

**HUGUETTE LABELLE PRESENTATION
SECOND CONFERENCE OF STATES PARTIES
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NEED FOR ACTION TO ESTABLISH UNCAC REVIEW MECHANISM

Transparency International (TI) held its annual meeting here in Bali three months ago and adopted a resolution calling on this Conference of States Parties to take action to establish a mechanism for review of implementation and to give highest priority to the implementation of UNCAC's asset recovery provisions. Thank you for providing me with this opportunity to present TI's views.

The UN Convention has made remarkable progress since we met in Jordan thirteen months ago. It has now been ratified by 107 governments, over three-quarters of the signatories. This rapid progress has raised high expectations that UNCAC can soon begin to function as the leading global instrument for combating corruption.

At the First Conference of States Parties in Jordan you made the crucial decision that "effective and efficient review of the implementation of the Convention...is of paramount importance and urgent" and that "it is necessary to establish an appropriate and effective mechanism to assist in the review of implementation..." You called for action at the Second CoSP on the review mechanism and its terms of reference.

TI welcomed the decision you made in Jordan as a major breakthrough. It showed that you recognized that a review mechanism was needed to transform UNCAC from words to deeds, and that you had the political will to make UNCAC work.

To maintain UNCAC's forward momentum, this meeting should establish the review mechanism, as decided in Jordan. If this proves impossible, there will be widespread disappointment. At a minimum, a time-phased work plan must be developed to ensure that action takes place at the Third CoSP. At this session I want to cover three points:

- Delay in establishing the monitoring mechanism would be a serious setback for UNCAC.
- Second, I will outline key elements of the review mechanism.
- Third, I will recommend several additional steps that should be taken in 2008-09 which are important for UNCAC's progress.

1. Why Delay in Establishing a Review Mechanism Would Damage UNCAC

Because your action in Jordan was widely regarded as a major breakthrough, delay in establishing the review mechanism damages the credibility of UNCAC.

In my travels around the world, I always stress that corruption is a global problem, that requires global action, and that UNCAC is crucial because it is the only instrument that can provide a global framework for combating corruption.

This meeting should instruct the Secretariat and the Working Group on Implementation Review to take all necessary steps to ensure that well thought-through proposals for the review mechanism and its terms of reference be available for action at the Third CoSP, if not now. The Secretariat should promptly organize a small drafting group and a schedule for quarterly meetings with the Working Group on Implementation Review should be established. With corruption continuing to grow around the world, failure to take the step most necessary to make UNCAC work would be a terrible setback.

I want to make a special plea to my friends in developing countries, for whom UNCAC's asset recovery provisions are the highest priority. Prompt establishment of the review mechanism is particularly important for the success of asset recovery. The review mechanism is essential to ensure that UNCAC's asset recovery provisions are consistently implemented by all banking centers around the world; otherwise asset recovery will not succeed because stolen assets will simply flow to the banking centers with the weakest implementation.

2. Key Elements of the Review Mechanism

The design of the review mechanism must take into account that UNCAC has the broadest and most ambitious scope of any anticorruption convention, as well as the largest and most diverse number of parties. These factors are UNCAC's greatest strength, but they also present the most complex challenge. The review mechanism must have the political, managerial and technical capabilities to cope with these complexities.

The Review Mechanism should have three components:

- **Political.** The Conference of States Parties should retain responsibility for establishing policies and priorities for the review process. Only the CoSP can provide the collective political will needed to overcome entrenched resistance and make UNCAC succeed.
- **Managerial.** The Secretariat (UNODC) should be responsible for the day-to-day management of the review process. That cannot be done by a conference of 140 parties that meets every two years. TI has worked closely with UNODC since 2002 and we are impressed with their dedication and professional competence. We are confident that UNODC will do an outstanding job managing the review process.
- **Technical.** A distinguished Board of Experts should be established to provide technical advice and assistance to the CoSP and the Secretariat on the organisation and operation of the review process.

The roles of the CoSP and the Secretariat are self-evident and widely recognized. The Board of Experts would add knowledge and experience that would contribute greatly to the effectiveness of the review process. It should consist of outstanding experts from the principal fields covered by UNCAC, including public administration, criminal law, and development assistance. Active involvement of distinguished experts would strengthen the quality of UNCAC's review process, provide prestige and independence, and increase public credibility.

The Board should have about a dozen members, in order to provide both professional and regional diversity. The Board should play an important role advising the CoSP on policies and priorities and assisting the Secretariat with the planning and conduct of the review process.

To make the review process “effective and efficient,” as required by the resolution adopted at the First CoSP and to ensure that it is in keeping with article 5 of the Convention, it should be transparent and benefit from the active involvement of civil society and the private sector. Adequate and dependable funding from the UN budget is essential.

3. Action Programme for 2008-09

In addition to the steps needed to establish the review mechanism, we urge you to authorize the following programmes to be conducted in 2008-09:

- **Expand pilot programmes.** The pilot programmes, begun in 2007 to assess the status of implementation and to test review processes, should be expanded to include additional parties and a wider range of UNCAC provisions, particularly preventive measures.
- **Asset recovery implementation.** Review of implementation of the asset recovery provisions, going beyond the pilot programs, should begin in 2008, focusing particularly on technical assistance requirements. These reviews should cover the principal banking centers as well as developing countries engaged in asset recovery. Collaboration with the World Bank on the StAR initiative should continue. A key goal should be to provide funding of the litigation costs that are the biggest impediment to asset recovery.
- **Work with other monitoring organisations.** Programmes for cooperation with the monitoring organisations of other anticorruption conventions should be developed to avoid duplicative reviews. TI has worked with all of these organizations and I can assure you that this is a readily manageable objective. They all have serious resource constraints and would all benefit from cooperation.
- **Promote technical assistance.** Cooperation with multilateral and bilateral donor organisations should be expanded in order to ensure provision of adequate technical assistance to developing countries for UNCAC implementation.

Mr President, corruption is a worldwide epidemic, an epidemic that multiplies poverty, spawns violence and feeds organised crime. Corruption kills people every day. This is why timely and urgent action to implement the UNCAC is so important.

Huguette Labelle
Chair of the Board
Transparency International

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