

Doc.: GA16/LC16/REP/00

THE SIXTEENTH PLENARY SESSION OF THE GENERAL ASSEMBLY
LEGAL AND POLITICAL AFFAIRS COMMITTEE

REPORT^{*}

LEGISLATIVE FRAMEWORK FOR COMBATING CORRUPTION

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I. INTRODUCTION

1. At its Fifteenth Meeting of the Committee in Moscow on 19-20 April 2000, the Report and Recommendation on the “Legal framework of cooperation among the law-enforcing, customs and migration authorities” were elaborated. During the debates special emphasis was placed upon the issue of corruption. It was stressed that

^{*} *Text adopted by the Assembly in Yerevan on 29 November 2000.*

corruption directly affects economic development making a country vulnerable to financial crises and macroeconomic instability; that corruption accelerates crime, hurts investment, stalls growth, undermines faith in prosperity; that corruption is an enemy of democracy and the rule of law; that corruption affects nascent political and economic reforms. It was also noted that fight against corruption is placed high on the agenda in the member countries.

At the Meeting the members of the Committee decided to devote greater attention to the problem of corruption, to study the issue deeper, to analyse causes and effects of corruption and to examine comprehensive anti-corruption principles and practices at national, regional and international levels.

2. Subsequent to this decision, PABSEC Legal and Political Affairs Committee takes up the subject on “Legislative Framework for Combating Corruption”. The Report is submitted to the Sixteenth Meeting of the Committee in Kyiv on 11-12 October 2000 and to the Sixteenth Plenary Session of the General Assembly in Yerevan on 29-30 November 2000.
3. The present report is designed to provide framework within which corruption can be approached, prevented or reduced. It stresses that as corruption rises, the rule of law falls. It reflects the realisation that actions against corruption such as transparency, accountability contribute to the prosperity of the peoples and the justness of the societies in the region. It also stresses the need for independent judiciary, and a free press to effectively bring corruption out of the dark. The Report evaluates special national programs and adds voice and support to the regional and international anti-corruption and good governance efforts. It also examines the initiatives and undertakings by specialised non-governmental organisations.
4. Contributions for the Report and Recommendation have been received from the national delegations of Armenia, Greece, Moldova, Turkey and Ukraine. In addition, the reference materials were obtained by the PABSEC International Secretariat from the official internet sites of the Council of Europe, European Union, Organisation for Economic Cooperation and Development (OECD), the United Nations, World Customs Organisation, the World Bank, World Trade Organisation, Global Forum on Fighting Corruption, Transparency International, etc – all of which are involved in fighting against corruption.

II. LEGISLATIVE FRAMEWORK FOR COMBATING CORRUPTION

Problem of Corruption – Causes and Consequences

5. Corruption is an old malignancy, which is rather complex in its nature. It penetrates through all societies regardless of their level of development or form of government, undermining the state’s legitimacy and threatening the rule of law. Corruption is an issue of enormous significance to the future of the global economy as well as to the development of open economic systems and democratic institutions within a country limits or the whole regions. The roots of corruption lie deep in bureaucratic and political structures and its effect on growth and development changes with country conditions.
6. Corruption covers a broad range of human actions and generally can be defined as abuse of public office for private gain. Bribery, fraud, embezzlement, theft of state assets, diversion of state revenues, etc. are frequent forms of corruption. Costs of corruption may vary in magnitude and type. Corruption is not just a private breach of ethics, it is a matter of profound political and social consequence and in order to understand well the effect corruption has on an economy or a political system, it is necessary to identify its specific types.

