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**Annual Parliamentary Hearing
at the United Nations:
“Fighting corruption to restore trust in government
and improve development prospects”
(17-18 February 2021)**

Summary report

I. Introduction

1. The 2021 Annual Parliamentary Hearing at the United Nations was jointly organized by the Inter-Parliamentary Union (IPU) and the Office of the President of the General Assembly. The theme of the Hearing was “Fighting corruption to restore trust in government and improve development prospects”. Due to the COVID-19 pandemic the Hearing was held virtually on 17 and 18 February 2021.

2. The Hearing served as an opportunity for parliamentarians to discuss how they could contribute to the Political Declaration of the first-ever United Nations General Assembly Special Session (UNGASS) focused on corruption (2-4 June 2021). The UNGASS on corruption would provide an opportunity to galvanize the political will of Governments and the international community as a whole in advancing the fight against corruption.

3. The Hearing brought together some 200 members of parliament from 80 countries.

II. Opening session

4. The President of the seventy-fifth session of the General Assembly, Mr. V. Bozkir, said that the thirty-second special session of the General Assembly to be held in June 2021 was intended to provide a substantive discussion on fighting corruption. In that context parliamentarians played a crucial role in translating United Nations resolutions into legislation, informing Member States about the challenges people faced and people’s hopes, and holding governments accountable. In 2003, the General Assembly had adopted the United Nations Convention against Corruption (UNCAC), the only legally binding universal anti-corruption

instrument. Sustainable Development Goal (SDG) 16 of the 2030 Agenda for Sustainable Development, also adopted by the Member States, focused on building effective, transparent, and accountable institutions. The COVID-19 pandemic, like corruption, disproportionately affected the most vulnerable people. It was therefore even more urgent to engage in anti-corruption efforts. He emphasized the need to include women in government and decision-making as their participation helped prevent corruption and create more prosperous and robust societies.

5. The President of the Inter-Parliamentary Union (IPU), Mr. D. Pacheco, said that corruption was one of the cancers threatening democracy and that anti-corruption must be central to parliamentarians' work. Financial losses due to corruption far exceeded the US\$ 140 billion distributed annually in aid. While UNCAC offered valuable guidance on how to fight corruption, political will was required to fully implement the convention. Corruption impacted real life situations such as when bribes determined when business licenses were given and which contracts were granted. Corruption, like most crimes, could not be eliminated, but it could be contained to no more than a nuisance. UNCAC might not have resolved the problem yet but it had certainly generated heightened awareness of the issue and brought about changes that would have been unimaginable only twenty years ago.

6. In her keynote address, Ms. D. Ferreira Rubio, Chair of the Board of Transparency International, which had been fighting corruption in more than 120 countries for more than 25 years, said that to restore trust in institutions, leadership, governments, and each other, it was essential for truth to be valued in society. To elevate truth and reduce misinformation and fake news, more transparency and integrity in public and private sectors was needed, and there must be no impunity. Laws and conventions were important, but it was critical that standards, commitments, and declarations be fully implemented. Corruption weakened institutions, undermined the rule of law, eroded democracy and development, and negatively affected people's rights, freedoms, and quality of life. Countries that ranked well on Transparency International's Corruption Perceptions Index did better in terms of freedom of expression, respect for media freedom, strength of democracy and institutions, and effective checks and balances. Countries where corruption was rampant were unable to provide adequate health services during the COVID-19 pandemic and had the most repressive and undemocratic response to the pandemic.

III. Implementing and strengthening UNCAC

7. The UNCAC, which had entered into force in December 2005, had been ratified by 187 parties as of February 2020, making it one of the most popular global agreements. It was the only comprehensive worldwide instrument dedicated to fighting corruption.

8. Still, corruption was skyrocketing, devastating individuals and societies. The United Nations had estimated that in 2018, corruption cost US\$ 3.6 trillion in the form of bribes and stolen money. Corruption reduced public goods and services; stalled economic growth,

sustainable development, and gender equality; and eroded democracy. It disproportionately affected women, the poor, and other marginalized groups.

9. Corruption was a global phenomenon that existed in private and public sectors, and across institutions and societies and therefore warranted a multilateral and comprehensive approach. In addition to governments, anti-corruption efforts must include young people, civil society, NGOs, the private sector, and the media.

