

Economic and Social Council (ECOSOC)

Special Meeting

Unleashing the transformative power of SDG16: Improving governance and reducing corruption

2 May 2023

INFORMAL SUMMARY

The Economic and Social Council convened a Special Meeting on “*Unleashing the transformative power of SDG16: Improving governance and reducing corruption*”, on 2 May in the ECOSOC Chamber. The meeting focused on the impact of corruption on the achievement of the SDGs and reflected on persistent challenges as well as emerging trends and innovation in enhancing integrity and combating corruption and furthering SDG 16. The meeting brought together representatives from the public and private sectors as well as civil society, journalists and leading international organisations to collectively discuss how to accelerate this agenda and ensure that no one is left behind.

The opening session featured statements by the President of the Economic and Social Council, the Executive Director of the United Nations Office on Drugs and Crime (UNODC) and the Director-General of the International Development Law Organization (IDLO). This was followed by a panel discussion moderated by the Managing Director of the Basel Institute on Governance. Panelists included the Executive Director of Transparency International U.S., the Chief Research Officer of the Open Government Partnership, Professor and Director of the Toni Stabile Center for Investigate Journalism of Columbia University, the Chief Environmental Social and Governance and Integrity Officer of SNC-Lavalin Group and Senior Fellow at NYU Center on International Cooperation and the Pathfinders for Peaceful, Just and Inclusive Societies Program. The Assistant Secretary-General and Director of the Crisis Bureau of the United Nations Development Programme (UNDP) and the Dean of the International Anti-Corruption Academy participated as respondents. During the interactive dialogue¹, around 31 delegations and a representative of civil society organization shared their perspectives and experiences in combatting corruption.

The meeting highlighted the interlinkages between SDG16 and other sustainable development goals. SDG16 is considered a critical enabler and accelerator for the other SDGs. In turn, lack of progress in implementing the SDG16 will have a negative impact on their achievement. In that sense, participants underscored the detrimental effects of corruption on sustainable development in all countries, increasing poverty and inequalities, and eroding public trust in government and the rule of law. No country is completely free of corruption, as for example seen in the context of the response to the COVID-19 pandemic which created new opportunities to exploit weak oversight and inadequate transparency to divert funds away from people who needed it most. Corruption drains more than 5 per cent of the global GDP and of the approximately US\$13 trillion in global public spending, up to 25 per cent is lost to corruption. While corruption is a global phenomenon, it can take different forms in different countries. It thrives on inequalities and amplifies discrimination and exclusion, and the poor and the marginalized are the most impacted by corruption, especially where it diverts scarce public resources from essential social services. Corruption weakens national institutions and breeds inefficiencies. Corrupt officials are more interested in maximizing private profits from public office, and less invested in development plans that address poverty, inequalities or environmental issues. Corruption not only leads to theft of resources and erosion of the tax base, but can also result in the distortion of policies and laws in ways that provide legal cover for undue practices. The impact is often multigenerational if the next generation ends up paying for debts

¹ Interventions were made by the following delegations: Algeria, Austria, Cambodia, China, Colombia, Costa Rica, Croatia, Czechia, Egypt, Georgia, India, Indonesia, Italy, Kazakhstan, Liechtenstein, Mexico, Nepal (on behalf of LDCs), Nigeria, Norway, Papua New Guinea, Peru, Poland, Qatar, Saudi Arabia, Slovenia, Sri Lanka, Switzerland, Tunisia, Venezuela, Zimbabwe, and the European Union, as well as the representative of the Friends World Committee for Consultation (Quakers).

for misspent or stolen public funds. It is not only theft from taxes, but could be from foreign aid or loans. There is a risk that more advanced countries and financial centers voluntarily or involuntarily could play a role in enabling certain parties to be more corrupt. The consequences are then felt even there, for example in the form of social consequences when housing costs increase due to the inflow of illicit money.

Combating corruption and inclusive governance were considered key components of SDG16, vital for the achievement of the whole 2030 Agenda. Progress has been made in tackling corruption, including through national anti-corruption institutions, laws and policies, use of information and communication technologies and data, and engagement of parliaments, citizens and civil society in monitoring corruption risks and anti-corruption resources. For example, anti-corruption measures, such as audits and open contracting, helped drastically reduce loss to fraud, corruption and misspent funds in the aftermath of hurricanes in the United States. These measures also helped communities recover from the impact of the disasters. Other solutions reducing corruption included measures with regard to right to information, fiscal openness and transparency in budgeting, and evidence-based policy solutions. Countries that made sustained progress towards more inclusive and equal societies achieved this through securing credibility by tackling corruption, introducing highly visible policies that impact people's lives and building solidarity, including through police reform. From the perspective of the private sector, proper internal controls within companies, coupled with effective justice system and enforcement of anti-corruption measures in a country, and partnerships between government and the private sector were key elements for reducing corruption.