7. Bribes are one of the main tools of corruption. Bribery occurs in both private and public sectors and is used by private parties to “purchase” things provided by governments such as: (1) *Government contracts*: bribes can influence the government’s choice of firms to supply goods, services, and works, as well as the terms of those supply contracts. (2) *Government benefits*: bribes can influence the allocation of government benefits, whether monetary benefits (such as tax evasion, subsidies to enterprises or individuals or access to pensions, unemployment insurance, etc.) or in-kind benefits (such as access to privileged schools, medical care, housing and real estate, ownership stakes in enterprises being privatised, etc). (3) *Public revenues*: bribes can be used to reduce the amount of taxes or other fees collected by the government from private parties. (4) *Licences*: bribes may be demanded or offered for the issuance of a license that conveys an exclusive right, such as a land development concession or the exploitation of a natural resource. Sometimes politicians and bureaucrats deliberately put in place policies creating control rights, which they profit from by selling. (5) *Time savings and regulatory avoidance*: bribes may be offered to speed up the government’s granting of permission to carry out legal activities, such as company registration or construction permits. (6) *Influencing outcomes of legal and regulatory process*: bribes can change the outcome of the legal process as it applies to private parties, by inducing the government either to ignore illegal activities or to favour one party over another in court cases or other legal proceedings.
8. Theft of state assets by officials is another type of corruption. An extreme form is the large-scale “spontaneous” privatisation of state assets by enterprise managers and other officials mostly taking place in transition economies. On the other hand, petty theft of items like office equipment, stationery, vehicles, fuel, etc. are usually committed by middle- and lower-level officials, compensating, to a certain extent, for inadequate salaries. Theft of state assets take place when the asset control systems are rather weak or non-existent and so is the institutional capacity to identify and punish wrongdoers. The consequences of both grand and petty corruption may be very much devastating for the countries, especially the transition ones.
9. Theft of government financial resources is another form of corruption. Officials may pocket tax revenues or fees, (this often happens as a result of collusion of the payer), steal cash from treasuries, extend advances to themselves that are never repaid, or draw pay for fictitious workers (“ghost” workers) through well documented reports. These cases usually take place when financial control systems are broken down or are neglected by the managers.
10. Corruption within government at political or bureaucratic levels leads to political and bureaucratic corruption. The first may be independent of the second, or there may be collusion. At one level, political corruption involves election laws, campaign finance regulations, conflict of interest rules for parliamentarians, etc. At another level, corruption may reflect the way power is exercised in a country and may be impossible to reduce through lawmaking alone. There are also cases when state institutions are infiltrated by criminal elements and are turned into instruments of individual enrichment.
11. Corruption in the private sector is realised through fraud and bribery, also having costly results. Unregulated financial systems permeated with fraud undermine and deter foreign investment. They also make a country vulnerable to financial crises and macroeconomic instability. Entire banks or savings and loan institutions may be taken over by criminals for the purpose of wholesale fraud.
12. The “benefits” obtained through corruption may be enormous (grand corruption) or very small (petty corruption), and the impact of misinterpretation of laws can be dramatic or minor. Grand corruption is often associated with international business

transactions and usually involves politicians and bureaucrats. Petty corruption may be pervasive throughout the public sector if firms and individuals regularly experience it when they seek a license or a service from government.

