Reporting on implementation of article 5 of the Convention through the self-assessment checklist, several States provided information on anti-corruption awareness-raising practices. The following are excerpts of States' responses.

32. The Anti-Corruption Bureau of Brunei Darussalam has utilized mass media to reach out to the local population with anti-corruption messages, including by broadcasting real-life dramas based on cases that were successfully prosecuted in court. Additionally, the Anti-Corruption Bureau and the Ministry of Education have launched a national educational campaign by requiring all educational institutions from the primary to the pre-university level to teach various aspects of corruption prevention. Other activities of the Bureau include community-based anti-corruption lectures, road shows and exhibitions.

33. Adopting a village-based approach, the Independent Commission against Corruption of Mauritius has established community-based integrity circles with the participation of community leaders, and has raised awareness of corruption at evening schools in various languages.

34. The Ministry of the Interior and Administration of Poland, in cooperation with other institutions, has set up a website to inform the public of the Government's anti-corruption efforts and disseminate information on national and international good practices to fight corruption. Through the website, the public can also report cases of corruption anonymously to competent authorities.

## **V. Partnerships between the public and the private sectors to prevent corruption**

35. In recent years, public and private actors have come to recognize that unilateral responses may not ensure effective and sustainable results in the fight against corruption. Commitment, participation and cooperation among all sectors of society, including government and businesses, are required for a comprehensive anti-corruption approach.

36. In its resolution 3/2, the Conference of the States Parties underscored the role that the private sector has to play in preventing and fighting corruption. Furthermore, in its resolution 3/4 on technical assistance, the Conference encouraged States and UNODC to continue to develop and promote coordinated partnerships, including between the public and private sectors, in order to leverage resources for advancing technical assistance efforts. Based on the experience of UNODC, other relevant organizations and existing literature, this section provides a non-exhaustive account of initiatives that have brought the public and private sectors together to collectively address corruption. An assessment of the impact of such initiatives has not been made.

### **A. Public-private partnerships at the international level**

37. The UN Global Compact,<sup>26</sup> the world's largest corporate responsibility initiative, was established in 2000. To date, it has over 7,500 signatories based in

<sup>26</sup> [www.unglobalcompact.org/](http://www.unglobalcompact.org/).

more than 135 countries and Local Networks existing or emerging in 90 countries. The UN Global Compact calls for companies to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. The 10th principle of the UN Global Compact states that “Business should work against corruption in any form, including bribery and extortion”. Adopted in June 2004, shortly after the adoption of the UN Convention against Corruption by the General Assembly, the 10th principle underscores that public and private actors share responsibility for fighting corruption. The Convention is the 10th principle’s underlying legal instrument.

38. The Working Group on the Implementation of UN Global Compact’s 10th Principle is a multi-stakeholder platform consisting of more than 50 organizations representing business, labour, international organizations and civil society. The Working Group has recently published two documents entitled “Reporting Guidance on the 10th Principle against Corruption” and “Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers”.

39. The web portal Business Fighting Corruption<sup>27</sup> of the World Bank offers guidance for businesses and their stakeholders to reduce corruption through collective action. In 2008, the World Bank published the guide “Fighting Corruption through Collective Action”. The guide, a joint effort between business, international organizations and non-governmental organizations, is intended for use by anyone with responsibility for a major project or market and others directly or indirectly affected by the adverse effects of corruption on business and society.

40. The Integrity Pact<sup>28</sup> is a tool developed by Transparency International for governments, business and civil society to fight corruption in public contracting. The Integrity Pact process includes an agreement between a government or government department and all bidders for a public contract. The Pact sets out rights and obligations for neither side to offer, demand or accept bribes, or collude with competitors to obtain the contract, or while carrying it out. Bidders are also required to disclose all commissions and similar expenses paid in connection with the contract. If violations occur, sanctions include loss or denial of contract, forfeiture of the bid or performance bond, liability for damages, bidders’ blacklisting for future contracts, criminal or disciplinary action against government employees.

