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Open Letter to the Delegation of Germany to the UNCAC Conference of the States Parties

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Dear Ms. Becker and Mr. Busch,

on behalf of Transparency International Germany, we extend our sincere regards and commend your being head and alternate of the German delegation to the 10th Session of the UNCAC Conference of the States Parties in Atlanta, Georgia, USA.

We write to you in the spirit of collaborative effort and shared responsibility that defines the UNCAC. Our goal is to address critical facets of the anticorruption framework, and in particular one that has been largely absent from the UNCAC agenda: the transparency of political finance. While 69 resolutions have been adopted at the nine COSPs held since 2006, there has never been a resolution on political finance, and there is an immediate need to rectify this at the 10th Session of the UNCAC COSP.

Political finance is a pivotal issue in the fight against corruption. The integrity of democratic processes is contingent on financial transparency and accountability in politics. When financial contributions to political parties, electoral campaigns, or candidates are opaque and unaccountable, this enables clientelism, fuels corruption, increases the cost of political participation and destroys trust in governments. This is topical in Germany now, where a law on party finance is being discussed in Parliament, dealing, *inter alia*, with transparency of financial contributions. Transparency Germany has therefore co-signed a joint statement on enhancing transparency of political finance with other civil society and international organizations.

I. Call for Action at the UNCAC Conference for Enhanced Political Finance Transparency

We urge the delegation of Germany to strengthen Article 7.3 of the Convention by introducing amendments, where appropriate, in the resolutions that have been tabled, to address effectively the following areas:

1. Closing Loopholes for Illicit Funds in Politics

States Parties can enact and enforce laws that close all loopholes which allow illicit funds and opaque donations to enter politics through shell companies, third parties or anonymous donors.

2. Introducing Digital Reporting and Disclosure Systems

States Parties should commit to introducing mechanisms for the timely and comprehensive public disclosure of political contributions, expenditures and campaign financing. This should extend to all levels of government and political entities, including individual candidates, promoting the accountability of both political candidates and parties.

3. Improving Oversight and Accountability of Political Finance Regimes

States Parties should establish and strengthen independent oversight bodies with adequate powers to monitor, investigate, and enforce compliance with political finance regulations. These bodies should be equipped with sufficient resources, autonomy, and authority to ensure the integrity of the political finance system.

4. Promoting Knowledge, Civic Engagement and Public Participation

States Parties should actively engage civil society, encourage public participation in political finance oversight, and protect the rights of whistleblowers who expose corruption within the political finance system. They should also mandate UNODC, in consultation with civil society, to coordinate the production of gap analyses, guidelines and technical assistance materials on political finance transparency.

5. Strengthening International Cooperation

States Parties should commit to sharing information, best practices and resources to ensure that the global fight against corruption is coordinated and unified. Cross-border corruption schemes should be met with a coordinated international response, and efforts should be made to recover and repatriate assets stolen through corrupt practices.

We would also welcome, if you would highlight the importance of political finance transparency in your official speeches and discussions. This advocacy would elevate the issue's prominence and encourage collective action among all states parties.

II. Call for Action at the UNCAC Conference for Environmental Crime, Public Procurement and Development Assistance

The challenges posed by corruption require a concerted and unified response. This is important in the sphere of political finance, but also in other areas of concern to Transparency Germany, i.e. environmental crime, public procurement and development assistance, where we have co-signed open letters or written submissions with other civil society organizations. We appreciate that officials from the Federal Ministries for the Environment, of the Interior, and for Economic Cooperation and Development are part of the delegation and hope for their support in these specific areas.

1. *Pass a Strong Resolution to Prevent and Combat Environmental Crime and Corruption*

Transparency Germany cooperates with 22 chapters of Transparency International in a Climate Governance Integrity Program and will cover environmental crime and conflicts of interest in climate finance. We therefore welcomed the opportunity to join 300 civil society organizations and experts from 99 countries around the globe in urging the States Parties to adopt a resolution at the 10th UNCAC CoSP10 to prevent and combat corruption and the environmental crimes it facilitates as a crucial way to protect the environment, tackle the climate crisis and uphold human rights.

Corruption has a seismic impact on the environment and the climate. It enables crimes across complex supply chains that exploit wildlife, forests, fisheries and other natural resources and species. Environmental crime and corruption negatively impacts human rights and impedes efforts to meet the Sustainable Development Goals.

Please find more information here: <https://uncaccoalition.org/wp-content/uploads/Open-letter-for-CoSP10-on-environmental-crime-and-corruption.pdf>

2. *Pass a Strong Resolution on Public Procurement*

Transparency Germany is actively engaged in combating corruption in public procurement and therefore joined 112 civil society organizations supporting public procurement best practices and open contracting in 62 countries in calling your attention to the opportunity to advance a resolution on public procurement.

Public procurement represents a third of all government spending, making up more than US \$13 trillion in economic value each year. It is also a government's number 1 corruption risk, with nearly two thirds of cases prosecuted under the OECD anti-bribery convention involving public contracts.

Please find more information here: <https://www.open-contracting.org/news/open-letter-to-states-parties-ensuring-a-strong-resolution-on-public-procurement/>

3. Increase the Role of Civil Society in Combating Corruption in Development Assistance

Development assistance is another area of particular interest to Transparency Germany. We are engaged in a dialogue with the Federal Ministry and development institutions about preventing corruption in development assistance. Therefore we joined a written submission to the Conference calling for an increased role of civil society in combating corruption in development assistance. Multilateral Development Banks (MDBs) are spending billions of dollars on development assistance – and this spending will take a quantum leap to trillions of dollars to address global issues like climate change, conflict, and pandemics.

Like any public spending of such magnitude, it is subject to significant corruption. Civil society can and should play a key role in combating it – and MDBs as well as governments should welcome, support, and fund their activities.

We urge States Parties to use the UNCAC framework to set requirements and standards that ensure civil society plays a key role in combating corruption in development assistance provided by MDBs. Setting aside a small portion, for example 1%, of the funds for independent monitoring by civil society will help ensure that the remaining 99% are less prone to corruption and reach intended beneficiaries. This is a wise investment that will pay off if even a small part of corruption is prevented or detected.

By taking a leadership role at the upcoming CoSP10, Germany can significantly contribute to the global fight against corruption. We trust that your delegation will consider our requests and take proactive steps towards more transparent and accountable political finance and public procurement, better prevention of environmental crimes and more participation of civil society in combating corruption in development assistance.

We appreciate your attention and look forward to the outcomes of the Conference.

Sincerely,

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