13. The incidence of corruption varies among different societies, ranging from rare to widespread, i.e. corruption may be isolated or systemic. If corruption is rare (or isolated), consisting of a few individual acts, it may be relatively easy to detect and punish. In such cases non-corrupt behaviour is the norm in the society, and institutions in both the public and private sectors support integrity in public life. Such institutions, both formal and informal, are sufficiently strong to return the system to a non-corrupt equilibrium. In contrast, once corruption becomes widespread (or systemic), bribery, on a large or small scale, becomes routine in dealings between the public sector and firms or individuals, the likelihood of detection and punishment decreases and incentives are created for corruption to increase further. Where corruption is systemic, the formal rules remain in place, but they are superseded by informal rules; bribery is illegal but, at the same time, is understood by everyone to be a routine, it may be a crime to bribe a public official, but in practice the law is not enforced and informal rules prevail. The institutions, rules and norms of behaviour are adapted to a corrupt practices. When corruption is systemic even if detection takes place, punishments are apt to be mild since it is hard to punish a person severely when so many others (including law enforcers as well) are likely to be equally guilty.
14. Systemic corruption is frequently confined to certain public agencies - such as customs or tax authorities, public works or other ministries, or particular levels of government. Although, in general corruption is more serious problem in developing societies, systemic corruption may coexist with strong economic performance, i.e. in the developed and industrial countries. When corruption is systemic in the public sector, private firms or companies that do business with government agencies can hardly escape participating in bribery. The control of bribery and fraud in the private sector can be resisted by strong anti-corruption legislative framework and by encouraging the growth of professional bodies that set standards in areas like accounting and auditing. In the long run, controlling corruption in the private sector may require improvements in business culture and ethics. At the same time, combating corruption in the public sector may become a prerequisite for controlling private sector corruption.
15. The causes of corruption are always contextual, rooted in a country's policies, bureaucratic traditions, political development and social history. Relevantly, the effect and consequences of corruption on economic growth, political development and reforms vary with specific country conditions. With the progress of economic cooperation and integration in the Black Sea region the effective measures for strengthening the rule of law as the foundation for democratic governments and free markets become a significant priority. Closer interaction among the partner countries through liberalised trade, financial flows, movement of capital, expanded economic relations magnify the potential impact of official corruption, that is corruption of key players in maintaining fair cross-border cooperation and the rule of law - police, border, security, justice officials, prosecutors or judges, government officials, etc. Corruption as anywhere else, undermines the values of democracy, morality, diminishes the effectiveness of public policy, reduces trust in government and threatens successfulness of social, economic and political reforms. It impedes economic development, weakens investor confidence, places negative impact upon private sector and foreign investment.

Corruption within the Context of the Black Sea Economic Cooperation

16. As anywhere in the world, corruption is a major problem in the Black Sea countries and within the Black Sea region. Although corruption happens in every country, it thrives in transitional economies where legislative systems are incomplete or evolving. In

some countries, corruption increases vulnerability to economic crisis, in others, it becomes significant impediment and a major obstacle to economic recovery and stability. Corruption disrupts normal business and public policy decision-making, distorts allocation of financial and human resources, discourages small business, entrepreneurship and foreign investment. It greatly damages respect for law, undermines the credibility and effectiveness of government officials, public and financial institutions and creates an environment conducive to crime including the organised crime.

17. As it was mentioned above, corruption is widespread in developing and transition countries due to the extremely favourable legal, social and economic conditions. Strong motivation to earn income exacerbated by poverty and declining civil service salaries open up opportunities to be engaged in corruption. At the same time, risks of all kinds (illness, accidents, unemployment, etc.) are high in developing countries and people generally lack many risk-spreading mechanisms (insurance, social security, well-developed labour market, etc.) available in wealthier developed countries. Along with the systemic weakness, oversized bureaucracy, poorly defined and poorly disseminated rules and regulations also create significant incentives for corruption to prosper involving more public officials. Rather weak accountability, poorly developed laws and principles of ethics prepare fertile soil for corruption. In contrast, the legal institutions in charge of enforcing rules and fighting corruption have not been adequately prepared for this complex task.
18. For the past years the policy of the Black Sea countries has been focused on the corruption issue. The economic policy and institutional reform, as well as preventive measures, including establishment of sound macroeconomic policies, strong financial system, good governance and effective anti-corruption mechanisms took significant place in the government activities. At the same time, the efforts to elaborate or improve enforcement and anticorruption legislation were strengthened. It should be noted that although the general framework is based on the global anti-corruption standards and practices, the reforms are appropriately tailored by each country to its specific political, legal, economic or cultural circumstances.
19. Fight against corruption and government reforms are very much intertwined with one another. The very steps taken for reducing corruption are the same steps that are taken to reform government for increasing efficiency. Confusing regulations can foster corruption while adoption of fewer, clearer regulations would help reduce corruption. Similarly, monopoly power can foster corruption while diluted monopoly helps to reduce it. Also, lack of accountability is one of the main incentives for corruption while increasing accountability helps to curb it.
20. The experiences in the member countries indicate that corruption and lack of economic and public sector reforms go hand in hand and that the countries can make more progress in fighting corruption if the reforms are accelerated and broadened. The major economic policy changes that are under way in the member countries (including lowering tariffs and other barriers to international trade; eliminating enterprise subsidies; minimising regulations, licensing requirements, and other barriers to entry for new firms and investors; demonopolising and privatising government assets; transparently enforcing prudential banking regulations; auditing and accounting standards; etc.) will undoubtedly reduce opportunities for corruption and will pave the way towards the adequate response. In addition, the reform of government institutions, civil service reform, improved budgeting, financial management, tax administration, strengthened legal and judicial systems are not of a less importance.
21. Elimination of unnecessary controls on the economy and reduction of state involvement in the economy can have a positive impact in fight against corruption. Reducing both