During the interactive dialogue, Member States shared their efforts to create an enabling environment to combat corruption, including through development of mechanisms to ensure transparency, accountability and oversight. Member States embraced international and regional legal instruments to fight against corruption. Some delegations, including Austria, China, India, Liechtenstein, Papua New Guinea, Peru, Switzerland, Venezuela, referred to the UN Convention against Corruption as a critical legally binding international anti-corruption instrument, and some highlighted their efforts to implement its provisions. Slovenia enshrined the right of access to public information in its Constitution and also ratified the Council of Europe Convention on Access to Official Documents. Some countries, including Algeria, Croatia, Egypt, Kazakhstan, Papua New Guinea, Peru and Switzerland, highlighted their adoption of national strategy against corruption. Examples of dedicated national independent anti-corruption authorities included the Central Office for the Repression of Corruption and the Court of Auditors in Algeria, the Anti-Corruption Bureau in Georgia, the Italian Anticorruption Authority in Italy, the Anti-Corruption Agency in Kazakhstan, the independent Commission against Corruption in Papua New Guinea, the Commission for Anti-corruption in Qatar, and the anti-corruption commission and a special unit within the Office of the President in Zimbabwe. Measures implemented by Indonesia to improve governance and promote transparency included open data initiative and public service reforms. Georgia adopted public administration reform strategy. Czechia focused on anti-corruption activities within the context of its national strategy for the 2030 Agenda for Sustainable Development, including through strengthening legislative frameworks and transparency, improving collection and analysis of data on corruption and improving rules of lobbying. Efforts by some countries, including Croatia, Czechia, Mexico, India, Indonesia, Papua New Guinea, Sri Lanka and Zimbabwe, also focused on whistleblower protection.

The application of digital technology has been a game changer in combatting corruption in some countries, including Cambodia and India. In India, extensive use of ICT tools and aggressive expansion of e-governance has reduced the scope of corruption at all levels. India has also established virtual courts, e-filing, tele-law and national judicial data grid for holding data on ongoing and decided cases to facilitate justice delivery. Egypt automated government services to eliminate potential corruption. Slovenia was promoting transparency in public spending, which was made accessible online managed by the Commission for the Prevention of Corruption of the Republic of Slovenia, as well as transparency for public procurement, by obliging contracting authorities to publish all information related to public procurement procedures. The need to integrate the role of technology in promoting increased transparency, accountability, accessibility and citizen participation was underscored.

At the regional level, the European Union adopted a number of legislative acts against corruption, included anti-corruption provisions in many areas of legislation, and set up the European Public Prosecutor's Office in 2021. The EU Anti-Fraud Office investigates corruption and serious misconduct within the EU institutions and fraud against the EU budget. The role of regional organizations in the fight against corruption was also recognized. OECD, for example, has developed standards on responsible business contact guidelines for multinational enterprises. **At the global level**, with the adoption of the political declaration of the special session of the General Assembly against corruption in 2021, Member States committed to effectively address challenges and implement measures to prevent and combat corruption and strengthen international cooperation. Some countries focused on international efforts to promote SDG16 as a key enabler for the SDGs. Italy was working with UNDP, UNODC and other institutions, such as IDLO, for the upcoming international conference on SDG16. During the Presidency of G20, Saudi Arabia launched the Riyadh Initiative, that established a network of anti-corruption law enforcement authorities to promote international cooperation. Reference was made to the General Assembly resolution on crime prevention and criminal justice that fosters multilateral cooperation and capacity building in transnational crimes, including in the fight against corruption.

Despite progress made in addressing corruption at various levels, challenges remained. The issue of corporate influence to affect the direction of procurement and policy in non-transparent ways was a concern. Threats, attacks and lawfare against civil society actors, journalists and anti-corruption prosecutors and the shrinking civic space were seen to significantly hamper anti-corruption efforts. Disinformation and violence and intimidation against whistleblowers were also a major concern. The difficulty of identifying and proving corruption in the court of law was emphasized. The need to address illicit financial flows and tax evasion was underscored. This also required addressing impunity to hold perpetrators accountable, and enhancing efforts for recovery and return of stolen funds to the beneficiaries. To this end, there was a call to the international community to consider ways to reduce the administrative and legal bottlenecks for the recovery of illicit assets. Pursuant to the UN Convention against Corruption, Switzerland undertakes to block, confiscate and return illicit assets located in Switzerland, while ensuring that its actions respect the rule of law. Liechtenstein shared its successful work in the area of asset recovery, with the support in particular from the International Center for Asset Recovery. A question was raised about corruption implications when taxpayers' money is diverted from public spending to rescue private financial companies, benefiting leaders of financial institutions and providing them impunity for their mismanagement. Another challenge was addressing corruption when it relates to unregulated activities, such as the shadow banking system. The link between corruption and organized crime, including environmental crime, was also emphasized.

