

### Message from the Director

Dear Colleagues and Friends,

I am pleased to present the sixth volume of the Anti-Corruption Newsletter, which highlights some of the major anti-corruption activities carried out by UNDP during the first half of 2011.

In response to the unprecedented demand for democratic and anti-corruption reforms in the Arab States, the Democratic Governance Group of the Bureau for Development Policy together with the regional anti-corruption programme supported anti-corruption efforts in Tunisia and Egypt in addition to other ongoing efforts in the region. UNDP's support targets mitigating the existing risks during the transitional period and developing a medium-term strategy to strengthen long-term anti-corruption capacities.



Noting the negative impact of leakages of public resources through illicit financial flows, UNDP commissioned a study titled "**Illicit Financial Flows from the LDCs: 1990-2008**". UNDP together with the Government of Turkey, UN DESA, UN ECA, Norway, UNDP Special Unit for South South Cooperation and other partners organized a "**Special Event on Illicit Financial Flows: Perspectives on Issues and Options for LDCs**" during the LDC IV conference in Istanbul, Turkey and presented and discussed the findings of its study. The event, which was well received by the LDCs and partners, focused on the serious impediments caused by the massive illegal flows into and out of LDCs and explored various policy options to tackle the problem. As a follow up to the event and working together with various partners, UNDP is currently developing a comprehensive package of support to the LDCs to strengthen their capacities to curb illicit financial flows in the LDCs.

In Francophone Africa, recognizing the limited capacities of civil society organizations in providing oversight and fighting corruption, UNDP up-scaled its anti-corruption efforts in Benin, Burundi, and Mali by assessing the needs of civil society organization and by providing more focused training on reporting and monitoring corruption.

I hope that this newsletter serve as a useful communication tool both for UNDP colleagues and other practitioners to enhance partnership and dialogue.

Sincerely,  
 Geraldine Fraser-Moleketi, Director, Democratic Governance Group (DGG)  
 Bureau for Development Policy (BDP)

#### IN THIS ISSUE:

##### IN FOCUS

- Strengthening Capacities to curb illicit Financial Flows .....2
- Anti-corruption in the Arab Transition Process .....3
- Enhancing Civil Society's capacity to fight corruption in Francophone Africa.....4

##### UPDATES

- Global .....5
- Africa .....6
- Arab States .....7
- Europe & CIS .....8
- Asia and the Pacific .....9
- Latin America and the Caribbean.....10

FORTHCOMING EVENTS .....10

KEY RESOURCES.....11

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# Strengthening Capacities to Curb Illicit Financial Flows



Helen Clark (UNDP Administrator) delivering the opening remarks at the special event on illicit financial flows, 4th UN Conference on LDCs, Istanbul, Turkey (11 May 2011)

*“The developing world loses about US\$ 1 trillion annually in illicit outflows through corruption, criminal activity, commercial tax evasion and mispriced commercial transactions (GFI, 2009)”*

Illicit capital flight from the Least Developed Countries (LDCs) has been described as **‘the missing link in development’**. The international development community’s emphasis on increasing the financial resources

into developing countries misses a significant part of the puzzle when a large amount of resources is flowing out of these countries every year. This takes such forms as corruption, criminal activity, trade mispricing, etc.

Making matters even worse, the issue of development finance has been dealt within a narrow framework of taxation and revenue generation without building strong linkages and synergies with governance and anti-corruption interventions aimed at strengthening monitoring and oversight mechanisms.

There is thus a greater need for policy coherence. Substantially curtailing illicit capital outflows has the potential to unlock billions in much-needed extra resources for MDG-related expenditures. This is especially important for those countries furthest off-track towards the MDGs.

With this background, UNDP, in the first half of 2011, focused on awareness raising through organizing a special event and study. UNDP organized a special event on

illicit financial flows during the LDC-IV conference, where UNDP commissioned study titled **“Illicit Financial flows from the least developed countries: 1990-2008”** was discussed and presented. The event as well as the study was well-received by the participants of the conference.