the scope and the administrative discretion of government lessen the potential for corruption. A well-supervised, soundly regulated and competitive financial system that operates on a commercial basis and is not a subject to the decisions based on personal or political connections is another key element in combating corruption. Creation of a sound civil service system with strict rules, appropriate sanctions against malfeasance and adequate compensation for employees are equally important. Another key part of strengthening the civil service system is creating strong, independent anti-corruption investigative units with real authority and power. This may be particularly difficult for the countries in transition, lacking the resources to pay its civil servants adequate salaries, but here reduction of the size of bureaucracy can be seen as a means for a country enabling to pay higher wages.

22. Black Sea countries have to work in the direction of creating sound legislative framework with good, clear laws and regulations that can be easily and reliably enforced. Sound legislative framework requires good enforcement and in this regard the countries need well-trained, honest and adequately compensated regulators, judges, prosecutors and law enforcement officers as well as adequately funded courts independent of political pressure.
23. Along with the government reform, one of the important factors is ethical behaviour. This could be understood as an inner accountability of conscience and can become most important tool in the fight against corruption. Reforming public administration by retraining public servants, adopting financial disclosure laws and removing discretionary decisions can also help reducing corruption.
24. Transparency and accountability of government operations and decision-making is top priority in addressing the problem of corruption. Ignorance and secrecy should be resisted by information and transparency. The core of accountability is the fusion of information and action on the part of public officials, private citizens, businesses, and non-governmental organisations. Public tolerance to corruption must be lowered. The existence of a free press is of paramount importance. Secretiveness helps to keep corrupt practices under wraps while dissemination of data, analysis and presentation is much effective in raising general awareness. The role of mass media acquires additional importance in this respect.*
25. Tackling corruption is neither easy nor quick process. The causes are complex and effects are rather costly for the countries. As never before, the Black Sea countries need to stand together to fight corruption through providing advisory assistance, exchange of information and experience among themselves in order to develop effective measures and to devise and activate possible assistance to weaker countries in control and combat of corruption.

National Policies and Action Programmes for Combating Corruption

26. While specific country strategies vary according to a country's historical, political and social context, certain measures and factors are fundamental to an effective anti-corruption strategy including the adoption of a strong legal framework, the engagement of effective accountability institutions (e.g. parliamentary oversight bodies, an independent and credible judiciary, open and credible electoral processes) and most importantly, the presence of political will to combat corruption.
27. National anticorruption efforts depend primarily on the resolve with which they are pursued and on the economic policies and institutions that underpin them. National programmes to discourage and control corrupt practices include identification of ways

* The Report on the Role of Mass Media in Promoting the Cooperation in the Black Sea Region, worked out by the Cultural, Educational and Social Affairs Committee will be adopted by the Sixteenth General Assembly in Yerevan in November 2000.

and means to implement national anticorruption measures, enforcement efforts to control corruption and to join multinational instruments at the international level. The scope of anti-corruption strategies and programmes depend upon a particular threat the corruption has on the effectiveness of the economic and social development of a country.

