



Corruption and sustainable development

Corruption poses a significant threat to countries around the world; it undermines democratic institutions, contributes to governmental instability and erodes trust. Corruption threatens the economy by undermining fair competition and discouraging investment and trade. It disproportionately affects disadvantaged groups by preventing social inclusion, promoting inequality and inhibiting prosperity.

Corruption affects everyone and can lead to:

- **Weak institutions and injustice:** Corruption attacks the foundation of democratic institutions by distorting the electoral processes, perverting the rule of law and creating inefficient governance systems.
- **Insecurity:** Corruption is a threat to safety and security structures. It can lead to dissatisfaction and distrust in leaders, public institutions and the rule of law, and finally, to spirals of anger and unrest. Corruption facilitates trafficking in drugs and people, and other forms of organized crime, making our world more unstable and insecure.
- **Less prosperity:** Corruption stifles economic growth, innovation and sustainable development. Where corruption is widespread, foreign direct investment is discouraged; businesses are reluctant to invest due to distorted competition, high cost of doing business, and significant legal and reputational risks.
- **Less respect for rights:** Corruption undermines democracy, governance and human rights by weakening state institutions that are the basis for fair and equitable societies with access to justice for all.
- **Denial of basic services:** Corruption diverts funds intended for essential services such as health care, education, clean water, sanitation and housing. It represents a major hindrance to a Government's ability to meet the basic needs of its citizens.

- **Less employment:** Corruption reduces employment opportunities. When employment decisions are not made based on fairness, merit and equity, opportunities of citizens are denied.
- **Environmental disasters:** Corruption threatens planet earth's finite resources. Some of the world's daunting environmental challenges are caused by corruption.

The Sustainable Development Goals

The 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) are the world's attempt to build a better future for all. Among other goals, they aim at ending poverty and hunger, ensuring well-being of all people, promoting quality education and health care, protecting our planet and advancing prosperity for all.

The 2030 Agenda clearly recognizes that the rule of law and development have a significant interrelation and are mutually reinforcing. Promoting peaceful, inclusive societies for sustainable development, access to justice for all as well as effective, accountable and inclusive institutions is necessary for the achievement of each of the 17 Sustainable Development Goals. As countries around the world are investing increasing efforts to live up with the expectations placed on them by the 2030 Agenda, the crucial importance of anti-corruption on sustainable development is appreciated more than ever.

The importance of anti-corruption is explicitly highlighted in Goal 16, which requires States to "promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels", through reducing illicit financial flows, strengthening the recovery and return of stolen assets, substantially reducing bribery and corruption,



and developing effective, accountable and transparent institutions at all levels¹. Goal 16 plays an instrumental role in ensuring an integrated approach towards development. Focused on addressing governance deficits and challenges posed by profound social transformation, it tackles the root causes for many development issues covered under other SDGs.

The United Nations Convention against Corruption

Progress towards the achievement of the SDGs would be undermined without responsive and accountable governance frameworks. The United Nations Convention against Corruption (UNCAC), the only global legally binding anti-corruption instrument, is mobilizing action for honest, transparent and accountable governance². In a remarkable demonstration of commitment of the international community, the Convention now has 186 States parties³.

The objectives of the Convention are to promote and strengthen measures to prevent and combat corruption more efficiently and effectively; to promote, facilitate and support international cooperation and technical assistance in the prevention of and fight against corruption; and to promote integrity, accountability, and proper management of public affairs and property. The Convention requires the establishment of a range of offences associated with corruption and devotes a separate chapter to its prevention. It further attaches particular importance to strengthening international cooperation to combat corruption and, in a major breakthrough, includes innovative and far-reaching provisions on asset recovery, as well as on technical assistance and implementation⁴.

The actual implementation of the Convention by States parties at the national level is evaluated through a unique peer-review process - the Implementation Review Mechanism. The Mechanism promotes the purposes of the Convention, provides the Conference of the States Parties with information on measures taken by States parties in implementing the Convention and the difficulties encountered by them in that regard, and helps States parties to identify and substantiate specific needs for technical assistance, as well as

to facilitate the provision of such assistance. The Mechanism also promotes and facilitates international cooperation.

With corruption, we all pay

Everyone can be a victim of corruption. Across the board, where there are corrupt practices, there is a negative impact. As the below examples show, with corruption, all of society suffers.

Building up countries' infrastructure or enriching private bank accounts?

Corruption hinders the achievement of SDG 9: Industry, Innovation and Infrastructure

When lucrative contracts are up for grabs, bribery, fraud and embezzlement can plague large-scale infrastructure projects. Corruption can lead to money being stolen and infrastructure not being built or being built in a substandard way which may endanger the public. Money can also be allocated to sectors where needs are not the greatest, but which offer the best prospects for personal enrichment of decision makers. A hospital, for instance, might be sorely needed, but kickbacks for people in power could result in a less useful project being given priority. Ultimately, as contracts are awarded to inferior companies, the quality of work is compromised. Economic ruin can result, further perpetuating underdevelopment.

UNCAC requires States to establish procurement systems that are based on transparency, competition and the use of objective criteria.

Quality education or playing with our children's future?