Participants identified ways to improve governance and reduce corruption, and accelerate the anti-corruption agenda. Given the transnational nature of corruption, there was a need to strengthen regional and international measures to combat corruption. The need to respect sovereignty of states was noted. Interlinkages between international and regional mechanisms, for example between the UN Convention against Corruption, the Sustainable Development Goals and regional anti-corruption conventions should be leveraged. In this regard, the role of the UN system and other international governmental and non-governmental stakeholders in supporting countries in their fight against corruption was acknowledged. Supporting the fight against corruption through implementation of the provisions of the UN Convention against Corruption, and identification of needs for technical assistance and capacity building would be instrumental. Multilateralism needed to be reinvigorated with better representation of least developed countries in decision-making and governance structures of international organization to ensure effective voice and participation. Technical assistance, capacity-building support and financial resources are critical to help least developed countries build effective governance systems to combat corruption, as underscored in the Doha Programme of Action for the Least Developed Countries. The money lost in illicit financial flows and on corruption could be invested in bridging the SDG financing gap, and the transitions needed for the achievement of the SDGs. It would be important for the international community to work towards the adoption of an international tax convention that would ensure multinational corporation pay fair, just taxes? in developing countries, especially in Africa.

Sharing of good practices and learning from each other could help countries in their efforts to combat corruption. One such example was the annual dialogue between the EU and national stakeholders to learn from each other under the European Rule of Law Mechanism. The European Commission's Handbook of Good Practices in the Fight against Corruption was also assisting Member States, practitioners, researchers and civil society. Multilateral review mechanisms could be of importance for formulation and development of national anti-corruption systems, as in the case of Switzerland.

Tackling corruption requires a whole-of-society approach, that includes Collective Action and partnership between public and private sectors, civil society and the media. Engagement of businesses, civil society, journalists and other nonstate actors would contribute to legitimacy in decision-making and effectiveness in the implementation of public policy. They can also play a crucial role in combatting corruption by developing inclusive and widely supported anti-corruption measures and reporting crime. The role of free press and investigative journalists was critical in this regard and needed to be supported. The need for collaboration between non-governmental organizations and journalists was also highlighted. One example of this collaboration was the Global Anti-Corruption Consortium, a partnership from the Organized Crime and Corruption Reporting Project and Transparency International. Cross-sectoral interventions were discussed as a way to enhance the impact of anti-corruption. In this regard, Liechtenstein, together with UNU and government partners, launched the Finance against Slavery and Trafficking initiative focusing on tools for the financial sector to fight slavery and trafficking, addressing crimes that often are enabled by corruption.

The need to strengthen independent, transparent and efficient governance in electoral matters was also underscored. More attention needs to be paid to the independence of electoral commissions and human rights commissions that could act as guarantors to hold governments accountable and ensure continuity of anti-corruption efforts. Adherence to the rule of law was needed to improve national level governance. A zero-tolerance approach was called for. Independent judiciary, trained prosecutors, judges and specialized units as well as robust legal framework against corruption were critical to deal with increasingly complex and sophisticated crimes. Other measures include an anti-corruption culture which reduces opportunities for acceptance of corruption, beneficiary-ownership transparency, standards for legal, financial and other professions to prevent enablers of corruption, a framework for asset recovery and return, sound public procurements, independent and well-resourced and impartial investigation and prosecution to counter impunity. Systematic reforms are needed to ensure that resources of public services and investment are not misappropriated, diverted, hidden or laundered.

Specialized anti-corruption bodies are an effective way to provide timely, efficient and effective solution of corruption cases. But fighting corruption needs more than specialized institutions, it should be an all-of-government effort. To address the crisis of trust in public institutions, the rule of law was considered key to rebuilding people's confidence in government. It was also instrumental for strengthening prevention, investigation and prosecution of corruption and the resolution of grievances before they can fester into conflict. Awareness campaigns to sensitize the public, education and training have also been instrumental in anti-corruption measures. The National School of Public Administration of Poland that educates future and active civil servants provides training of anti-corruption. The evolving nature of corruption requires rethinking of approaches and strategies to combat it.

Way forward

Participants welcomed the convening of this meeting by the Economic and Social Council. The key messages and recommendations coming out of this meeting were considered key contributions to inform the discussions at the July high-level political forum on sustainable development (HLPF) and the SDG Summit. The discussions from the meeting will inform the upcoming 4th "SDG 16 Rome Conference" hosted by Italy and co-organized with the UN Department of Economic and Social Affairs and the International Development Law Organization (IDLO) under the theme "SDG 16 as a compass for navigating intersecting crises".