41. UNODC has gained some experience in partnering with private entities in the implementation of anti-corruption projects. One of such projects, a joint publication between UNODC and PricewaterhouseCoopers (PwC) entitled “Anti-Corruption Policies and Measures of the Fortune Global 500”,<sup>29</sup> was launched in September 2009. The study, conducted by PwC on a pro bono basis and published with a generous contribution by Sweden, provides an overview of the measures that companies listed in the 2008 Fortune Global 500 Index have adopted to combat economic crime and corruption. The objective of the publication is to provide guidance to companies that wish to adopt and enforce effective anti-corruption policies but may not possess the necessary “know-how”, or wish to review and enhance their existing measures.

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<sup>27</sup> [www.fightingcorruption.org/](http://www.fightingcorruption.org/).

<sup>28</sup> [www.transparency.org/global\\_priorities/public\\_contracting/integrity\\_pacts](http://www.transparency.org/global_priorities/public_contracting/integrity_pacts).

<sup>29</sup> [www.unodc.org/unodc/en/corruption/anti-corruption-policies-and-measures-of-the-fortune-global-500.html](http://www.unodc.org/unodc/en/corruption/anti-corruption-policies-and-measures-of-the-fortune-global-500.html).

42. The Conference of the States Parties and the working groups established by it have consistently attached high priority to the generation of knowledge of the areas covered by the Convention. In response to this call, UNODC initiated a project to collect, validate and disseminate such knowledge. The UNODC Tools and Resources for Anti-Corruption Knowledge (UNODC TRACK) is an online repository of updated and validated legal and analytical knowledge on the areas governed by the Convention. The portal, to be launched on 9 December 2010, is being developed with state-of-the-art technology thanks to a pro bono contribution made by Microsoft to the first phase of the project.

## **B. Sector specific public-private partnerships**

43. The Extractive Industries Transparency Initiative (EITI)<sup>30</sup> is a coalition of governments, companies, investors, international organizations and civil society to improve transparency and accountability in the extractives sector. It promotes revenue transparency with a methodology for monitoring and reconciling company payments and government revenues at the country level.

44. The Regional Forest Law Enforcement and Governance initiatives<sup>31</sup> address issues related to illegal logging. Co-hosted by timber producing States, other governments and the World Bank, these ministerial-level political processes aim to mobilize the producing States, consumers and donor governments to combat illegal logging, the associated trade and corruption. Under the initiative, Ministerial Conferences on Forest Law Enforcement and Governance took place in the East Asia and Pacific region in 2001, in Africa in 2003 and Europe and North Asia in 2005. Following the mobilization of political support, the initiative is now focusing on implementation of projects and reform in selected regions and countries.

## **C. Public-private partnerships at the national level**

45. There have been previous attempts, some more advanced than others, to collect and analyse information on public-private partnerships at the national level. The above-mentioned web portal Business Fighting Corruption of the World Bank contains 35 case summaries of good practices and lessons learned from collective anti-corruption efforts. The UN Global Compact's publication "Business Against Corruption, Case Stories and Examples"<sup>32</sup> also provides case-studies on collective action initiatives. While many of such initiatives would merit recognition, this report provides a brief summary of five unique cases.

46. A working group composed of representatives of public and private sector organizations, international organizations and civil society was established in Nigeria in 2008 to develop principles for business ethics. Following a desk research<sup>33</sup> to take stock of existing models, the working group created four private

<sup>30</sup> <http://eiti.org/>.

<sup>31</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTARD/EXTFORESTS/0,,contentMDK:20636550~pagePK:210058~piPK:210062~theSitePK:985785,00.html>.

<sup>32</sup> [www.unglobalcompact.org/docs/issues\\_doc/7.7/BACbookFINAL.pdf](http://www.unglobalcompact.org/docs/issues_doc/7.7/BACbookFINAL.pdf).