28. The communications from the national delegations highlight the framework within which corruption is approached and curbed. Some of them, particularly the democracies in transition, note that corruption is the most difficult obstacle facing the development. As corruption endangers the rule of law, the countries elaborate and implement national programmes against it. In Armenia, the national programme “Anti-corruption measures” was elaborated and is to be adopted by the government in the nearest future. In Azerbaijan, the State Programme of strengthening fight against corruption provides comprehensive legislative, institutional and informational measures for efficient anti-corruption framework. In Bulgaria the national strategy to combat corruption includes among other activities adoption of financial disclosure law and developing an internal corruption investigative unit within the Ministry of Interior. In Georgia, the Parliamentary Anti-Corruption Investigation Commission was set up for promoting anti-corruption political methods and taking integrated and coordinated measures by the different public authorities based on the investigation and analyses of the reasons causing corruption in the state structures. The Commission also works in the direction of improvement and rationalisation of the existing legislation by the means of revealing and eradication of the shortcomings favourable for the corruption. On the other hand, the anti-corruption legislative framework includes the Law on Conflict of interests in civil service and corruption, Administrative offences’ code, the Law on State procurement and the Public information code. In Hellenic Republic, the problem of corruption is addressed within the framework of improvement of ethics in the public service. The Penal code, Code for civil servants, Laws no 2065/1992, 2429/1996, 2522/1997, 2576/1998, 2477/1997, 2343/1995, 2656/1998 and Presidential Decree 393/1994 create basic legislative framework in this respect. In Turkey, relevant legislative framework is provided by the set of laws in the centre of which is the national Penal Code. In Ukraine along with the laws regulating fight against corruption (Law on Civil Service, Law on Combat of Corruption, Law on Local Administration), the Presidential Decrees (Establishing Coordination Committee for combating corruption and organised crime, Strengthening fight against corruption and other crimes in economic sphere, Establishing national Programme for combating corruption – 63 measures in preventive, institutional, legislative, informational and analytical blocs, Measures for administrative reforms in Ukraine, Changes in the system of central executive bodies) and Resolutions of the Supreme Rada (Establishing temporary committee for combating organised crime, corruption and bribery, Follow-up of implementation of the laws and resolutions regarding law-enforcement and fight against crime, establishment of the permanent committee on organised crime and corruption) create necessary framework for combating corruption.
29. Despite the measures under way in the countries, the efforts in the fight against corruption have to expand and increase. There is still much work to be done in order to establish open and accountable governance practices, enforcement of anti-bribery laws and transparent decision-making; safeguard integrity among justice, security and financial regulatory officials; promote openness and accountability in the private sector; strengthen institutions that ensure public and private accountability including strong and impartial judiciaries, as well as a free and open press.
30. To this end, the number of innovative and effective anti-corruption mechanisms can be introduced to enhance good governance, transparency and rule of law and limit the opportunities for corruption to grow. This measures may include encouraging of special

organisations to check the use of public funds by officials, ethical standards for government officials, civic educational programs to reform behaviour and increase morality of all citizens, setting up of corruption index on companies, establishment of system allowing nations to exchange experiences of anti-corruption practices, etc.

31. At the same time, the anti-corruption activities can be enriched by adoption of newly developing global standards that promote transparency and accountability in governance and private sector; by encouraging regional approaches to addressing the corruption problem; by supporting key structural reforms in emerging markets; by removing incentives to corruption and fostering favourable climates for investment, trade, economic growth, etc. Outcomes and final documents of the specialised conferences and seminars as well as regional and international gatherings can substantially contribute in this respect.
32. The national legislative framework should encompass a set of basic principles, policies, laws and regulations, codified in a basic anti-corruption acts based on the internationally recognised principles and norms. It is equally important that the BSEC countries adhere to the respective international instruments (conventions, agreements and regulatory norms) in the anti-corruption sector within the framework of the European Union (EU), the Council of Europe, the United Nations, Organisation for Cooperation and Development (OECD), etc. (*more details in paragraphs 37-51 of the Report*).
33. The anti-corruption national policies and programmes directed against both the corruptor and corruptee are critical to effective combat of corruption. No matter how complex and sophisticated is the approach at a national level, no country can seal itself off from the impact of corruption beyond its borders. Therefore, every nation must work with every other nation to fight corruption at national, regional as well as international levels and must strengthen efforts for addressing the problem of corruption.

