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"Mainstreaming anti-corruption in development and the realization of the Millennium Development Goals"

Your Excellencies, distinguished delegates, friends and colleagues.

GOOD MORNING TO ALL OF YOU! What a pleasure it is to be together here in Amman and to dig further into the subject matter after that great set of remarks in the opening session.

I too would like to first thank our Jordanian hosts for their hospitality and in particular the Prime Minister of Jordan His Excellency Mr. Samir Al Refai, for the support extended by the Government of Jordan to host this conference with UNDP.

In my remarks this morning I want to start with a look at the historic moment we find ourselves in with the possibility of achieving the Millennium Development Goals by 2015 and related to that, the role that integrity in the use of funds can play to accelerate progress on those MDGs. These goals, these MDGs are not mere numbers but rather they reflect the way human beings live –the

quality of life of individuals in every country, in every city and every village. While MDGs may sound numeric there is a human face behind every measure.... A child, a woman or a man.

The Opportunity presented by the MDGs:

I have the pleasure of now working for UNDP HQ in New York. While I spent the bulk of my career in field duty stations, one of the exciting elements of being in New York was last month -- observing the leaders of the world (Heads of State, Heads of Government) coming together at the MDG Summit. It was a very moving moment to see leaders of all countries around the planet... from all religions, races, languages and cultures coming together with a common purpose of achieving the MDGs in their respective countries by 2015. They each stepped up to the podium of the UN General Assembly and spoke in some manner of the progress in their country over the past 10 years and the path forward over the next five years. I think all who were engaged in the Summit went back to their countries with a renewed sense of purpose and unity around the possibilities that exist as the target date of 2015 approaches.

In the extraordinary analysis over the 18 months leading up to the MDG Summit, UNDP worked closely with our national partners at the country level to determine what have been the key factors for progress and likewise what has slowed progress. Interestingly good governance was

found across the globe to play a role of accelerating progress on MDGs -- while negative elements in that field such as corruption or the ineffective use of public resources actually slowed down progress on MDGs.

LINKING MDG PROGRESS AND SUCCESS IN ANTI-CORRUPTION:

Let's look at that link between corruption and people's lives.

To share but one example, I worked in a country in Asia where the single leading off track MDG was in education -- only one out of two children were completing primary school. When I went to the rural areas it was striking that teachers were often not coming to school in the morning -- leading to children of course not coming to school. When speaking with teachers in the villages they complained that they were only receiving a reduced portion of their salary and it was being received several months late. They thus had to run small businesses or grow crops to survive, rather than teach at the school. At the capital level actual funds were being disbursed by the central treasury to pay the teachers but it passed through so many hands on the way to rural levels with resulting leakages. When the cash reached the hand of the teacher it was usually two months late and reduced by upwards of 40 % from what was actually paid at the capital. This was an important factor in a poor result on the MDG of children completing primary school.

This is but one example of how corruption impacts negatively on people's lives, usually the poorest and most vulnerable people.

Likewise, when you think of young people, young men and women ages 15 to 19 for example in the Arab states, they are full of hope for the future ready to invest in themselves to be successful in their careers. However, corruption and having to rely on connections rather than competing in a level playing field is one of the most deflating barriers that young people articulate as they look at the hurdles in their future careers.

I think much of this link between corruption and negative consequences on people's lives is understood and appreciated... but then what? How can a motivated person engage on this? What pragmatic action is possible? The opportunity of this conference is to share experiences and reinforce each other to take such action.

TAKING ACTION:

Obviously political will at the top of the nation is a powerful and requisite starting point for tackling corruption. There is also the landmark UN Convention on Anti-Corruption (UNCAC) that provides an agreed international framework for action that each signator country commits to take forward.

I would like to frame possible actions in three broad domains. This was a winning formula in Hong Kong, though each country is unique and this is not meant to be a blueprint in any way but rather a way to frame actions and possibly our discussion. As the former Head of the Hong Kong Anti-corruption commission said when we worked together in two countries in Asia, corruption exists in every country around the globe. It never goes away... rather in the best of circumstances it can be brought under control and contained -- though constant vigilance is needed.