10. Anti-corruption efforts must be closely linked with the 2030 Agenda and its attendant Sustainable Development Goals. Indeed, SDG 16 set specific targets for combating corruption and recovering stolen assets.

A. Recommendations to Member States for strengthening UNCAC

11. The June 2021 UNGASS would offer an opportunity for governments to commit to fighting the scourge of corruption in all dimensions and forms. The UNGASS Political Declaration should aim at strengthening the UNCAC. To this effect, the following recommendations should be considered:

(a) Ensure key mechanisms, such as extradition and mutual legal assistance between countries, were used more often to tackle the transnational nature of corruption.

(b) Consider establishing an inter-governmental process – which would include experts and representatives from all regions – to identify gaps and areas for improvement in the fight against corruption.

(c) Establish a United Nations Financial Investigative Unit to enhance international cooperation in the fight against corruption, kleptocracy, tax havens, financial illicit flows, and in asset recovery and return.

(d) Encourage greater engagement of parliaments in anti-corruption efforts nationally and globally, including through the IPU.

(e) Consider a protocol to the UNCAC on asset recovery that would demand transparency and create a mechanism for the return of ill-gotten assets and illicit financial flows.

(f) Increase focus on technology. Big data, artificial intelligence, blockchain, cloud-based platforms, biometrics, financial technology, and other tools could offer new solutions for preventing and detecting corruption. Digitalization and automation of procurement, recruitment, and compliance processes can improve transparency and reduce the human factor contributing to corruption.

(g) Tackle the digital divide by supporting governments, especially those of developing countries.

(h) Facilitate the sharing of best anti-corruption practices between countries, with a focus on technical assistance and capacity building.

(i) Ensure there were different channels for reporting corruption, and more effective mechanisms to signal when a government was not meeting its commitments.

B. Recommendations for parliamentarians for implementing UNCAC and fighting corruption

12. To this effect, the following recommendations should be considered:

(a) Adopt legislation that improved transparency, and enhanced criminalization and punishment for corruption.

(b) Exercise oversight function by monitoring the executive branch and ensuring anti-corruption laws were properly funded and implemented.

(c) Participate in UNCAC's peer-review mechanism. According to the United Nations Office on Drugs and Crime (UNODC), 71 per cent of States taking part in this process said it helped them identify gaps in their anti-corruption frameworks.

(d) To restore truth and increase transparency, establish regulatory frameworks for technical and digital tools, including social media. Ensure they were not used to create biases and spread disinformation. Additionally, consider regulating any algorithms and artificial intelligence tools used to guide public policies and budgets.

(e) Build trust in public leadership and the government by insisting on truth, honesty, and accountability. Adopt a personal commitment to these principles.

(f) Raise awareness among constituents about the harms of corruption, and help build an anti-corruption culture in the community and society.

(g) Share best practices with other parliamentarians as well as parliamentary committees, organizations, and networks working to end corruption, including the United Nation, the IPU, Transparency International, the Global Organization of Parliamentarians Against Corruption (GOPAC) and its regional chapters.

C. Corruption and COVID-19

13. Particular reference was made to corruption in the context of the COVID-19 pandemic which had devastated families and societies, and reversed development progress for the first time in two decades. It had also led to widespread corruption in many countries. Transparency International received thousands of reports of corruption related to COVID-19 response, particularly in areas of contracts and public procurement. Some of the money that should have

gone to hospitals, health suppliers, and health professionals had ended up with shell companies or in tax havens.

14. Countries where corruption was widespread had not been able to provide adequate health services and had also unleashed the most anti-democratic and repressive responses. Corruption impacted the provision of public services and subsidies, led to scarcity of supplies and life-saving equipment, and caused thousands of extra lives to be lost.

15. Emergency response must not be overly concentrated in the executive branch and emergencies must not be used as an excuse for populism, authoritarianism, and absolutism. Any subsidies, aid packages, or other types of responses to COVID-19 or future pandemics must be fair and transparent. Governments must ensure transparency with regards to vaccine procurement and distribution, as well as any treatments available. Members of parliament should be aware of the pandemic's disproportionate impact on women and marginalized people and pass laws and budgets accordingly.