<sup>33</sup> The Business Action Against Corruption took the lead in this exercise.

sector-based expert groups to determine the minimum set of principles needed to ensure ethics and transparency in business transactions in Nigeria. Group discussions were convened also with ordinary Nigerian citizens, who suggested principles similar to those identified by the experts. UNODC is cooperating with private sector associations to ensure the endorsement of the principles by various constituencies. The UNODC Country Office for Nigeria is participating in this initiative under the project Promoting Ethics and Transparency in Business Transactions in Nigeria. The project aims to promote transparency and ethical business practice in the Nigerian private sector, develop sound business principles and support public-private partnerships to ensure their implementation.

47. The South African National Anti-Corruption Forum (NACF),<sup>34</sup> comprised of government, business and the civil society, was launched in 2001. Each sector is represented by ten members nominated by their respective constituencies. NACF is committed to the establishment of a national consensus through the co-ordination of sectoral anti-corruption strategies. To this end, it advises the government on the implementation of anti-corruption strategies and specific sectors on the improvement of sectoral strategies. The partnership between public and private sectors and civil society was further consolidated through a National Anti-Corruption Programme (NAP) developed in 2005 and updated in 2009.

48. The Brazilian Business Pact for Integrity and Against Corruption is a principle-based initiative established in 2006. Inspired by the UN Convention against Corruption and the OECD Guidelines for Multinational Enterprises, the Pact was initiated by the Ethos Institute for Business and Social Responsibility in partnership with Patri Government Relations and Public Policy, UNODC, UNDP and the Brazilian Committee of the UN Global Compact. The Pact was established to fight illegal practices in business and political life, and to disseminate good practices in business ethics. It consists of nine recommendations to enhance transparency in business transactions, particularly those related to electoral campaigns. Members of the initiative have to commit to the written principles publicly and implement internal rules that clearly prohibit any form of bribery. At present, the Pact is supported by over 500 companies, including many major companies in Brazil. New members are joining the initiative on a regular basis, also owing to the successful media campaigns promoting the initiative. Furthermore, the Office of the Comptroller General's (CGU) of Brazil developed a debarment list in 2008.<sup>35</sup> The list is being used by the private sector to check whether other companies have been involved in mismanagement. In 2010, CGU launched a website to raise awareness of the role that business should play in preventing and fighting corruption.<sup>36</sup> CGU is also working towards the establishment of a public list, known as the Pro-Integrity List, of companies demonstrably committed to the implementation of integrity measures.

49. The Korean Pact on Anti-Corruption and Transparency (K-Pact) is a principle-based initiative that was signed between leaders of the public, private and civil society sectors to enhance transparency, promote anti-corruption efforts and form anti-corruption alliances among these sectors in Korea. While K-Pact is based on

<sup>34</sup> [www.nacf.org.za/](http://www.nacf.org.za/).

<sup>35</sup> [www.portaldatransparencia.gov.br](http://www.portaldatransparencia.gov.br).

<sup>36</sup> [www.cgu.gov.br/AreaPrevencaoCorrupcao/AreasAtuacao/IntegridadeEmpresas/index.asp](http://www.cgu.gov.br/AreaPrevencaoCorrupcao/AreasAtuacao/IntegridadeEmpresas/index.asp).

voluntary participation and cooperation, its violators are identified publically. Since the signing of the K-Pact in 2005, sectoral Pacts have been concluded in the fields of construction, health, social welfare, finance and education. According to the World Bank, 16 anti-corruption laws in Korea have been enacted or revised due to the advocacy efforts of the K-Pact. K-Pact also played a major role in the establishment of the UN Global Compact Local Network.

50. The Business for Integrity and Stability of Our Nation 2020 (BISYON 2020)<sup>37</sup> was established in 2004 in the Philippines. It is a business-initiated and business-led private foundation whose primary aim is to mobilize resources to support anti-corruption advocacy and projects in the country. To this end, BISYON 2020 has established the Philippine Integrity Fund, which supports anti-corruption projects led both by government and non-government agencies. The Fund relies on a debt swap mechanism, contributions by the private sector and individual donors. All donations to the Fund are tax deductible. BISYON 2020 is partnering with UNDP in order to apply and demand the highest standards of transparency, accountability and proper donor reporting for all the projects it supports.

