



UNODC
United Nations Office on Drugs and Crime



30 April 2020

Senator the Hon. David Fawcett
Chair of Joint Standing Committee on Foreign Affairs, Defence and Trade
Joint Standing Committee on Foreign Affairs, Defence and Trade
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Senator

RE: *Submission to the Inquiry into strengthening Australia's relationships with countries in the Pacific Region*

We acknowledge the partnership support of the Australian Government to the anti-corruption agenda in the Pacific through the provision of funding for the United Nations Pacific Regional Anti-Corruption (UN-PRAC) Project, a joint initiative by the United Nations Office on Drugs and Crime (UNODC) and the United Nations Development Programme (UNDP). We fully support the Parliament's efforts to comprehensively inform the Australian community and international stakeholders of Australia's engagement in the Pacific through this Inquiry.

Capitalizing on nearly eight years of implementation of UN-PRAC in the Pacific region, we believe that UN-PRAC is well-positioned to contribute to the Parliament's efforts to strengthen Australia's relationships with the countries of Pacific towards meeting current and emerging opportunities and risks facing the region.

In this context, this submission offers UN-PRAC's experience with Australia's Pacific Step-up in the areas outlined in the Inquiry's Terms of Reference.

Please do not hesitate to contact us for any further elaboration on this submission.

Yours faithfully,

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UN-PRAC Submission to the Inquiry into Strengthening Australia's Relationships with Countries in the Pacific Region

Introduction

The United Nations Pacific Regional Anti-Corruption (UN-PRAC) Project is jointly implemented by the United Nations Office on Drugs and Crime (UNODC) and United Nations Development Programme (UNDP) with funding support from the Australian Government.

UN-PRAC aims to assist Pacific Island countries to: strengthen their national integrity systems; promote 'clean' governments; and create an enabling environment to increase trade, business, investment and sustainable development in the region. In turn, this will enhance the delivery of equitable and high-quality services to all Pacific Islanders. The first phase of the Project was from 2012 to 2016. The Project is currently in its second phase, which started in 2016 and will run until mid-2021, with a third phase likely to begin in 2021. UN-PRAC is headquartered in Suva, Fiji and operates within all 14 Pacific Island countries and the territory of Tokelau.

The implementation of Australia's Pacific Step-up as a whole-of-government effort to deepen and coordinate Australia's Pacific initiatives

UN-PRAC supports a whole-of-government approach to the 2030 Agenda for Sustainable Development and achieving the Sustainable Development Goals (SDGs) in the Pacific. We recommend that Australia continues to support anti-corruption projects, as corruption is a major obstacle to sustainable development, realizing the benefits of whole-of-government engagement.

Corruption is a global phenomenon that negatively impacts development and disproportionately affects more vulnerable countries, such as those in the Pacific. As United Nations Secretary-General António Guterres said, "[corruption] robs societies of schools, hospitals and other vital services, drives away foreign investment and strips nations of their natural resources. It undermines the rule of law and abets crimes such as the illicit trafficking of people, drugs and arms"¹. In terms of its impacts on sustainable business development, corruption raises the cost of doing business in a variety of ways. For example, corruption can impose additional costs in the form of bribes, and decrease competition as corrupt officials can control access to the market by demanding bribe payments that make the cost of entry into some markets too high.²

Pacific Island countries face particularly complex development challenges, in part, due to their size, physical remoteness, dependence on a narrow resource base, limited trade opportunities and vulnerabilities to climate change and environmental disasters, as well as security and governance

1 Guterres, A (2018), 'Message on International Anti-Corruption Day' [online]. Available: <http://www.un.org/en/events/anticorruptionday/messages.shtml>.

2 Emerson, P (2006), 'Corruption, competition and democracy' [online]. Available: <https://www.sciencedirect.com/science/article/abs/pii/S0304387805001173>.



challenges. This already complex environment exacerbates the risk that corruption poses to achieving sustainable development in the Pacific.

