

# monitor

Published by the UNCAC Coalition

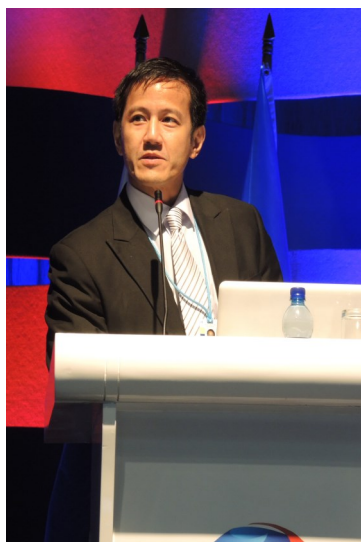
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**Number 2, Panama  
28 November 2013**

Fifth Conference of States Parties (CoSP) to the United Nations Convention against Corruption

## What did the NGOs say in plenary?

In Tuesday's general plenary at COSP5, Vincent Lazatin, Chair of the UNCAC Coalition Coordination Committee spoke about the terrible impact of corruption and the need for robust action. "Like a never-ending super typhoon, corruption affects whole populations, and leaves them devastated and destitute in its wake", he said. Mr. Lazatin called on the Conference to make greater efforts to counter corruption: "If we fail to contain corruption, then all our other efforts at sustainable and equitable development will fail". He asked the Conference to consider the proposals made in the Coalition's written submission to the COSP.



**Vincent Lazatin,**  
Chair of the UNCAC Coalition

Huguette Labelle, Chair of Transparency International also spoke in the COSP5 general plenary on Tuesday, welcoming the progress



**Huguette Labelle,**  
Chair of Transparency International

of the UNCAC review mechanism and highlighting recommendations in TI's new UNCAC Progress Report. She emphasized the

need to have a follow-up process for country reviews and called for steps to reduce delays, provide adequate resources, and ensure transparency and participation at all levels of UNCAC processes. Ms. Labelle noted that: "Observer status has been denied [to NGOs] at meetings of the Implementation Review Group and at the working groups on preventive measures and on asset recovery. Exclusion reflects objections raised by a small number of governments." She noted that: "The UN Legal Office has made clear that there is no legal basis for denying NGO's observer status at subsidiary bodies of the COSP", referring to the status quo.

## Development is a Human Right

In the Vienna Declaration and Programme of Action 20 years ago, all Member States unanimously adopted the right to development as a fundamental human right. Subsequently, this right was affirmed in the outcome documents of almost all major UN summits and conferences. Under the 1986 Declaration on the Right to Development, individuals and peoples have the right to free, active and meaningful participation in social, economic and political development aimed at constant improvement of the well-being of all people without discrimination. This is very relevant to civil society participation in the inter-governmental debate on anti-corruption. The fight against corruption is one of the key factors conducive to creating an "enabling environment at all levels for people-centred development" as envisioned in the UN Declaration on the Right to Development.

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## ¡Feliz cumpleaños UNCAC!

The Coalition celebrated UNCAC's 10th birthday with a giant cake on Tuesday. The event was attended by the newly-elected President of the 5th COSP Abigail Benzadon who is Director of the National Authority on Transparency in Panama and Huguette Labelle, Chair of Transparency International, as well as almost 100 conference delegates. It marked an opportunity to reflect on progress made in the anti-corruption field over the past decade and the challenges ahead.



**Don't miss our Asset Recovery Game throughout the ALTLAPA Convention Center.**

**Please use UNCAC to recover assets!!**

## Closing the loopholes: Ending secret company ownership

Corrupt politicians, drug traffickers, rogue regimes, tax dodgers and other money launderers need two things to move their illicitly-acquired funds: a bank willing to take their money and secretive shell companies to hide their identity. To tackle corruption it is essential to ensure:

- Much better enforcement of the existing global anti-money laundering system that is supposed to stop the flow of dirty money. This means fines for banks that take dictator's loot, plus personal responsibility for the senior bankers who preside over such banks.
- An end to anonymous shell companies. We believe that the best way to do this, is for countries to create registries of the ultimate, beneficial, owners of all companies, and make these registers available to the public.



On Wednesday, in the plenary session on Prevention, Christine Clough of Global Financial Integrity, an UNCAC Coalition organization, talked about the need for cracking down on secret company ownership by creating public registers of who ultimately controls the company. She noted that in 2010 an estimated US\$859 billion was lost to developing countries due to illicit outflows, facilitated by a global shadow financial system. "Perpetrators of corruption use a global web of anonymous shell companies and trusts and fake foundations to conceal the true sources and controllers of stolen assets", she said. She urged States Parties to make it a priority to collect and make public beneficial ownership information in their jurisdictions. At a minimum, this information should be available to law enforcement, tax authorities, investigators, and fraud compliance officers.

To highlight the issue, Kleptobank – the kleptocrats favourite bank – put in an appearance in the Atlapa foyer this morning.