## **VI. Regulation models for the public sector, including provisions addressing conflicts of interest and professional codes of conduct**

51. While a number of regulation models exist in the public sector, a recurrent way of integrating them in public sector anti-corruption efforts is through the development of professional codes of conduct. They are prescribed by article 8, paragraph 2, of the Convention, which stipulates that State parties shall endeavour to apply codes of conduct for the correct, honourable and proper performance of public functions. As anti-corruption instruments, most codes of conduct contain provisions addressing conflicts of interest and are used to set standards relevant to the duties and functions of the employees to whom they apply in governments and many public international organizations.<sup>38</sup>

52. In developing codes of conducts, article 8, paragraph 3, of the UNCAC requires States parties to take note of relevant initiatives of regional, interregional and multilateral organizations, such as the International Code of Conduct for Public Officials annexed to General Assembly Resolution 51/59 of 12 December 1996. Conflict of interest and impartiality provisions are key components of the International Code of Conduct for Public Officials. These provisions apply to public officials in decision-making capacities, who are required to act exclusively on facts, without resort to extraneous considerations that could influence decisions. According to article 4 of the Code, for conflicts of interest to be averted, public officials shall not “engage in any transaction, acquire any position or function or have any financial, commercial or other comparable interest that is incompatible with their office, functions and duties or the discharge thereof.” The portal<sup>39</sup> of the

<sup>37</sup> [www.bisyon2020.org/](http://www.bisyon2020.org/).

<sup>38</sup> See *Status, basic rights and duties of United Nations staff members* (ST/SGB/2002/13) which serves as the United Nations code of conduct.

<sup>39</sup> [www.unpan.org/DPADM/StandardsCodes/RegionalPublicServiceCharter/tabid/1291/language/en-US/Default.aspx](http://www.unpan.org/DPADM/StandardsCodes/RegionalPublicServiceCharter/tabid/1291/language/en-US/Default.aspx).

United Nations Public Administration Network (UNPAN), managed by UNDESA, hosts a number of regulation models for the public service. The same portal will soon host codes of conduct for the public service of over 100 countries as part of its newly established Public Administration Country Studies (PACS) knowledge base.<sup>40</sup> A preliminary analysis of this information indicates that codes of conduct for public officials include anti-corruption measures, coupled with general provisions on ethics intended to promote high standards of integrity. Annexed to the report of the Economic and Social Council to the General Assembly,<sup>41</sup> the Charter for the Public Service in Africa, which contains a Code of Conduct of Public Service Employees in Africa repeatedly addresses the notion of ethics. The Code contains detailed definitions of integrity and moral rectitude, and provisions on assets declarations to prevent conflicts of interest and illicit enrichment. Annexed to the Report of the Economic and Social Council to the General Assembly,<sup>42</sup> also the Ibero-American Charter for the Public Service rests on such guiding principles as ethics, honesty, transparency, scrupulousness in the management of public resources and avoidance of conflicts of interest.

53. At the national level, codes of conduct for public officials may be established through various sources. These are primarily either normative, including delegated legislation and regulations, or contractual. The source of the code has procedural implications, particularly on the standard of proof and possible sanctions for non-compliance.

54. Specific codes of conduct may target specific sectors of the public service. Several models of sectoral codes have been developed along side those generally applicable to public officials. Examples are discussed in brief below with respect to models developed for law enforcement officials, the judiciary and members of legislative bodies and other elected officials.

55. In respect of law enforcement officials, specific codes of conduct are developed on account of the nature of their duties and the discretion that they possess. Law enforcement officials are more likely to be exposed to corrupt influences when dealing with crimes that generate large proceeds, and criminals who often have the motivation and resources to attempt to corrupt investigators and other law enforcement officials. For this reason, the Code of Conduct for Law Enforcement Officials was adopted by General Assembly resolution 34/169 of 17 December 1979. In its article 7, the Code specifically provides that law enforcement officials shall not commit any act of corruption and shall vigorously oppose such acts. Further research carried out by UNODC indicates that some national codes of conduct for law enforcement officials prescribe additional measures to minimize exposure to corrupt practices. Interrogations, for instance, are prescribed to be carried out in the presence of witnesses or, where feasible, with audio or video recording facilities.