I would invite you to think of these three domains of action like three legs to a stool... all three are needed and rely on each other. If you take any one out, the other two fall. The three are: citizen engagement; system simplification; and transparent and effective institutions for enforcement. Let me embellish them a bit and see if they resonate for you.

FIRST: Citizens are best placed to monitor corruption since they are the ultimate beneficiaries of public and private services. An empowered and organized citizenry with civil society organizations and a dynamic media can spotlight problems early on. They can be both a support arm to carry forward anti-corruption as well as a watch dog to blow the whistle when there are breakdowns.

For instance, here's another example on education from Hondurus. When communities are empowered, especially the parents of school aged children, local public resources are maximized for student learning in classrooms. The

parents themselves become strongly focused on maximizing possible resources and ensuring the most effective and efficient use of these resources for their children's schools. In Honduras when the responsibility for preschool and primary education was shared with parents in rural villages, teacher absenteeism dropped. The community increased the teachers' accountability in the village by posting in a blackboard outside the school the number of days that the teachers did not attend without justification and not granting the proportional part of the salary according to the law. This practice is similar to the one used by the village grocery stores, which place a black board outside indicating who is not paying their debts and the amounts owned.

Community social capital and not new rules or regulations allowed remote Honduran villages to improve the quality of education.

SECOND leg to the three legged stool: **Simplified Systems**: Too cumbersome and complicated public administration, especially in the sectors, opens windows to rent seeking behaviors. Simplifying systems where corruption festers and making procedures clear to citizens lowers the chance of corruption. Such systems range from a transparent tax system, handling of imports and exports to simple things like obtaining a drivers license. New Information Technology systems allow citizens to have direct access to information. Likewise, a modernized public administration that uses SMART cards, electronic

salary payments and other such modes has been shown to limit corruption.

To give one example, the Customs Department of Mozambique went through an institutional and operational reform which was integrated in a far-reaching public sector capacity building process. The policy reform that introduced simple and transparent procedures contributed to diminishing corruption and smuggling and increased revenue collection. According to official data, from 1996 until 2006, the Customs revenue increased 350%.

THIRD: Enforcement: Stronger institutions of oversight, firm legal frameworks and committed enforcement are necessary to control corruption. Anti-corruption commissions need to be seriously supported if they are to work. That requires independence to carry out their work free of political constraints, talented human resources as well as a serious budget to allow investigations, outreach to the public and basic day to day operations. Fighting corruption is not cheap, it takes a serious commitment of resources. But when it works, the return to society is extremely high.

These three elements of a comprehensive anti-corruption effort (public engagement, systems simplification and effective enforcement) are interrelated and mutually dependent. They worked and are working for locations in Asia and I invite your consideration of them in this meeting.

Partners in UNDP

We note with satisfaction that today, we talk on corruption with more clarity, commitment, and coherence in the Arab region. Taboos to discuss this have been largely overcome. This is because of many years' of efforts made by Arab Governments and a host of partners including non-state actors. Yet progress can be uneven and often too slow to show impact to the populace, which want to see the tangible results of anti-corruption interventions in their daily lives in better service delivery in health, education and water .

While we are many people and organizations assembled today, please know that UNDP is scaling up its efforts on anti-corruption in this region and around the globe. We see it as a high value support to our partners with potentially large and positive impacts on MDG achievement.

I would particularly like to acknowledge my colleagues in the UNDP Programme on Governance in the Arab Region (POGAR)'s for its role in serving as the facilitator of regional dialogues on anti-corruption, providing technical support for the ratification and implementation of the United Nations Conventions against corruption, supporting anti-corruption institutions in the region and providing support for regional networks to open a space for policy dialogue. The Arab Anti-Corruption and Integrity Network (ACINET) is one such example.

At the end of this conference we hope to launch UNDP's new regional anti-corruption initiative to build on the successes of the past and address the increasing demands at the country levels.

Mr. Chairperson, ladies and gentleman, let me conclude by saying thank you for this opportunity to share some thoughts with you on the MDG progress and related to that, efforts to combat corruption. I look forward to dialogue with you over the next two days.

Thank you.