16. The following examples of best practices were evoked:

(a) Recognizing the pandemic's disproportionate impact on girls and women, Canada had launched the "Feminist Response and Recovery Fund" which would allocate US\$ 100 million to organizations starting or scaling up projects that sought to increase girls' and women's participation in Canada's social, democratic and political life.

(b) Thailand had set up a special parliamentary committee to ensure management its COVID-19 recovery fund was timely, fair, and transparent.

IV. Gender-sensitive anti-corruption policies

17. Women were more likely to be poor and to rely on public services such as water, healthcare, and education. Corruption reduced the availability of resources and services, disproportionately affecting girls and women. That was compounded by existing gender inequalities which meant that women generally had less power and were less likely to be educated and literate. Also, women were less likely to be informed about their rights and entitlements and were therefore less inclined than men to demand accountability for corruption.

18. Corruption exacerbated gender inequality and prevented women from enjoying their economic, social, and political rights.

19. Women were more likely to play a major role in raising children, including accessing health and education services for them. As a result, they were sometimes forced to comply with corrupt demands from service providers.

20. Women were more likely to work in the informal sector, which meant fewer job protections and support services, and greater likelihood of loss of income, job, and social entitlements.

21. Corruption and bribery were not always about money. They could involve sexual favours and sexual corruption, sometimes called sextortion. Those typically affected women more, and could take a great physical and mental toll on women.

A. Corruption and women's political participation

22. Women were not less corruptible than men but women in power – in contrast to their male counterparts – tended to be cognizant of women's subordinate socioeconomic status and often pushed the State to deliver better public services, particularly those important to women. On average, they went further than men in cutting corruption, particularly in areas such as maternal care and children's education.

23. Women held fewer political and high-ranking administrative positions than men. An IPU report scheduled for release in March 2021 showed that the percentage of women in parliament in 2020 had grown to more than 25 per cent. Unfortunately, the 0.6 per cent increase from the previous year was not significant as increases at that rate, it would take far too many years to reach gender parity. Additionally, there had been a surge in violence against women in politics which created another impediment to women's involvement in politics.

24. Corruption made positions of power even more out of women's reach. Corrupt organizations were often structured by patronage and valued hyper-masculine attributes. As one of the obstacles to women's political participation was the lack of funding, tackling corruption would create more resources that could be used to help elect women.

B. Recommendations for gender-sensitive policies

25. To this effect, the following recommendations emerged from the discussion:

(a) Governments must strengthen and promote gender mainstreaming policies and practices across structures and institutions. Anti-corruption laws should be assessed to ensure they did not have negative implications for women.

(b) The COVID-19 pandemic and other emergencies might lead to more violence against women and disproportionately affect women's livelihoods. As a result, services and budgeting for women must be prioritized.

(c) Anti-corruption frameworks must address sexual harassment and sexual favours when they were not covered by existing sexual harassment laws.

(d) Women must be engaged and empowered in anti-corruption activities. They should be regarded as an essential part of the solution for fighting corruption.

(e) Gender-sensitive policies must set out more substantive outcomes. For example, a requirement of procurement tenders could be that only companies with a certain percentage of women in management positions could apply, or tenders could state that preferential treatment would be given to companies with good policies on parental leave and equal pay.

(f) Countries should collect more sex-segregated data, and conduct interviews to better interpret the data and address any emerging patterns of gender-specific corruption.

(g) Instead of only focusing on punishing inadequate efforts, there should be an emphasis on celebrating and rewarding good performance, in both public and private sectors.

V. Anti-corruption tools and measures

A. Grand corruption

26. The UNCAC might not be enough to deter grand corruption, which in the negotiation of the Political Declaration was referred to euphemistically as “corruption involving vast quantities of assets” (VQA). Fighting grand corruption implied international cooperation. One example was the European Public Prosecutor’s Office which focused on cross-border crimes, including fraud, misappropriations, illicit trafficking, proceeds or profits from illicit businesses, and money laundering. The Office relied on cross-country cooperation on all levels, including police and the courts. Efforts had included expanding and standardizing the definition of corruption crimes across the European Union.