56. Judicial officers, unlike many other public servants, enjoy a high degree of independence and discretion in their work. Article 11, paragraph 1, of the

<sup>40</sup> [www.unpan.org/unpacs](http://www.unpan.org/unpacs).

<sup>41</sup> A/56/63-E/2001/21, available at <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan001906.pdf>.

<sup>42</sup> A/58/193, available at <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan012368.pdf>.

Convention, while stressing the independence of the judiciary and its crucial role in combating corruption, requires States parties to take measures to: (a) strengthen judicial integrity; and (b) prevent opportunities for corruption among members of the judiciary. Frequently, national codes of conduct for the judiciary are modelled on the Bangalore Principles of Judicial Conduct for Judges, endorsed by the Economic and Social Council (resolution 2006/23). With the support of UNODC, these principles were developed by a group of judges from different legal traditions to provide guidance to judges through a framework for regulating judicial conduct. A commentary to the Bangalore principles was published by UNODC in September 2007.<sup>43</sup> It explains in greater detail such notions as integrity, impartiality and propriety. Specific rules contained in national codes of conduct are typically developed by the judges themselves and are primarily intended to ensure neutrality and the appearance of it. Such provisions prescribe standards for propriety of conduct, including those prohibiting association with interested parties and recusal in proceedings where impartiality may be questioned. Other measures intended to avoid conflicts of interest concern judges' public appearances or statements, limitations or prohibitions of other employment and disclosure of interests.

57. As partisan activity may be a central part of seeking and holding elective offices, specific codes of conduct are developed for members of legislative bodies and other elected officials. For such officials, conflicts of interest may arise in activities involving their constituents and political parties. Therefore, codes of conducts for elected officials generally emphasize transparency. The Global Organization of Parliamentarians against Corruption (GOPAC), in collaboration with the Westminster Foundation for Democracy (WFD), developed a "Handbook on Parliamentary Ethics and Conduct a Guide for Parliamentarians".<sup>44</sup> The Handbook provides guidance on ethics and conduct that are consistent with political and cultural contexts while adhering to international standards. The Handbook contains measures to prevent conflicts of interest and prohibits the use of legislative privileges for private gain or other non-legislative purposes. The website<sup>45</sup> of the Inter-Parliamentary Union provides links to the legislative assemblies of some 100 States. A preliminary analysis of this information reveals that national codes of conduct for elected officials contain measures to delimit the scope of legislative or parliamentary immunity, so that it is not used as a shield for criminal liability. Such codes also regulate conflicts of interest by recommending measures for the disclosure of assets and financial dealings, political donations and accounts, and prohibit payments for the lawful discharge of official duties.

58. Additional and more stringent regulation models may be adopted for cabinet ministers or other senior political officials who occupy positions of power, influence and seniority not enjoyed by other public servants. Article 8, paragraph 5, of the Convention requires States parties to take measures for public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials. Article 52, paragraph 1, of the Convention requires States parties to adopt measures for financial institutions to conduct enhanced scrutiny over accounts sought or

<sup>43</sup> [www.unodc.org/documents/corruption/publications\\_unodc\\_commentary-e.pdf](http://www.unodc.org/documents/corruption/publications_unodc_commentary-e.pdf).

<sup>44</sup> [www.wfd.org/upload/docs/political\\_guidebook\\_20100630.pdf](http://www.wfd.org/upload/docs/political_guidebook_20100630.pdf).

<sup>45</sup> [www.ipu.org/english/home.htm](http://www.ipu.org/english/home.htm).

maintained by or on behalf of individuals who are, or have been, entrusted with prominent public functions and their family members and close associates. While the implementation of these measures may include the adoption of specific codes of conduct for individuals entrusted with prominent public functions, global standards have not been developed in this area. An example of an international regulation model for individuals performing prominent public functions is the Code of Conduct for Commissioners<sup>46</sup> of the European Union. The Code states that “ruling out all risks of a conflict of interests helps to guarantee independence”. To this end the Code requires Commissioners and their spouses to declare financial interests and professional activities.