UN-PRAC supports a whole-of-government approach to preventing and fighting corruption by working with Pacific Governments to help them meet their international obligations under the *United Nations Convention against Corruption* (UNCAC) to which all 14 Pacific Island countries that UN-PRAC supports have acceded. Prior to Australia's initial support for UN-PRAC in 2012, only six Pacific Island countries had acceded to UNCAC. Through UNCAC, UN-PRAC has supported 14 of those countries to participate in the mechanism for the review of implementation of UNCAC (UNCAC Implementation Review Mechanism). This is a peer review process, whereby each State party is reviewed by experts from two other States in order to assist that State to effectively implement UNCAC.

Pacific Island countries are also obliged under the 2030 Agenda for Sustainable Development to work towards meeting the 17 SDGs. This includes SDG 16, a goal dedicated to the promotion of peaceful and inclusive societies for all, which specifically aims to substantially reduce corruption and bribery in all its forms, and develop effective, accountable and transparent institutions at all levels.³ In addition to being a critical goal in its own right, SDG 16 also serves as an enabling goal; creating peace, justice and strong institutions free from corruption provides the necessary foundation for achieving all the other SDGs and advancing sustainable development across all other platforms.

UN-PRAC supports Pacific Island countries to meet SDG 16 and reduce corruption in all its forms by working with Pacific Governments to develop and implement National Anti-Corruption Strategies (NACS) and strengthen internal mechanisms and institutions to prevent, detect and prosecute corruption. Last year, this included supporting the Federated States of Micronesia and Tuvalu to develop NACS, supporting Kiribati in the revision of its NACS of which the Government has currently implemented 70%, and assisting in the review of Papua New Guinea's Anti-Corruption Action Plan. With UN-PRAC support, Vanuatu has also completed its NACS, and is awaiting the endorsement of the Council of Ministers. This year, UN-PRAC has already reviewed the NACS of the Solomon Islands and received a request from the Cook Islands to support it in developing a NACS. In terms of Independent Commissions Against Corruption (ICACs), currently Fiji is the only country with one. However, UN-PRAC is working with the Solomon Islands ICAC (SIICAC) and the interim ICAC of Papua New Guinea in their establishment, drawing on lessons learned and best practices from primarily Small Island Developing States, but also the NSW ICAC and others in Southeast Asia.

UN-PRAC's experience in the Pacific reveals that each Pacific Island country has its own specific governance needs, systems, challenges and successes. There is no single whole-of-government approach to meeting the needs that exist, but UN-PRAC instead seeks to respectfully work with each country to address its challenges and opportunities within a Pacific framework. The UNCAC Implementation Review Mechanism ideally suits the Pacific 'talanoa' consensus *modus operandi*. The peer review assists States parties to effectively implement the Convention through a transparent, efficient, non-intrusive, inclusive and impartial process. This is

³ See Targets 16.5 and 16.5: UN (2019, 'Sustainable Development Goal 16' [online]. Available: <https://sustainabledevelopment.un.org/sdg16>.



non-adversarial and non-punitive in its approach. Countries are exposed to good practices and new ways of addressing governance obstacles, rather than being ranked against others; this UNCAC-influenced whole-of-government approach affords genuine self-improvement in local governance.

UN-PRAC was invited to provide technical advice and moderate, upon request of the President of Kiribati, the Pacific Regional Anti-Corruption Conference in Kiribati on 4-5 February 2020. This led to nine Pacific Island Forum Leaders and representatives adopting the Teieniwa Vision: Pacific Unity Against Corruption statement. For ease of reference, the Teieniwa Vision statement is annexed to this submission. For this Conference, UN-PRAC produced information notes and papers on: holistic integrity frameworks to address corruption; economic and social impacts of corruption in the Pacific; public service excellence to prevent corruption; status of the right to information in the Pacific Island countries; the role of non-State actors and citizens in corruption prevention in the Pacific; civil society engagement to address corruption; and action taken by Pacific Legislatures to address corruption.⁴

In addition to NACS and institutional strengthening, UN-PRAC stresses the importance of implementing right to information (RTI) mechanisms across all Pacific Island countries and promoting the adoption of frameworks on access to information.⁵ UN-PRAC has assisted Vanuatu to implement its RTI legislation and policy, as well as to establish its RTI Unit under the Office of the Prime Minister. With many other Pacific Island countries referencing RTI in their NACS and consultations, UN-PRAC will facilitate a regional RTI workshop for all Pacific Island countries this year (currently postponed due to COVID-19), with the aim to put RTI on the Pacific Government agenda. This is also UN-PRAC's contribution to the broader human rights agenda. These actions, taken by Pacific Island countries with the support of UN-PRAC to address corruption directly, contribute to creating a more secure and economically stable Pacific and provide an enabling environment for sustainable development. Corruption therefore being addressed is a win-win for any Australian investment in the Pacific.