International Legal Instruments

34. Global concerns about corruption have intensified in recent years. Corruption poses threat to governments all over the world both in developing and industrial countries. It is noteworthy to say that the G8 Summit in Birmingham in 1998 placed particular emphasis on the issue of combating corruption. More and more nations unite under the common commitment for fight against corruption and building up just and honest societies.
35. Corruption has been increasingly becoming the main subject in a number of regional and global fora and the issues of preventing or punishing corruption has been addressed in a growing number of international agreements, resolutions, recommendations and many other similar documents.

European Regional initiatives:

36. BSEC Fourth Meeting of the Ministers of Internal Affairs held in Poiana Brashov, Romania on 27-28 April 2000 reiterated commitment for an increased and more active cooperation among the specialised bodies against crime and decided to reassert the determination to support and increase cooperation between the specialised bodies relevant institutions within the framework of the Agreement for Cooperation of the Governments of the BSEC Participating States in Combating Crime, in Particular in its Organised Forms signed in Kerkyra, Greece on 2 October 1998. This Agreement envisages, among other measures, the mechanism of cooperation in combating international illegal economic activities, forgery of documents and corruption.

37. *The Council of Europe* is a key player in the international fight against bribery and corruption. There is ongoing close cooperation between the Council of Europe's Working Group on Corruption (GMC) and the Organisation for Economic Cooperation and Development through its Working Group on Bribery in International Business Transactions. The Council of Europe's Criminal Convention on Corruption was opened to signature on January 27 1999. The Convention adopts a very broad concept of corruption, including forms of domestic and foreign bribery in both the public and private sector. The Criminal Law Convention also provides for a follow-up monitoring mechanism that is outlined in the Agreement on the Establishment of a Group of States Against Corruption (GRECO), which entered into force on May 1, 1999. Furthermore, The Council of Europe's Working Group on Corruption has also completed its work on a Civil Convention on Corruption. The Council of Europe is now preparing for the 4th Conference of Specialised Services in the Fight Against Corruption, on the subject of international cooperation in the fight against corruption and offshore centres.
38. *European Union* - The European Commission adopted in May 1997 a communication to the Council and the European Parliament on a Union Policy Against Corruption. This communication sets out the EC's comprehensive policy on corruption inside the European Union as well as in its relations with non-member countries. The communication deals with a number of actions, including the ratification of conventions criminalising the active and passive corruption of EC officials and officials of member countries, reforming public procurement and auditing systems. For non-member countries, the European Union's policy aims at establishing anti-corruption programs with countries that have concluded co-operation or assistance agreements with the EC.
39. *European Bank for Reconstruction and Development (EBRD)* activities in the areas of combating corruption fall into four main areas: integrity of bank staff, integrity of the Bank in making operation-related decisions, integrity of Bank clients, project sponsors and suppliers, integrity of the investment environment in the Bank's countries operations. With regard to the promotion of integrity of the investment environment in the Bank's countries of operations, the Bank has issued corporate governance guidelines to set standards and to promote collective action among domestic and foreign investors and developed a programme to work with governments of the region to assist in the development of laws and institutions which enhance transparency and accountability with particular emphasis on bankruptcy, concessions, corporate governance and regulation of capital markets, secured transactions and regulatory reform. To promote integrity of the investment environment, the Bank has set up an Investment Climate Working Group under the chairmanship of the Chief Economist.
40. *Organisation for Security and Cooperation in Europe (OSCE)* is a security organisation dealing with a wide range of security related issues including arms control, preventative diplomacy, confidence and security building measures, human rights, election monitoring and economic and environmental security. Discussions have begun in this Organisation about what steps the OSCE might take to stem corruption by promoting integrity and ethics in government, good governance and transparency. As a first step, consideration is being given to develop, approve, and enforce a set of norms to combat corruption. Active engagement of international and national non-governmental organisations to seek to build a stronger public and business consensus against corrupt practices is a critical element in this process.