59. A critical element of any regulation model is the establishment and enforcement of sanction in case of breach or failure to meet a prescribed standard. Article 8, paragraph 6, of the Convention stipulates that State parties shall consider taking disciplinary or other measures against public officials who violate the codes or standards of conduct. This provision is the recognition that codes of conduct should form the basis of disciplinary action and set out procedures and sanctions for non-compliance. While most of the codes of conduct reviewed in the present paper contain such provisions, little information appears to be available on the enforcement of sanctions in case of non-compliance.

## **VII. Conclusions and recommendations**

60. Conference resolution 3/2 mandates the working group to, inter alia, facilitate the collection, dissemination and promotion of best practices in corruption prevention. The same resolution mandates the United Nations Office on Drugs and Crime to collect, analyse and disseminate information on such practices taking into account existing expertise within the United Nations system and other relevant organizations.

61. Against this background, the overview of practices in preventing corruption contained in the present report is by no means exhaustive, neither does this paper provide a qualitative analysis of the impact of such practices, which is necessary in order to identify good ones.

62. For good preventive practices to be identified and disseminated, preliminary steps are necessary. First, it is indispensable to accumulate knowledge, understood as an amount of practices which is sufficiently large and, as such, representative. Second, it is indispensable to identify means to differentiate between existing and good practices. Third, it is necessary to determine how good practices can be disseminated, as well as replicated and adapted to local conditions.

63. In relation to the first point, the working group may wish to consider means for the Office to collect information on existing practices in preventing corruption in a more systematic manner. As the present report documents, sources of such information can be both relevant organizations within and beyond the United Nations system and States. UNDESA has collected a number of good practices from around the world in the area of transparency and accountability in the public sector through the United Nations Public Service Awards and has disseminated them through a publication entitled: Good Practices and Innovations in Public

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<sup>46</sup> SEC(2004) 1487/2.



Governance, 2009. The working group may wish to recommend that the Office establishes more systematic channels of communication and information exchange with such organizations. It may also wish to encourage States to supply, on a voluntary basis, relevant information to the Office. In this respect, it is worth recalling that in its resolution 1/8, entitled “Best practices in the fight against corruption”, the Conference invited States to submit best practices on any aspect of the Convention that might be considered a priority. Twenty-five States have responded to that call, thus enabling the Office to initiate the collection of good practices in several areas covered by the Convention. Another means for States to share good practices in preventing corruption is the mechanism for reviewing implementation of the Convention, adopted by the Conference at its third session (resolution 3/1). However, the chapter of the Convention on preventive measures will be reviewed during the second cycle of the mechanism, which will commence in 2015. For the Office to build sufficient knowledge of existing preventive practices, the working group may wish to recommend that States parties provide, on a voluntary basis, information on their efforts to implement the chapter of the Convention on preventive measures through the comprehensive self-assessment checklist. Notably, this approach could be recommended for States that do not have to be reviewed or serve as reviewers in the first year of the first cycle of the mechanism.

64. To address the second and third points above, the working group may wish to recommend an approach that builds on similar debates within the United Nations system and their conclusions. The United Nations Department of Economic and Social Affairs published a document entitled “Innovations in Governance and Public Administration: Replicating what works” in 2006. The same Department, in collaboration with the United Nations Human Settlement Programme (UN HABITAT), published a document entitled “Guide for the Transfer and Adaptation of Innovations in Governance” in 2009. While focusing on topics different yet related to the prevention of corruption, these documents contain useful information on indicators for good practices, replication and transferability. Building on this work, the working group may wish to recommend that the Office develops, in consultation with relevant entities of the United Nations system, indicators for a qualitative assessment of the impact of preventive practices. Such an impact assessment, understood as the ability to measure how a practice contributes to lowering levels of corruption or tolerance of it, is a necessary precursor to the development of approaches and models for the replication of good practices. Finally, the working group may wish to recommend that the Office, in collaboration with other United Nations departments and agencies, facilitates the transfer and adaptation of good practices.