Exploring prospects to strengthen and broaden Australian engagement in the Pacific Step-up, through non-government and community-based linkages, and leveraging interest groups

In addition to supporting a whole-of-government approach, UN-PRAC has taken a whole-of-society approach to prevent and address corruption. We recommend that the Government of Australia continues to support civil society, the private sector, learning institutions, youth and women, and media organizations, as this will strengthen and broaden Australia's engagement in the Pacific Step-up and further contribute to sustainable development.

Good practice encourages the establishment of a multifaceted, whole-of-society approach, beyond a whole-of-government approach, to preventing

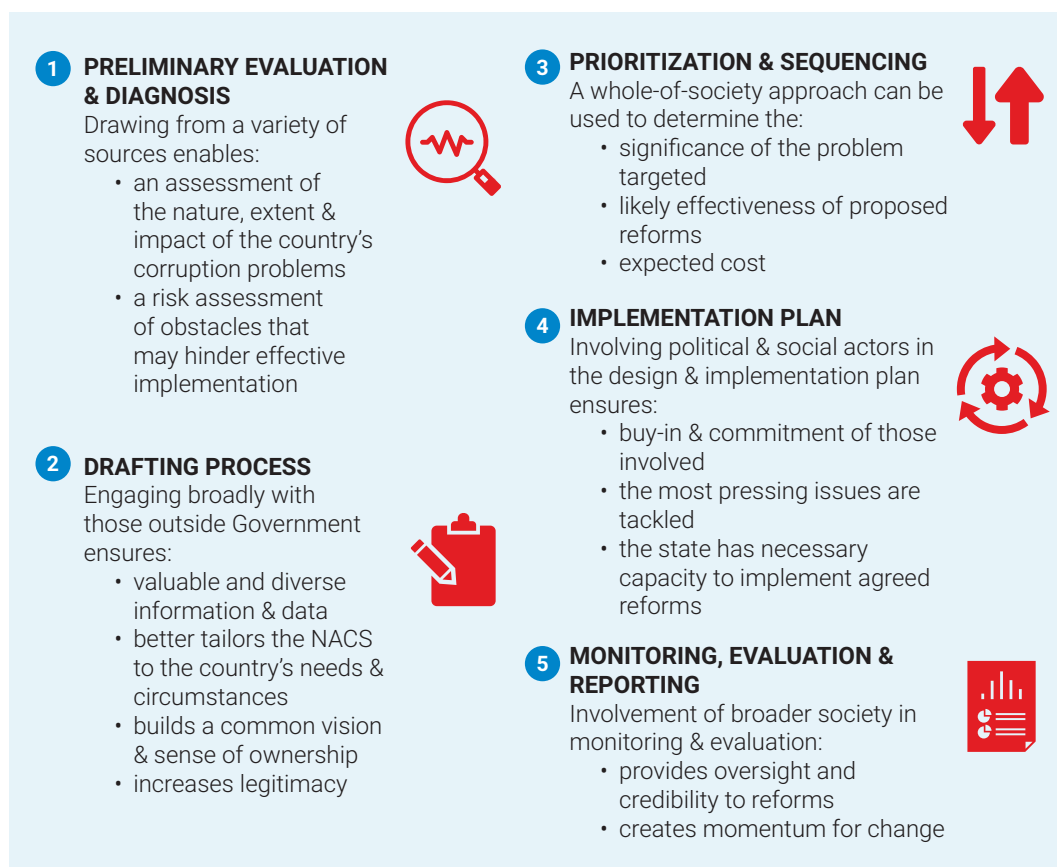
⁴ For a copy of any of these publications, please contact UN-PRAC.