UNDP is currently launching an e-discussion to further sensitize the issue, enhance the policy debate and find out the interest for programming from the LDCs. So far, Bangladesh, Ethiopia and Lesotho have requested UNDP to support their capacity development initiatives. UNDP working together with UNDESA, UN ECA, UN Millennium Campaign, Global Financial Integrity and UNDP Special Unit for South-South Cooperation is developing a multi-year capacity development programme in order to help implement the Istanbul Programme of Action in conjunction with the UN Office of the High Representative for LDCs, Landlocked Developing Countries and Small Island Developing States.

For further information on illicit finance: [http://www.undp.org/poverty/focus\\_development\\_finance.shtml](http://www.undp.org/poverty/focus_development_finance.shtml)



Helen Clark (right) and Geraldine Fraser-Moleketi (center), at the special event on the illicit financial flows, Istanbul, Turkey (11 May 2011)

## IN FOCUS:

# Anti-Corruption – Key in the Arab Transition Process

The popular uprising in the Arab States also known as the “Arab Spring” identified anti-corruption as one of the major governance issues leading to a resurgence of demand for anti-corruption and hence the need for UNDP to focus its technical assistance accordingly. Responding to the unprecedented demand for reforms, UNDP’s support has targeted developing a medium-term strategy to strengthen the long-term anti-corruption capacities in the region.

In Tunisia, the transitional government has requested UNDP to support the newly established National Committee of Fact-Finding on Bribery and Corruption, as it tried to chart the course for the future of Tunisian people. In response, a UNDP-led mission enabled a significant breakthrough by organizing a coordination meeting, which resulted in the formulation of a preparatory assistance project.

leaders and senior representatives of key state institutions with anti-corruption roles and responsibilities has been hailed as one of the early achievements of UNDP’s assistance project.

In the light of changing socioeconomic and political circumstances in Egypt, UNDP Egypt Country Office embarked on a process to strengthen its governance and anti-corruption strategy that remains key to the transformation unfolding in the country. To this end, a UNDP mission team composed of Phil Matsheza (Policy Advisor - Anti-corruption) and Dr. Ahmed M. Darwish (a Senior Consultant) conducted an advisory mission from 1 to 8 May 2011 to assess the transitional needs by identifying activities that need to be sustained, supported and upscaled.

The mission produced an advisory note that provided a comprehensive guidance for the country office to revisit existing programmes, projects and collaborations to better reflect the emerging needs and priorities.



Source: UNDP Tunisia

The project aims at enhancing the competencies, skills and other technical capacities including corruption investigations, communication and outreach. More importantly the project will focus on supporting an inter-institutional dialogue on anti-corruption, which seems to be a need at the moment. The coordination meeting that brought together, for the first time,



Source: UNDP public website

## Enhancing Civil Society's Capacity to Fight Corruption in Francophone Africa



A Round Table Discussion on the Impact of Corruption on Development, Burundi (15-17 July 2011)

UNDP has deepened its engagement on anti-corruption issues in West and Central Africa region. Despite the surge in the number of anti-corruption laws and legislations in the region, UNDP's study completed in 2011 found that the capacities of anti-corruption bodies are generally weak in the region and Civil Societies capacity is even weaker.

With this background, UNDP started capacity development initiatives that aim to engage civil society actors and address the demand side of anti-corruption



Training of Civil Society on Anti-Corruption in Mali (20-22 July 2011)

in the region. With the support from the Government of Belgium and in collaboration with other partners such as Transparency International (TI) and Tiri, UNDP carried out a preliminary assessment in May 2011 to identify country-specific Civil Society capacity needs to fight corruption. This allowed the development of tailor-made training modules, with a selective group of experts and educators from West Africa

as well as from around the world.

Based on the needs identified, UNDP has successfully brought together various partners (WBI, UNECA, UNODC, TI, the Basel Institute, Revenue Watch Institute and Tiri), to conduct a series of capacity development activities in DRC, Benin, Mali and Burundi. In addition to training, efforts have been made to strengthen Civil Society capacities through regional networks such as OLCAC (consortium of NGOs).