Global initiatives

41. *Global Forum on Fighting Corruption* took place in February 1999 having participants representing ninety countries, including the countries of the Black Sea region. This unprecedented event was a turning point in the world's efforts to secure public integrity

and control corruption among government officials, particularly justice and security officials, who maintain the rule of law. Since then, efforts against corruption, in global and regional groups and in countries throughout the world, have grown dramatically. In May 2001, the Netherlands will host a Second Global Forum on Fighting Corruption. Within the framework of this Forum the First Regional Conference of Central and East European Nations on Fighting Corruption was held in Bucharest on 30-31 March 2000.

42. *United Nations* - concerned about the seriousness of the problems posed by bribery in international transactions, the UN General Assembly adopted in 1996 a Declaration against Corruption and Bribery in International Commercial Transactions calling for criminalising foreign bribery. In 1998, the Assembly adopted a resolution that urges the member states to criminalise, in an effective and coordinated manner, the bribery of public office holders of other states in international commercial transactions, and encourages them to engage in programmatic activities to deter, prevent and combat bribery and corruption.
43. *United Nations Centre for International Crime Prevention (CICP)* together with the Office for Drug Control and Crime Prevention (ODCCP), in Vienna, and the United Nations Interregional Crime and Justice Research Institute (UNICRI), in Rome, have elaborated a Global Programme against Corruption. The purpose of this programme is to provide reliable and timely information on trends in corruption as well as on policy strategies to reduce and control corruption and provide technical cooperation to developing countries and countries in transition to prevent, detect, and fight corruption.
44. *United Nations Development Programme (UNDP)* has programmes to assist policy makers in the fight against corruption. UNDP's involvement is rooted in its mandate to create an enabling environment for sustainable human development. The Programme for Accountability and Transparency (PACT) serves as the focal point within UNDP to ensure an effective strategy in supporting anti-corruption programs. Its work focuses on facilitating good governance and supporting methods to curb corruption, including policy dialogue, capacity building, and support to national programs.
45. *The World Bank* addresses corruption as an economic concern. The Bank activities in the areas of combating corruption fall into three main areas: preventing fraud and corruption within bank-financed projects, helping countries in their efforts to reduce corruption by advising on economic policy reform and strengthening institutional capability.
46. *The International Monetary Fund (IMF)* also recognises the importance of fighting bribery and corruption. As the institution has a macroeconomic mission, its mandate is restricted to those specific instances of corruption that may have a significant macroeconomic impact.
47. *The World Trade Organisation (WTO)* has begun to increasingly examine corruption in public procurement as an important policy concern in 1996. The WTO Ministerial Conference held in December 1996 established the Working Group on Transparency in Government Procurement. This Working Group has undertaken a study on transparency in government procurement practices, taking into account national policies.
48. *Organisation for Economic Cooperation and Development (OECD)* elaborated the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which entered into force on 15 February 1999. The Convention represents an important step in the concerted international effort to criminalise bribery and reduce the rampant corruption in world economies. It aims to stop the flow of bribe money for the purpose of obtaining international business deals and to strengthen

domestic anti-corruption efforts aimed at raising standards of governance and increasing civil society participation.