⁵ See: UN-PRAC, "Status of the right to information in Pacific Island Countries" January 2020. Please contact UN-PRAC for a copy of this paper.



and fighting corruption that is tailored to individual country contexts.⁶ Such an approach can include the development and implementation of a NACS. A Strategy can include five key aspects: preliminary evaluation and diagnosis of corruption challenges; the drafting process; policy priorities and sequencing; implementation plan; and monitoring, evaluation and reporting system (see Figure 1).⁷ These NACS are supported by Anti-Corruption Committees, coordinating mechanisms to ensure the implementation of the Strategies, but these Committees are often mandated to focus on national anti-corruption efforts also more broadly.

Figure 1: Whole-of-society approach for developing NACS



Adopting a whole-of-society approach enables a State to address corruption in a holistic manner, also taking into consideration not only the national, but also the Pacific's regional concerns and priorities. One such step can be through the establishment of a NACS and an Anti-Corruption Committee. Similarly, establishing transparent, accountable and inclusive national integrity institutions will bring the Pacific closer to fully implementing UNCAC and achieving SDG 16, as well as facilitating the broader achievement of the other SDGs. Doing so in an inclusive and transparent manner is likely to ensure buy-in from stakeholders, including non-State actors, and enable governments to draw on the wider community to support their national anti-corruption efforts.

6 See: UN-PRAC, "Holistic integrity frameworks to address corruption" January 2020. Please contact UN-PRAC for a copy of this paper.

7 UNODC (2015), 'National Anti-Corruption Strategies: A Practical Guide for Development and Implementation' [online]. Available: https://www.unodc.org/documents/corruption/Publications/2015/National_Anti-Corruption_Strategies_-_A_Practical_Guide_for_Development_and_Implementation_E.pdf.

UN-PRAC has fostered partnerships in anti-corruption education with the University of the South Pacific and the Australia Pacific Training Coalition in order to develop a stand-alone anti-corruption course and other training products. By partnering with learning institutions, UN-PRAC aims to educate more members of the public, in particular young people, on key governance principles around transparency and accountability. This will, in turn, create a more effective implementation of governance principles, therefore creating stronger institutions to prevent corruption and allow genuine sustainable development.

In addition, UN-PRAC stresses the importance of bringing youth and gender issues into the anti-corruption and broader sustainable development discussion. Corruption often has a disproportionate effect on those most vulnerable in society, which includes women, people with disabilities and young people. UN-PRAC has worked with the Fiji Women Entrepreneurs Business Council to assist women business owners in Fiji with preventing corruption and introducing due diligence processes, and partnered with the Pacific Youth Council to establish the Pacific Youth Forum Against Corruption (PYFAC). PYFAC supports young Pacific leaders to speak out against corruption. UN-PRAC also works with disability advocates, faith-based organizations and Parliamentarians to ensure that governance is addressed as an inclusive issue at both the local community and national levels.

UN-PRAC's experience has corroborated the importance and benefits of working with media and private sector. UN-PRAC, in partnership with the Pacific Islands News Association (PINA), established the Pacific Anti-Corruption Journalists Network. UN-PRAC commenced capacity-building of member organizations of the Network, starting with Samoa and Niue in 2019 and Palau in 2020, in order to strengthen the media's role in reporting on corruption in the region. Additionally, UN-PRAC supported anti-corruption in the private sector by facilitating workshops with affiliate members of the Pacific Islands Private Sector Organisation (PIPSO) and facilitating trainings to assist the private sector in various Pacific Island countries to develop Codes of Conduct.

UN-PRAC has been investing considerable efforts to promote and support a whole-of-society approach to ensure that the ownership and sustainability of anti-corruption measures are taken on by Pacific Island countries. We maintain that it is important for partnerships between Pacific Governments and civil society to be further fostered, including through supporting initiatives like UN-PRAC and other Pacific-based partners that help to establish and sustain these partnerships, in order to strengthen sustainable development initiatives.

Measures to ensure Step-up initiatives reflect the priority needs of the governments and people of Pacific island countries

UN-PRAC has received feedback from many Pacific Island countries on the need to support Pacific Governments in-country and facilitate peer-to-peer learning. We encourage Australia to continue supporting Pacific Island countries in-country in order to target individual country priorities and continue to facilitate peer-to-peer learning.