In collaboration with the government of Belgium, UNDP has also strengthened its policy advisory capacity at its Dakar Regional Center to service country offices on anti-corruption related policy and programming. This enabled UNDP to provide policy advisory and backstopping support to, for instance, DRC and Benin. The translation and dissemination of key knowledge products in French contributed to raising awareness and building key partnerships to upscale anti-corruption efforts in Francophone Africa.



Training of Civil Society on Anti-Corruption in Benin (27-29 July 2011)



### **OECD/DAC Anti-Corruption Task Team (ACTT) Meeting**

On 11 March 2011, the ACTT held a meeting in OECD HQ (Paris) to discuss ongoing work of OECD on anti-corruption, the G20 Position Papers and Agenda on Anti-Corruption, the ongoing Work of Common Interest, and future ACTT agenda, priorities, structure and purpose. The meeting, which was also attended by UNDP, provided inputs to the OECD/DAC guidance tool on how to work with international instruments in addressing corruption in developing countries.

UNDP has briefed the team on its ongoing activities in the area of anti-corruption and its joint activities with other partners including UNODC, GIZ, NORAD, Tiri, Basel Institutes, and U4. The meeting had decided that the ACTT under the GOVNET should continue its function in order to have substantive discussion on anti-corruption though it was recommended that the meeting can be held on the side of major anti-corruption events.

### **Project Board Meeting of Global Thematic Programme on Anti-Corruption for Development Effectiveness (PACDE)**

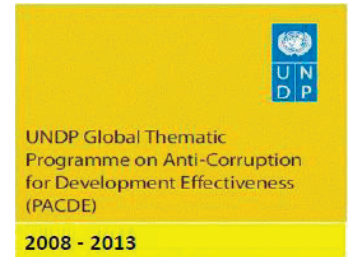
Third Project Board Meeting of PACDE was held on 4th February 2011 in New York. The board noted the progress that PACDE has made since its initiation and discussed and approved its 2011 work plan. Among the issues raised by the board members were the need to focus on country level impact, assessment of the impact of knowledge prod-

ucts, and strengthening partnership with bilateral and multi-laterals at the country levels.

### **A Practitioners' Guide on Capacity Assessment of Anti-Corruption Agencies (ACAs)**

In light of the criticism about the effectiveness of anti-corruption agencies (ACAs) in many countries, UNDP decided to develop a capacity assessment guide aimed at ACAs. Despite the proliferation of ACAs, numerous reports and academic studies showed dissatisfaction with the performance of ACAs. In order to strengthen the capacities of ACAs, UNDP took a cross-practice approach to develop a comprehensive 'Practitioners' Guide: Capacity Assessment of Anti-Corruption Agencies (ACAs)' by including not only the prevention functions, but also the enforcement functions.

In order to review and validate the draft practitioners' guide, senior representatives of ACAs, member of academia, independent consultants, development partners (UNODC and U4), and UNDP anti-corruption experts met in Bratislava (6-8 July 2011). The guide is believed to positively impact the capacities of ACAs to fight corruption and promote transparency, accountability and integrity. The finalized guide will be launched at the upcoming Oslo Governance Forum in October 2011.



Validation Workshop on Practitioner's guide for assessing the capacities of Anti-corruption Agency, Bratislava (July 6-8, 2011)

### **UNDP's support to Combat Corruption in Nigeria**

Corruption remained one of the key development challenges in Nigeria. Despite the proliferation of initiatives, structures, laws to fight corruption, an UNCAC self-assessment conducted in 2009 found that the country fell short of meeting the requirements of the international convention (Art. 5 UNCAC).

Subsequently, in 7th April 2011 a Working Group was convened by the Attorney General and Minister of Justice, with the support of UNDP and UNODC, on the platform of the Inter-Agency Task Team (IATT) on Anti-Corruption, which comprises about 20 agencies with anti-corruption mandates in Nigeria, to develop a National Strategy to Combat Corruption.

