



**Effective Monitoring Mechanism of the United Nations Convention
against Corruption**

Statement by Ms. Olajobi Makinwa
Head, Transparency and Anti-Corruption
United Nations Global Compact
to the
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United Nations Convention against Corruption
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Thank you Madam President

The Global Compact would like to commend The State of Qatar for organizing this meeting and would like to confirm our continuing collaboration to our colleagues at the UNODC

Distinguished Delegates,
Ladies and Gentlemen

It is a great privilege to be here today. I hope in the few minutes that I have I will be able to share with you our perspective on how voluntary engagement can advance the anti-corruption agenda.

As you may know, the United Nations Global Compact is now world's largest corporate citizenship initiative with over 7,000 participants from more than 130 countries. The main purpose of the Global Compact is to give practical meaning to United Nations values and universal principles by establishing the business case for responsible behavior. In this sense, the Global Compact is both diffuser of norms and a learning platform. Transparency and public accountability have become an integral part of the initiative. All of the Global Compact's corporate participants are required to publicly and annually disclose progress made in the implementation of the ten principles. Repeated failure to do so leads to a public delisting. Only ten days ago, the number of companies delisted passed one thousand. At the same time, the inflow of new companies far

exceeds those that are delisted. Currently, over 100 companies join the initiative every month.

Indeed, the financial crisis and the subsequent economic downturn have put a spotlight on the issues that the Global Compact has long advocated as essential responsibilities for the modern corporation. We believe that the crisis has helped shift corporate focus from obsession with short-term profits to long term value creation. It clearly has helped to underscore the importance of a more comprehensive risk assessment where non-financial issues, especially corruption, must play a bigger role.

The crisis has also underscored the importance of ethics and good moral behavior as absolutely necessary pre-conditions for trust-building and well-functioning markets.

Our participants are convinced that well-functioning markets require both effective regulation and vibrant voluntary action. The two do not compete with each other, they are complements: governments have the prime responsibility for creating the rules, and the private sector must comply with these rules. But in situations where rules are weak or not effectively implemented, voluntary initiatives can at times fill the gaps by creating incentives for good behavior. And sometimes, this may help to improve or go beyond regulation. In the absence of effective rules, trust cannot be built and unethical behavior cannot be eradicated.

The Global Compact's 10th principle on transparency and anti-corruption was introduced in 2004. Since then, it has rapidly emerged one of the most critical issue areas in the Global Compact. While the number of Global Compact's business participants with comprehensive anti-corruption policies and practices, and a solid record of engagement is still relatively small, some encouraging progress has been made. For example, useful guidance tools have been developed and many of our country networks have started to organize learning and dialogue on anti-corruption, or even embarked on collective action.

The most promising developments have taken place in the area of disclosure. Only a few days ago, the Global Compact Working Group on the 10th Principle agreed on a disclosure program to help companies communicate publicly on the anti-corruption measures they have in place. We will publicly share this framework on 9 December 2009 - International Anti-Corruption Day. We are hopeful that the upcoming Global Compact Leaders Summit, to be held on 24-25 June 2010 in New York City will

formally endorse this framework, so that over time all our participants will report on anti-corruption as part of their annual disclosure requirements.

Excellencies

Ladies and gentlemen,

Another “first of its kind” is a Chief Executive Officers’ letter urging you, as State Parties to the United Nations Convention against Corruption, to create an independent, inclusive, transparent and efficient review mechanism to the Convention. This letter, unprecedented in the history of the United Nations and signed so far by about one hundred leading executives from all regions of the world and many sectors, is now part of the documents of this Conference of the States Parties. The CEO letter was developed with our partners, the International Chamber of Commerce, Transparency International and the World Economic Forum.

As we may observe and conclude, business increasingly understands the costs and risks of corruption. A growing number of corporations are ready to act. A strong business commitment to fight corruption in all its forms will improve investment prospects, open further business opportunities and advance market stability. However, these efforts can only be brought to scale if governments do their fair share. Through the CEO letter, business leaders everywhere are making a strong appeal for your leadership in developing a truly effective United Nations Convention against Corruption. By all accounts, business and civil society are ready to align their efforts with the Convention and to do much more. But their enthusiasm to act must be matched by the political will to grasp the opportunity at hand.

Business and civil society are also keen to enter into more partnerships to scale up their efforts. They want to enter into dialogues with governments and make real progress in critical areas. Our hope is that the public sector will henceforth engage more actively in learning and collective action around the world. The Global Compact and its participants stand by as a reliable partner. Let us all join hands in a powerful and productive partnership to move this agenda forward and successfully tackle the scourge of corruption.

Madam President, distinguished delegates, Ladies and Gentlemen, I thank you.