We recommend taking an in-country focus to Step-up initiatives in order to support Pacific Island countries' specific priorities. Using UNCAC



accession as an example, the eventual accession of Tonga as the 14th Pacific Island country signatory in 2020, would not have been realized without the engagement of other Pacific Parliamentarians, leaders, civil society and businesspersons over many years. Last year, UN-PRAC facilitated in-country workshops on the UNCAC reviews in Papua New Guinea, Vanuatu, Fiji, Tuvalu and Samoa. This year, pending travel restrictions imposed due to COVID-19, UN-PRAC hopes to further support in-country workshops for UNCAC reviews in Papua New Guinea, the Federated States of Micronesia, Palau, Republic of the Marshall Islands and Vanuatu.

UN-PRAC has also ensured that media members from PINA and national media organizations have been involved in UN-PRAC activities in-country, in order to contribute to increased reporting on corruption. UN-PRAC also facilitated in-country workshops on anti-corruption integration into the education curriculum in Papua New Guinea, Samoa and Vanuatu.

In-country support has been an effective way for UN-PRAC to scope additional anti-corruption work that may be required, as it enables conversations with different stakeholders and fosters whole-of-society trainings with different groups. For example, the regional RTI workshop that was planned this year in Papua New Guinea (currently postponed due to COVID-19), was to be followed by a media workshop, a civil society organization workshop and a national RTI workshop for Papua New Guinea. Rather than these workshops being silo engagements, they feature inputs from other non-State actors and government. Another example are UN-PRAC's Parliamentary workshops which involve youth presentations, media engagement and private sector representatives. Given that in most Pacific Island countries, key figures who can facilitate change often wear many different hats, it is a priority that UN-PRAC and Australia's Pacific engagement embraces and recognizes this facet.

In addition to in-country support, we receive feedback from Pacific Island countries on the benefits of learning from their peers. Pacific peer-to-peer dialogue, experience-sharing and shared learning has been a key component in UNCAC accessions, strengthened institutions, enhanced legislation and reinforced governance practices. In addition, UN-PRAC has facilitated peer-to-peer learning among the Pacific Financial Intelligence Units (FIUs) through regional trainings and twinning programmes that recently enabled Fiji and the Republic of the Marshall Islands to collaborate, with a further FIU-to-FIU attachment planned for later in the year between Papua New Guinea and the Solomon Islands. The regional and national RTI workshops scheduled for this year will further involve peer-to-peer learning, with Vanuatu working with Papua New Guinea and other Pacific Island countries to encourage and develop strong RTI legal frameworks across the Pacific. A training between the Fiji Independent Commission Against Corruption (ICAC), the Solomon Islands ICAC (SIICAC) and the Interim ICAC of Papua New Guinea is also projected to take place later this year.

By building trust-based relationships in-country since 2012, and with the added-value of the experience and expertise of both UNODC and UNDP, UN-PRAC has been able to strengthen governance, responding to changing government priorities, on a wide variety of topics, including, among others, customs, ports, policing, health, prisons, sports, climate change, disaster management, elections and the judiciary.

Ensuring collaboration, through in-country response assignments, has been effective in determining the priority needs of Pacific Governments



and Pacific Islanders. Moreover, the facilitation of peer-to-peer learning, based on the feedback received, has proven to be a successful way of implementing the UN-PRAC Project.

As highlighted above, UN-PRAC, along with the Australian Government, supported Kiribati's hosting the first Pacific Regional Anti-Corruption Conference in Kiribati on 4-5 February 2020. The entire "Pacific Unity Against Corruption" process, deliberations and the Teieniwa Vision statement, highlighted that regional engagement can foster better outcomes when they are Pacific-led and provided with sustainable mechanisms. We therefore recommend that Australia continue to support initiatives that have been identified through Pacific-led processes.

UN-PRAC remains committed to partnering with the Australian Government to further support Pacific Island countries to strengthen their national integrity systems in line with UNCAC and SDG 16.