At this meeting, the heads of the core anti-corruption agencies endorsed the strategy and approved it to be presented to the President of the Federal Republic of Nigeria and the Federal Executive Council (FEC). Moreover, UNDP has also supported efforts to mainstream gender into the National Strategy to Combat Corruption and its Implementation Action Plan. The strategy, if adopted, will have a significant impact on the fight against corruption in Nigeria.



(From R- L): Professor Asobie, Chairman, IATT and Mr. Daouda Toure UN Resident Coordinator/ UNDP Resident Representative, Nigeria (7 April 2011)

#### **The main features of the National Strategy to Combat Corruption include:**

- a focus on prevention, enforcement and sanctions & public engagement;
- Interventions at the policy, technical and institutional levels.
- A three phased approach:
  - (1) focus on strengthening the capacities of the dedicated anti-corruption and public accountability bodies;
  - (2) mainstreaming anti-corruption and governance principles into sectors; and
  - (3) strengthening accountability, integrity and transparency at the state and local government levels.
- Alignment with major government development policies, including national vision 2020 and the MDGs.

### **Anti-corruption critical for REDD+ readiness in Democratic Republic of Congo (DRC)**

Anti-corruption and transparency represent the most critical governance issues in relation to REDD+ (Reducing Emissions from Deforestation and Forest Degradation) both during the design and implementation phase of national REDD+ mechanism.

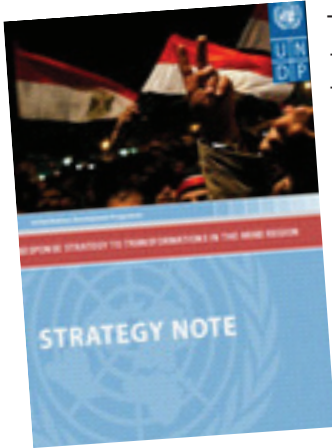
Building on the findings and recommendations of last year's UNDP/ UN-REDD flagship study, called *Staying on Track: Tackling Corruption Risks in Climate Change* (also



available in Spanish and French), UNDP has led a mission to DRC to support the NORAD-commissioned political economy study on corruption risks in REDD+, and initiate programming, notably by building on the existing UNDP anti-corruption programmes in DRC.

After engaging with a diverse number of stakeholders, an agreement has been reached to include a REDD+ component in existing anti-corruption capacity building efforts undertaken by UNDP in Kinshasa. The later included trainings for investigative journalism, citizen budget monitoring and strengthening the capacity of the supreme audit body (Cour des Comptes). A process to engage UNDP into advising the Coordination Nationale REDD+ on anti-corruption benchmarks in the readiness road-map was also delineated. Finally, arrangement has been made to create a post in the Coordination Nationale to mainstream anti-corruption programming in REDD+.

### ***UNDP's Response Strategy to Transformative Change in the Arab Region***



The challenges facing the Arab countries at this juncture lie at the crossroads of governance and development. In response UNDP has developed a strategy (<http://arabstates.undp.org>) that provides a framework for its support to processes and institutions of dynamic transition that these

countries are undergoing. Anti-corruption represents one of the focus areas.

The year 2011 have witnessed a momentous shift in the engagement of UNDP Country Offices in the region on anti-corruption. With the support of the regional community of practice, a number of UNDP Country Offices continued to offer anti-corruption related policy advisory and programming services. For instance, UNDP Iraq is focused on supporting an inclusive process to support UNCAC implementation; UNDP Jordan on developing the capacities of Anti-Corruption Commission; and UNDP Yemen on training civil society and media. In Egypt and Tunisia, Country Offices are focusing on providing immediate technical assistance to the interim governments while Offices in Bahrain, the occupied Palestinian territory, and Morocco among others are in the advanced stages of finalizing their first-ever Anti-corruption Country Projects.

### ***Anti-corruption and Integrity in the Arab Countries (ACIAC) Regional Project Launched***

Based on the pioneering work of UNDP's Programme on Governance in the Arab Region (POGAR), UNDP launched an Anti-corruption and integrity in the Arab Countries (ACIAC) regional project in July 2011. The project was endorsed by representatives of 16 Arab countries during a high-level regional conference in Amman (Jordan) on 26-27 October 2010, and interested countries were invited to sign it in preparation for implementation in 2011-2014.