Private sector initiatives

49. *International Chamber of Commerce (ICC)* has been participating in the national and international efforts to curb corruption for several years. In 1996 the ICC issued revised Rules of Conduct to Combat Extortion and Bribery in International Business Transactions. To promote the rules, which are not binding on ICC members but companies may endorse them voluntarily, the ICC has set up a standing committee on extortion and bribery and several sub-committees dealing with issues of interest to the private sector such as private to private bribery.
50. *The Business and Industry Advisory Committee to the OECD (BIAC)* is officially recognised as representing business and industry views in the OECD consultation process. The BIAC is a contact point between business and government, involving a network of the principal industrial and employer's federations in OECD countries, as well as coordination with regional issue-specific and other business associations. BIAC strongly supports the OECD's efforts toward full implementation of the Convention on Combating Bribery through promotional activities, and has sought to develop a role for the private sector in the monitoring procedure, based on the belief that the private sector is motivated, experienced and able to make a valuable contribution. The BIAC recommends both international and domestic measures to assist companies that are solicited for bribes.

Non-Governmental Organisations

51. Non-governmental organisations around the world are also participating in the efforts of national governments and international organisations to combat and curb corruption. Civil society programs include increased citizen participation and civic monitoring. Among the international NGOs, Transparency International (TI), based in Berlin, Germany, aims to fight corruption and bribery in international business transactions through international and national coalitions encouraging governments to establish and implement effective laws, policies and anti-corruption programs; build public support for anti-corruption programs; and develop "islands of integrity". Transparency international has more than seventy national chapters that combat corruption at the national level.

The Role of the National Parliaments

52. The best barrier against corruption is a well-functioning parliament ensuring transparency and accountability. National parliament, institution of public representatives, serves as a main pillar of democratic society. Being a country's supreme political authority and instance of control, parliament fights corruption through the clear and fair legislation, including efficient public supervision.
53. National parliaments have primary task to streamline and simplify the rules, laws, regulations, administrative procedures and to check compatibility between different normative documents for reducing incentives for corruption. They have to enact legislation providing for adequate and precise sanctions against those who are engaged in corruption and to improve the follow-up mechanisms.
54. Parliaments are also responsible for carrying out civil service reform, thus holding public employees accountable, responsive and honest for all their actions. On the other hand, national parliaments create the environment in which corruption can not flourish. Parliamentarians have a duty not only to obey the laws but to set an example of incorruptibility to the society by implementing and enforcing the ethical norms and the codes of conduct.

55. In order to successfully fight corruption, parliaments have to safeguard the strength of civil liberties, particularly freedom of press and freedom of information as well as to enhance public scrutiny and to protect independence of the judiciary and the mass media.
56. In a view of growing international cooperation, parliamentarians, through their participation in various regional or international structures, can detect imperfection or lack in anti-corruption activities and can promote and develop necessary mechanisms enriched from their experience gained at the international platform. Parliaments have to encourage instrumental international standards in fighting corruption through accession to the relevant multilateral conventions, multinational monitoring mechanisms, participation in various assistance and institutional building programmes, etc.

III. CONCLUDING REMARKS

57. Growing corruption in a country indicates to poor governance and weak public institutions. In the fight against corruption it is important that anti-corruption policies and programmes are directed towards necessary reforms of state administration and institutions to achieve transparency and accountability (the reforms in economic policy, transparency, public sector, civil service, public finance, judicial, commercial law, etc.). Ethics reform is also extremely critical.
58. Corruption being a complex phenomenon with impact upon social, economic, legal and political systems requires comprehensive combating approach, which, in its turn, needs solid parliamentary support. National parliaments together with executives, judiciary, media and the civil society are key actors in the process of fighting corruption. Nevertheless, the role of parliaments and parliamentarians in fighting corruption is central.
59. Today, with growing globalisation, international cooperation to address the problem of corruption becomes imperative. Nevertheless, the unique conditions and cultures of each country determine specific local nature of corruption. There are a number of important tools in tackling these issues making concrete and effective anti-corruption strategy in the centre of which is cooperation with appropriate international institutions and organisations as well as specialised non-governmental bodies.
60. Each country and each citizen must conduct its own fight against corruption to secure democracy, the rule of law and the just societies. At the same time, the countries have to work individually and collectively within the regional and international structures to give adequate response to corruption.