

2nd UNCAC Intersessional Meeting, 19 November 2020
Statement by Mathias Huter, Executive Director, UNCAC Coalition

Mr. Chair, distinguished delegates,

I represent the UNCAC Coalition, a network of more than 350 civil society organisations committed to advancing the implementation and monitoring of the UN Convention against Corruption.

In this UNGASS, we are looking for bold steps and firm commitments to make meaningful progress, rather than for repetitions of what has been agreed many times before. The fight against corruption is now more important than ever. Many countries are spending massive amounts to address the COVID-19 pandemic: we need to ensure that these funds are not diverted and reach those in need.

I would like to stress four points:

1. Beneficial ownership transparency

We need full transparency of who owns and controls legal entities around the world, to make sure corrupt actors cannot hide. Information on the direct and beneficial owners of companies needs to be freely accessible to the public.

The experiences of the European Union and the United Kingdom have shown that the full value of beneficial ownership registries can only be generated if there is free public access online. This allows domestic and international law-enforcement to easily access the information, it also allows Journalists and civil society to follow indications of wrongdoings, and businesses and State entities to also easily verify with whom they are doing business.

In the United Kingdom alone, free public access to the company and beneficial ownership registry is estimated to create a total benefit of 1 to 3 billion Pounds per year. That benefit alone should be enough motivation to promote freely accessible company and beneficial ownership registries.

Slovakia also provides another good practice to replicate: Not only do all contracts of the public sector have to be published in full text online to enter into force, all domestic and foreign entities doing business with the State or receiving resources from it also have to report and disclose their beneficial owners in a public database.

2. We need to make progress in asset recovery

We see that many countries have yet to fully implement Chapter V of the UNCAC. Despite the commitments reflected in SDG 16.4, and in the various General Assembly and CoSP resolutions, so far only a tiny fraction of the roughly estimated US\$ 400 billion proceeds of corruption from developing countries has been recovered and returned in the last 10 years.

Together with Transparency International, the UNCAC Coalition has submitted a proposal for a new international framework to advance asset recovery.

Civil Society can and should play an important role in different stages of the asset recovery process. More countries should grant independent non-governmental organisations standing to initiate asset recovery procedures in the public interest.

When assets are returned, there need to be strong transparency and accountability provisions in place, in line with the GFAR principles. In this context, we would like to commend Switzerland on recently publishing an agreement on asset return, that foresees a high level of transparency in the process.

3. Compensating the victims of corruption

Stronger efforts are needed to identify, include, inform and compensate victims of corruption. This applies to asset recovery cases, as well as to settlements and resolutions of corruption cases in court: the damage done should be repaired, to the extent possible. States should ensure that their legal frameworks allow for reparations to victims of corruptions. Futhermore, States should report on actions they take and share good practice approaches.

4. Follow-up

It is crucial that the UNGASS is not the end of negotiations, but a starting point for next steps. Thus, there should also be a process to ensure progress by publicly reporting on follow-up actions taken by the States, and by strengthening the transparency, effectiveness and inclusiveness of the UNCAC review process.

As a global network of civil society organisations, we offer our expertise to contribute to future discussions.

Thank you very much!