ACIAC will engage stakeholders from across the region with a primary emphasis on project-signatory countries. Iraq was the first country to become a signatory in December 2010, followed by Jordan, the Palestinian National Authority, Djibouti and Morocco in March, and then Yemen in April, while several other countries have expressed their interest to join in, and strengthen anti-corruption cooperation with UNDP and its partners.



A year in pictures: leaders in government and civil society working with UNDP to shape ACIAC as the Arab region's major anti-corruption cooperation framework for 2011-2014.

## Asia and the Pacific

### ***Assessment of the Integrity in Action Network (INTACT) project in the Maldives***



At the request of UNDP Maldives, the Bangkok Regional Center conducted an assessment of the Integrity in Action Network (INTACT) project in the Maldives which has been implemented from 2009 to 2010. The project was designed to develop the capacity of the Anti-Corruption Commission (ACC), support the UNCAC Self-Assessment process and raise awareness about corruption in the Maldives.

The mission, which took place from 31 March to 7 April 2011, found that the INTACT project had greatly contributed to developing ACC staff capacity to fulfill their functions, complete a comprehensive UNCAC Self-Assessment, and raise awareness about corruption issues and the ACC's mandate. One clear indicator of the success is the substantial increases in the number of complaints received and processed by the Commission since 2008. By comparison, the ACC received 41 complaints in 2008, rising to 254 in 2009 and up to 859 in 2010. In addition, the mission also analyzed remaining capacity gaps and the current situation for combating corruption in the Maldives and helped formulate a new three year project (2011-2013) aligned with the new UNDAF period.

Corruption (UNCAC). The workshop was notable for its whole of government approach, which recognized that corruption is multifaceted and must be addressed by a range of stakeholders. At the conclusion of the Meeting, Members of the Nitijela endorsed an Outcomes Statement which called for commencement of the national process to progress accession to UNCAC. Following the workshop, a resolution to accede to UNCAC was tabled in the Nitijela. It has been referred to a committee for consideration and is scheduled to be reported on at the next session of the Nitijela in August 2011. If/when the Republic of the Marshall Islands accedes to UNCAC it will become the 4th Pacific Island country to accede to the treaty, joining the ranks of PNG, Fiji and Palau.

### ***UNCAC Self-Assessment Training in Dili, Timor-Leste***



At the request of the Anti-Corruption Commission (ACC) of Timor-Leste, UNDP supported an UNCAC Self-Assessment Training in Dili on 11-13 April 2011 co-organized with UNODC and UNMIT. The three-day training focused on the UNCAC provisions, experiences and lessons learned from other Asian countries in undertaking an UNCAC Self-Assessment and related practical tools. A representative from the Stolen Asset Recovery Initiative (StAR) also provided some basic training on forensic accounting. Some 40 participants attended the workshop from the ACC, Prosecutor General Office, Police, Civil Service Commission, Inspector General Office, Customs, and NGOs. The ACC has now designated two focal points to take the process further in consultation with the participating national institutions over the coming months. Timor-Leste is expected to submit its UNCAC Self-Assessment report under the UNCAC Review Mechanism by September 2011.

### ***Accession to UN Convention Against Corruption a priority for Marshall Islands***

From 16-17 February 2011, Senators of the Marshall Islands Nitijela (National Parliament) participated in a National Workshop on Ratification and Implementation of the UN Convention against



Members of the Nitijela and some participants, Majuro, Marshall Islands 16-17 February 2011



## Europe and the Commonwealth of Independent States

### ***New UNDP Regional Anti-Corruption Project launched***



Regional Workshop in UNDP's Anti-corruption initiatives, Bratislava

A new UNDP three years Regional Anti-Corruption Project covering Eastern Europe and the CIS Region has been launched in April 2011. The Project will be implemented by the Bratislava Regional Centre with the support of PACDE. The project is designed to support innovative approaches to fighting corruption while promoting social inclusion and human development across the region. This project will enable UNDP respond to the emerging demand, i.e., support to anti-corruption activities in sectors like health, education, water and sanitation, energy; capacity development of Anti-Corruption Agencies; the UNCAC review process; integrity/corruption assessments at the sub-national level; and advocacy; and enlarging the policy dialogue on anti-corruption. The regional project was officially presented to the Country Offices through a Workshop on UNDP Anti-Corruption Activities in the RBEC Region (28-29 March 2011).