27. There had been a proposal to establish an International Anti-Corruption Court (IACC) to tackle grand corruption. Kleptocrats often operated with impunity and laundered their ill-gotten gains in tax havens where beneficial ownership was hidden from view. They often controlled the police, prosecuting authorities, and even the courts. The IACC would be staffed by experienced judges and prosecutors. It would encourage domestic investigations and prosecutions. It would be partly funded by proceeds from stolen assets. The court would operate on the basis of complementarity; it would have jurisdiction only if domestic authorities were unable or unwilling to investigate the crimes.

28. The proposal to establish the IACC had yet to garner sufficient political support. The 2019 Oslo Statement on Corruption Involving Vast Quantities of Assets offered a more nuanced approach consisting of 64 expert recommendations. They included the establishment of an international special rapporteur for anti-corruption; the development of a protocol to UNCAC on corruption involving VQA; exploring the possibility of extending the jurisdiction of the International Criminal Court (ICC) to include corruption involving VQA; creating international commissions against corruption and impunity; and elevating the 2012 Jakarta Statement on Principles for Anti-Corruption Agencies to a more binding instrument.

B. Key tools and measures for tackling various types of corruption

29. The following were identified as key anti-corruption tools and measures:

(a) **Public registries.** Governments should create public registries of companies and trusts and ensure they were accurate, up to date, and easily accessible. A Global Assets Registry and National Central Public Registers of Companies and Trusts must be mandatory by the United Nations and adopted as global standards by organizations such as the Organization for Economic Co-operation and Development (OECD), the Financial Action Task Force (FATF), the African Union, the European Union, and others.

(b) **Beneficial ownership.** Information on who had ultimate control of companies and other legal entities was vital for transparency and helped authorities investigate financial crimes. Those requirements must be enhanced, as they varied from country to country and did not always include all companies.

(c) **Whistleblower protection.** Whistleblowing laws must apply to people in both the private and public sectors and include individuals from outside of organizations. Independent bodies might need to be established to handle whistleblowers' reports. An example of innovative use of technology in that area was offered by Uzbekistan where a special internet platform and a mobile application had been created for citizens to report incidents of corruption. The programme included monetary rewards.

(d) **National anti-corruption framework.** States must have an adequate framework to combat corruption and prioritize anti-corruption goals in their strategic plans. They must assess their criminal codes, laws, and policies for any weaknesses and gaps. Investigative agencies, audit bodies, parliamentary committees, and specialized courts should all be part of a strong anti-corruption armamentarium. Anti-corruption laws must also cover foreign public officials.

(e) **Regional conventions.** States must consider adopting regional conventions against corruption; the African Union Convention on Preventing and Combating Corruption (AUCPCC) could serve as a model.

(f) **Financing of political parties.** Countries needed robust laws on public financing. There was a need for more ethics and transparency on who funded political parties, as well as better rules and sanctions on those who did fund political parties.

(g) **Tax havens.** The United Nations must tackle the industry of tax havens, "freeports," and money stored offshore in "paradise islands," as well as onshore in a number of countries.

(h) **Strengthening the judiciary.** Courts must be independent and supported to empower judges and magistrates to do their jobs and help stop impunity. Some countries had specialized anti-corruption courts or were considering establishing them.

(i) **Law enforcement cooperation.** There must be cooperation between law enforcement officials within and across countries. UNODC was working with others to create a Vienna-based Global Network of Anti-Corruption Law Enforcement Authorities.

(j) **Private sector.** While a lot of corruption took place in the public sector, it also existed in the private sector and within public-private partnerships. Private companies must be engaged in the anti-corruption fight and act as a force for good. Businesses should not only be asked to avoid corruption but incentivized to take proactive measures in their domestic operations as well as subsidiaries down the global value chains.

(k) **Civil society.** Non-governmental organizations and members of civil society, as well as the media should be active partners in anti-corruption work by helping expose corruption and by advocating for appropriate laws and regulations. Those actors had a special role in shifting views about corruption as an inevitable part of life to that of it being an intolerable scourge.

