

**Statement by Manzoor Hasan, UNCAC Coalition Chair
UNCAC Implementation Review Group Briefing for NGOs
Vienna, Austria, 23 June 2016**

Chair, distinguished delegates:
Good morning.

Thank you for the opportunity to speak to you today and thank you to UNODC for its informative presentation this morning.

I am speaking on behalf of the UNCAC Coalition, a network of non-governmental organisations around the world committed to advancing the effective implementation and monitoring of the UN Convention against Corruption. My name is Manzoor Hasan and I am Chair of the Coalition. I am also the Executive Director of the South Asian Institute of Advanced Legal and Human Rights Studies in Bangladesh.

At this IRG meeting, we have the pleasure of celebrating the successes of the first review cycle of the UNCAC Review Mechanism. We have witnessed significant achievements in the last five years with 136 executive summaries and 62 full review reports published on the UNODC website, reports which contain valuable findings and recommendations. In most cases, we have also seen constructive civil society participation with opportunities for NGOs to make substantive contributions to the reviews. We congratulate this body on those successes and also on the launch of the second UNCAC review cycle, in which we take a great interest. Of course, without follow up on the review recommendations from the first cycle, the review process cannot secure meaningful change and impact. It is essential that States Parties take forward UNCAC review recommendations with action plans and provision of technical assistance for implementation. We stand ready to support government efforts to follow-up.

We welcome the opportunity provided by this Briefing today to exchange with governments our experiences as civil society in anti-corruption efforts. To enhance exchange we have organised panels on three topics we believe are crucial, namely on Giving Voice to Victims, on Clamping Down on the Facilitators and on Opening Up Procurement. But before turning to those topics I would like to address an issue that remains an ongoing concern—the importance of providing civil society the space to be able to contribute to anti-corruption efforts.

We *know*—and it is recognised in UNCAC Article 13--that trust and collaboration between governments and civil society is essential for successful anti-

corruption initiatives, and we *know* that where civil society contributes meaningfully to country reviews, the outcomes are more thorough, meaningful and accountable.

Yet around the world, the space for civil society is *shrinking* and commitments to civil society participation are eroding. In the last few years, constraints on civil society activity have made it into legislation in at least 60 countries, and across the globe informal pressure on NGOs has reportedly increased through “harassment, intimidation, demonization and bureaucratic burdens” to cite one newspaper.¹ These are regressive developments of great concern and undermine anti-corruption efforts.

Distinguished delegates, ladies and gentlemen, I now come to the second review cycle. For the second cycle of UNCAC reviews, the UNCAC Coalition is calling on countries to sign the UNCAC Review [Transparency Pledge](#) with six principles emphasising the importance of transparency and public consultation for effective UNCAC implementation. Seventeen countries have already signed this pledge – demonstrating foresight and leadership.

Now, moving on to some of the issues we will be covering today—which represent some of the content covered by the second review cycle-- I would like to draw your particular attention to a few points.

The first is that *prevention* as the key to any effective anti-corruption initiative is currently flying high in our global consciousness. The Panama Papers with its 11.5 million leaked documents has provided unprecedented insight into financial secrecy and raised public awareness of this industry and its facilitating role for corruption.

What’s more, the “shared commitment” at May’s [London Anti-Corruption Summit](#), which emphasises the responsibility of “those who perpetrate, *facilitate* or are *complicit*” in corruption, gives impetus in the UNCAC context to anti-money-laundering efforts, notably measures to achieve beneficial ownership transparency and to crack down on the facilitators of corruption crimes.

Concealment of the beneficial ownership of companies remains a serious problem. A StAR (Stolen Assets Recovery Initiative) report in 2011 noted a finding by the Financial Action Task Force (FATF) that **more than 70 per cent of the 159 countries evaluated did not have clear regulations in place to identify the beneficial owners of companies.**² We need to ensure that the

¹ See Sherwood, H., “Human rights groups face global crackdown ‘not seen for a generation’” The Guardian, 26 August 2015. <http://www.theguardian.com/law/2015/aug/26/ngos-face-restrictions-laws-human-rights-generation>.

² De Willebois et al., The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It, The StAR Initiative, Washington DC: The World Bank/ UNODC, 2011, p.13. <http://star.worldbank.org/star/sites/star/files/puppetmastersv1.pdf>

second review cycle pays close attention to beneficial ownership transparency standards, including checking whether there are national-level public registers of companies and trusts. UNODC should be requested to prepare a special report on this topic and it should be discussed at the next Conference of States Parties.

A further issue is that the facilitators or enablers of corruption are rarely the focus of anti-corruption activities and very often their due diligence requirements are weakly enforced. And yet, so often corruption is only possible because there is a network of actors, institutions and even states that facilitates anonymity and secrecy in business dealings. The second review cycle should put a spotlight on the role of facilitators or enablers in corruption by scrutinising due diligence standards and practices and whether there is effective oversight and sanctions in these sectors.

The upcoming review cycle should also take a careful look at the vulnerabilities in public contracting, government's number one corruption risk. The global spending amounts to over US\$9.5 trillion each year, a massive 15% of global GDP. UNODC has estimated that 20-25 percent of public procurement budgets are lost to corruption. Article 9 of the UNCAC requires that countries "establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, that are effective, inter alia, in preventing corruption." Experience shows that transparency and civil society participation can reduce corruption in public procurement and increase the effectiveness of the use of public funds.

Finally, a further crucial area for attention relates to victim representation and compensation in a range of legal procedures connected to anti-corruption enforcement. It is essential that victims of corruption are supported to present their views in court proceedings and in out-of-court settlements, as well as in asset recovery efforts. We welcome the important new mandate to UNODC established in Resolution 6/2 to initiate the process of identifying best practices for identifying victims of corruption and the parameters for compensation and we are keen to contribute to this process.

All of these subjects will be addressed in panels today. We are looking forward to exchanging with country delegations on the experiences and recommendations that will be presented.

Thank you.

Manzoor Hasan
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