### ***UNDP's Support to the Directorate for Anti-corruption Initiative (DACI) of Montenegro***

As part of UNDP's capacity development support to Anti-corruption agencies in the region, the Bratislava Regional Centre (BRC) and the UNDP Country Office in Montenegro provided

assistance to the Directorate for Anti-corruption Initiative (DACI). The assistance involved the development of a concept note and a plan for conducting corruption risk assessment in various risk areas identified by the national Anti-corruption Strategy. The UNDP Country Office in Montenegro is currently supporting the DACI through a multi-year anti-corruption programme.

### ***UNDP's support to Serbia's Anti-Corruption Agency in the Development of National Indicators***

A two-days training for the Serbian Anti-Corruption Agency (ACA) entitled "[National Tools for Anti-Corruption Measurement](#)" was organized (15-16 March 2011) by UNDP Serbia, with the assistance of the Bratislava Regional Center and the Oslo Governance Center. The training covered a range of practical tools that can help the Agency's performance in the monitoring of the National Anti-Corruption Strategy and Action Plan. The training activity constituted the launching of the project "Enhancing Anti-Corruption Efforts in Serbia", funded by UNDP's Democratic Governance Thematic Trust Fund, and which will, in the next two years, support and promote innovative human rights oriented approaches to combating corruption at both national and local level in Serbia.



Sarah Repucci, UNDP expert on governance indicators, Belgrade, 16 March 2011

## UPDATES:

### Latin America and the Caribbean

#### ***Best Practices for the Promotion of Transparency at the Local Level***



The book "Best Practices for the Promotion of Transparency at Local Level" was recently launched in Colombia as part of TRAALOG Project activities with the UNDP Country Office. The publication is a result of nearly a year of work, in which best practices to promote building of bridges between the prevention and combating corruption, were identified and analyzed. The projects that eventually became best practices were assessed and documented through a participatory approach. In total, nine (9) experiences based on the three constituent components of

transparency (visibility, integrity and accountability), were systematized. The publication has allowed the recognition of local efforts to promote transparency and prevent corruption and contributes to the national, regional and international anti-corruption discourse. The case studies are being translated into English for wider distribution and will be featured at upcoming Third Community of Practice of Anti-Corruption in Latin America in September 2011. To download the book, click on [here](#) (available in Spanish).

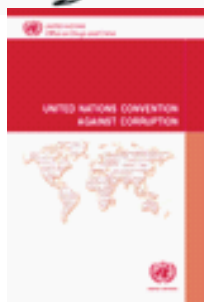
## FORTHCOMING EVENTS



- UNDP, in collaboration with UNDEF, ActionAid, ACT Alliance, WBI and PRIA Global Partnership, is organizing the **Oslo Governance Forum (OGF)** on 3-5 October 2011. For more information, visit <http://oslogovernanceforum.org/>.



- **The 2011 International Anti-Corruption Day** (9 December) will be marked by various activities at the global and local levels to raise awareness of corruption and of the role of the United Nations Convention against Corruption (UNCAC) in combating and preventing it.



- The Second Inter-sessional Meeting of the **Open-ended Intergovernmental Working Group on Corruption Prevention** will be held in Vienna, Austria (21-25 August 2011).



- **The 3rd Community of Practice of Anti-Corruption in Latin America** is scheduled for September 2011. It will launch key knowledge products including climate change and local governance, Vulnerabilities in the Health Sector in LAC, Practical Guide to Social Audit, and Contextualizing Corruption and Anti-corruption in LAC ([link](#)).

# UNDP's Key Knowledge Products on Anti-corruption: A Snapshot





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