**If Bank's don't know and can't find out the ultimate owners of the accounts they hold, they risk taking in dirty money.**

## Closing the loopholes: Ending impunity for Grand Corruption

Former ICC Chief Prosecutor, Luis Moreno Ocampo, today endorsed making grand corruption an international crime. Speaking at a side event hosted by the Global Organisation of Parliamentarians against Corruption (GOPAC), he outlined the need to have an international system to tackle impunity when national level governments are either unwilling or unable to step in. Jose Ugaz, of the Transparency International Board of Directors spoke at the meeting about TI work in this area.

GOPAC issued a declaration encouraging states to enact and implement laws and place crimes of grand corruption under universal jurisdiction. Speaking on behalf of the organisation, Akaash Maharaj, Executive Director of GOPAC said "We believe there are some forms of corruption so grave, whose effects on human life, human rights, and human welfare are so catastrophic, that they should shock the conscience of the international community and mobilise the will of nations to act across borders."

In response, GOPAC's worldwide network of parliamentarians has unanimously resolved to seek the widespread adoption of international legal instruments and strategies, to apprehend, prosecute, judge, and sentence perpetrators of grand corruption—the gravest forms of corruption, across borders. "Through this initiative, we will stand together and stand against these injustices." said Akaash.

For more information, see [www.gopacnetwork.org](http://www.gopacnetwork.org)

The UNCAC Coalition recommends that the COSP ask the IRG to prepare for the 6th COSP (1) terms of reference for a communications and reporting procedure for serious non-compliance and lack of effective enforcement of UNCAC obligations and (2) a report on the advisability and practical feasibility of establishing an international anti-corruption authority.

### Impact of large-scale corruption

The World Bank estimates that more than US\$1 trillion is paid in bribes every year. The UN Office on Drugs and Crime (UNODC) estimates that multinational criminality moves US\$2.1 trillion per year across borders. According to Global Financial Integrity, over the past decade India, Malaysia, and Indonesia alone have lost a collective US\$517 billion through illicit financial outflows. But corruption is not just an economic issue: it's also a human rights issue. The public wealth lost to corruption could eradicate extreme hunger and poverty across the world.

While most countries have established a legal framework to fight corruption, they often struggle to enforce their laws in practice. Far too frequently, perpetrators are able to vitiate their national judicial systems and shield themselves from the rule of law, in direct proportion to the scale of their illicit wealth and power. As a result, the worst perpetrators of corruption can be the least likely to face national justice.

## Reviewing the Review Mechanism



**Panel, from left to right:**  
**Abdesselam Abouddrar**,  
Chair of the Central  
Authority for Corruption  
Prevention of Morocco;  
**Khachik Harutyunyan**,  
Expert of the Transpa-  
rency International Anti-  
-corruption Center of  
Armenia; **Fritz Heimann**,  
Individual Member and  
Senior Advisor of Transpa-  
rency International;  
**Ines Selwood**, UNCAC  
Coalition Regional Coordi-  
nator for Americas;  
**Jorge García González**,  
Director of the Depart-  
ment of Legal Coopera-  
tion of the OAS and  
**Mary-Jane Ncube**, Exe-  
cutive Director of Transpa-  
rency International  
Zimbabwe .

The Coalition held a side event to discuss UNCAC's review mechanism with a panel of eminent speakers from the Government of Morocco, the Organisation of American States, Transparency International and TI chapters in Zimbabwe and Armenia.

The need for a follow-up process, transparency and multi-stakeholder participation in the review process emerged as strong themes. The proposal was made that country action plans should be published no longer than six months after the conclusion of the review process, outlining how a country will implement recommendations from the review.

### Please return the property from corruption offences!

According to StaR's latest report "Left out of the bargain", only 3% of the penalties imposed in the course of settlements reached these last 13 years returned to affected countries! How could that be? Asset recovery is not only about recovering embezzled funds on foreign bank accounts from deposed corrupt rulers or confiscating the lavish properties they have purchased abroad; the process involves any "property acquired through or involved in the commission of an offence". The UNCAC Coalition is calling on States Parties to ensure that any corruption related court or out of court proceedings be conducted within the asset recovery framework provided by UNCAC Chapter V.

### In the Informals: How go the COSP negotiations?

There are reportedly productive negotiations under way in the Informals on the Moroccan draft prevention resolution that follows up on the Marrakesh Declaration as well as on the French draft Solicitation resolution and the Russian International Cooperation resolution. Discussions are also said to be moving forward on Nigerian and US proposals for a draft asset recovery resolution. A Review Mechanism resolution is also reportedly under discussion, with various countries preparing inputs.

### Coming up:

**New side event announcement:** The first jointly organized Government-NGO side event at an UNCAC COSP will take place on Thursday morning, 10:00 - 11:00 in the Boquete Room. The Government of Bangladesh and Transparency International Bangladesh will discuss Bangladesh's efforts to implement UNCAC.

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28 November 2013  
Issue 2

Newsletter published by the  
UNCAC Coalition

[www.uncaccoalition.org](http://www.uncaccoalition.org)

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