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Attachment 1

Pacific Unity Against Corruption



Teieniwa Vision

Gathering in Tarawa, Kiribati from 4 to 5 February 2020 with the President of Kiribati as the Chair, we, the Prime Minister of Samoa, Prime Minister of the Cook Islands, Vice President of Kiribati, Ministers from the Kingdom of Tonga and the Solomon Islands, Ambassador of the Republic of the Marshall Islands, High Commissioners of Australia and New Zealand and the representative of Fiji,

Commit to Pacific Unity Against Corruption, recognising that all of our progress and aspirations for a peaceful, harmonious and prosperous Pacific cannot be realised unless we address corruption;

As the Blue Pacific, and noting the different contexts in defining corruption, reaffirm global anti-corruption efforts and frameworks as captured in the United Nations Convention against Corruption (UNCAC), acceded to by all 14 Pacific Island Countries, noting Tonga's announcement of accession at this Conference, and the Sustainable Development Goals (SDGs), particularly SDG 16;

Recall our collective aspirations captured in the Framework for Pacific Regionalism, the Blue Pacific narrative and the Boe Declaration on Regional Security;

Encourage all Pacific States to unite against corruption, recognising that implementation should be substantiated through well-resourced national efforts that emphasise transparency and accountability, the rule of law and reinforce good governance; and

Recognise the importance of political will and leadership at all levels in addressing corruption.

We call on all Pacific Leaders to champion integrity and advocate and implement anti-corruption practices in their Parliaments, public services, private sectors and entire communities through commitment to criminalisation of corruption and prompt, impartial investigation and prosecution;

We commend Pacific countries that have advanced their anti-corruption agenda through global and national commitments;

We acknowledge that corruption disproportionately affects vulnerable populations, specially women, persons with disabilities, youth and the elderly;

We encourage integrity-building to be embraced as a whole-of-society issue, with a strong focus on corruption prevention, strengthening public awareness, integrity learning through education and enhanced transparency and accountability in the public and private sectors, and in civil society;

We commit to governing in an accountable manner wherein all Leaders, persons with authority, Cabinets, Parliamentarians and public servants adhere to their Leadership Codes and/or codes of conduct;

We commit to developing and maintaining independent integrity bodies or appropriate coordination mechanisms that prevent and fight corruption;

We recognise and support the right to information, the need to protect genuine whistle-blowers and for an independent civil society and responsible media to be involved in national and regional anti-corruption efforts;

We reaffirm our commitment to combat money-laundering and its facilitators and the enabling environment in our region;

We commit to further strengthen good practices in public finance management and to conduct corruption risk assessments in vulnerable sectors;

We will partner with non-State actors through a Pacific network of anti-corruption champions to elevate and strengthen our shared vision of Pacific Unity Against Corruption;

We urge States to draw on regional mechanisms to further this Teieniwa Vision, including greater collaboration through regional architecture and development partners;

We resolve to develop and review our National Anti-Corruption Strategies and policies and implementation arrangements, including within our national plans, through a participatory process which includes our civil society, youth, private sector, Parliamentarians, media and other stakeholders;

We resolve to document anti-corruption impact by developing and maintaining anti-corruption measurement tools and data within our SDG and national plan reporting and address implementation gaps in relation to SDG16 on peace, justice and strong institutions;

We will endeavour to unite our voice as a Blue Pacific to ensure that regional anti-corruption priorities are being presented, where possible, as a collective;

We commit to promoting the Blue Pacific as a recognised, distinct region within the international framework, including the Conference of States Parties to UNCAC, to support the drive for a unified regional anti-corruption voice; and

We support a strong Pacific engagement with the UN General Assembly Special Session on Corruption and its implementation.

ENDS

(Teieniwaa is the Kiribati word for sail (ie) and canoe (waa), reflected in both the shape of the reclaimed land where the Kiribati Parliament venue for the Pacific Unity Against Corruption Conference is built and the symbol in the Conference logo for this Conference. A sailing canoe is a common form of transport in the Pacific. It was adopted as the Conference logo to symbolize a sailing canoe in the vast Pacific Ocean that separates and makes our individual countries isolated, as the only traditional means to unite the Blue Pacific in the fight against corruption. It also symbolises that a long journey of a sailing canoe in open waters will encounter both tranquility and stormy weather at times, and that is what is expected to happen in the fight against corruption; it is not easy nor short-term, but it is a journey that requires collaborative efforts of all sectors of society.)

Chair

Samoa

Cook Islands

Kiribati

Tonga

Solomon Islands

Republic of the
Marshall Islands

Australia

New Zealand

Fiji