(l) **Civic education.** People of all ages, including children, must be educated about the harms of corruption and engaged in building a culture against it. The following examples were given:

- i) Indonesia distributed a handbook with tools for combating corruption to new parliamentarians. It also had a “Women against corruption” campaign, which aimed to raise awareness and train women to become anti-corruption champions.
- ii) Sierra Leone’s anti-corruption commission worked closely with schools to help children understand the harms of corruption.
- iii) Thailand’s outreach programme included a component that taught young people in school about the rule of law, the importance of transparency, and good governance.
- iv) Uzbekistan had included anti-corruption courses into curricula of educational institutions.

VI. Conclusion

30. The hearing emphasized the need to fight corruption which undermined the quality of life; hindered economic growth, sustainable development, and gender equality; and eroded democracies. Fighting corruption entailed restoring the value of truth in society and embracing transparency and accountability. The response to the COVID-19 pandemic needed to account for the heightened risk of corruption through fair and transparent measures.

31. Parliamentarians played a central role in curbing corruption as they could strengthen national and international laws, and ensure they were properly implemented, funded, and monitored. Corrupt practices had a particularly adverse impact on the lives of women – socially, politically and economically – thus further widening the gender equality gap. In this regard, parliamentarians must prioritize gender-sensitive policies and work to create a culture that did not tolerate corruption. Corruption was a global phenomenon that demanded a multilateral and urgent response at all levels of society, including governments, the private sector, media, and civil society.

32. The UNGASS Political Declaration needed to improve on current anti-corruption practices as well as address new issues since the UNCAC came into force in 2005. Parliaments should engage more closely with their respective government negotiators of the Political Declaration to provide input to the process.

Annex

List of speakers

Ms. Claire Doole, moderator (www.doolecommunications.com)

Day one

Opening session

Mr. Volkan Bozkir, President of the seventy-fifth session of the General Assembly

Mr. Duarte Pacheco, President of the Inter-Parliamentary Union (IPU)

Ms. Delia Ferreira Rubio, Chair of the Board of Transparency International (keynote speaker)

The Convention against Corruption: building blocks and implementing challenges

Mr. Ahmad bin Abdulla Bin Zaid Al Mahmoud, Speaker of the Shura Council of the State of Qatar, and Chair of the Board of the Global Organization of Parliamentarians Against Corruption (GOPAC)

Ms. Cynthia López Castro, member of parliament, Congress of Mexico, and member of the IPU Board of the Forum of Young Parliamentarians

H. E. Mr. Eric Anderson Machado, Permanent Representative of Peru to the United Nations Office at Vienna, and co-facilitator for the Political Declaration of the UNGASS 2021 against corruption

Ms. Ghada Fathi Waly, Executive Director, United Nations Office on Drugs and Crime (UNODC)

Corruption involving vast quantities of assets (VQA), aka “grand corruption”

H. E. Ambassador Kjersti E. Andersen, Permanent Representative of Norway to the United Nations Office at Vienna

Justice Richard Goldstone, co-founder and member of the Board of Integrity Initiatives International

Mr. Juan Fernando Lopez Aguilar, member of the European Parliament, and Chair of the Committee on Civil Liberties, Justice and Home Affairs (LIBE)

Day two

Gender-sensitive anti-corruption policies

Ms. Susan Kihika, Senator, Senate of Kenya, President of the IPU Bureau of Women Parliamentarians, and former prosecutor

H. E. Mr. Alie Kabba, Permanent Representative of Sierra Leone to the United Nations in New York, President of the Executive Board of UN Women, member of the Gender Advisory Group of the President of the General Assembly

Dr. Anna Petherick, Blavatnik School of Government, University of Oxford, gender-corruption expert

Key anti-corruption measures: assets disclosures and beneficial ownership, whistleblowers, and financing of political parties/elections

Mr. Fadli Zon, member of parliament, House of Representatives of Indonesia, and Chair of South East Asia Parties Against Corruption (SEA-PAC)

Mr. Akmal Saidov, member of parliament, Oliy Majlis of Uzbekistan, and member of the IPU Executive Committee

Ms. Sanda Ojiambo, CEO and Executive Director, UN Global Compact

Ms. Ana Gomes, former member of the European Parliament, and former diplomat

Closing session

Mr. Volkan Bozkir, President of the seventy-fifth session of the General Assembly

Mr. Duarte Pacheco, President of the IPU