Corruption hinders the achievement of SDG 4: Quality Education

Examples of corruption in education abound. Academic fraud, for instance, is widespread in many countries and considered



a serious threat to integrity and reliability of certification in higher education. Procurement wastage in the education sector, including school buildings, false maintenance costs, “ghost” or absentee teachers featuring in the lists of active teachers, and text books paid for but never received, cost the public dearly. As a result, educational opportunities for the poor are limited in many parts of the world.

On the other hand, education is a crucial element in any attempt to effectively address the phenomenon of corruption. Through increased knowledge of the risks of corruption and its effects, it is possible to foster attitudes that do not tolerate corruption and develop skills that allow for individuals to resist social and cultural pressures when faced with corrupt practices.

UNCAC requests States to undertake public education programmes, including school and university curricula.

Healthy generations or needless suffering?

Corruption hinders the achievement of SDG 3: Ensure healthy lives and promote well-being for all at all ages

In certain countries, the public health system is perceived as the most corrupt public service institution – an issue which undeniably affects development. Yet, a well-functioning health sector is one of the most crucial services that a Government provides to its citizens.

Corruption leads to national health budgets being depleted, reducing Government capacity to provide essential medicines, while increasing the risk of unsafe or ineffective products on the market. It also diverts investments in necessary infrastructure such as hospitals, clinics and medical schools. Health-sector corruption directly impedes progress towards universal health coverage by inhibiting people’s access to quality health services and to safe and effective medicines, and undermining systems for financial risk protection⁵.

In some developing countries, pharmaceutical expenditure accounts for up to 50 per cent of total health spending⁶. Given the high market value of these products, they are a magnet for theft, corruption and unethical practices. Fraud-

ulent and substandard preparations, as well as medicines that are granted unwarranted registration, cause patients needless suffering, with potentially fatal consequences.

Protecting the environment for future generations or planet earth being sold out?

Corruption hinders the achievement of SDG 14: Life below Water and SDG 15: Life on Land

Wildlife crime is becoming an increasingly devastating scourge, posing a significant threat to the environment, economic and social development, security and governance. The crime that was once described as an emerging threat, has evolved into the most significant transnational criminal activity next to arms, drugs and human trafficking. It has become evident that billions of dollars generated by this illegal business are linked to corruption and money-laundering.

The illegal trade in flora and fauna contributes to the rapid disappearance of many of the planet’s protected species. Corruption comes into play as traffickers often rely on bribery to move illegally harvested wildlife and timber products across international borders.

In spite of the significant potential of many sectors, such as extractive industries or construction, to generate development finance, the risk of resource leakage and corruption remains high and needs to be tackled. Evidence suggests that the high-risk sectors are associated with high levels of illicit financial flows.

Risk assessment and risk management is extremely important for addressing these challenges. Instituting strong financial management systems with open and transparent disclosure of information on production, revenue and payments reduces the risk of embezzlement and corruption. Promoting transparency and accountability in both multinational corporations and the State is the most effective way to ensure the accountable management of revenues in the sectors that are particularly exposed to the risk of corruption.



This corruption facilitates wildlife crime and contributes to global biodiversity loss and degradation of ecosystems, causing daunting environmental challenges.

To address corruption related to wildlife crime, Member States should conduct corruption risk assessment in their wildlife value chain, and in strengthening their preventive and law enforcement capacities to address corruption linked to wildlife crime.

The solutions – What can be done?

The international community has recognized that tackling corruption is vital for sustaining economic stability and growth, maintaining the security of society, protecting human rights, reducing poverty, protecting the environment for future generations and addressing serious and organized crime.

In recognition of the global character of the threats posed by corruption, as well as the interlinkages with the Sustainable Development Goals, preventing and combating corruption requires a comprehensive and multidisciplinary approach. This involves all members of society: Governments, the private sector, the media, civil society organizations and the general public.

Governments

Governments should undertake legislative reforms that will establish legislative and institutional frameworks against corruption with robust enforcement and punitive measures. They should also take measures to prevent corruption happening in the first place.

The implementation of UNCAC by States parties is evaluated through its unique peer-review process, the Implementation Review Mechanism.

Private sector

The private sector should adopt a zero-tolerance attitude towards corruption and put in place policies to promote a fair and just environment.

UNCAC requires that States parties take the necessary measures to strengthen the prevention of and fight against corruption in the private sector.

Through actions and attitudes towards corruption, the private sector can promote fair competition and support countries in developing and strengthening their public anti-corruption infrastructure.

Media

By using the unique position that they occupy in society, the media can provide checks and balances on Government and private sector involvement in corrupt practices. The media also offer an essential service in informing the public about the positive progress being made and giving support to those who take a stand in the fight against corruption.

UNCAC provides for the freedom of access to information to the public. States are also required to respect, promote and protect the freedom to seek, receive, publish and disseminate information concerning corruption.

Citizens and civil society

UNCAC underlines the importance of the active participation of individuals and groups outside the public sector, such as civil society, including non-governmental organizations and community-based organizations, in the prevention of and the fight against corruption and in raising public awareness.

Many civil society organizations are working hard to raise awareness, channel information from citizens to the State and exert pressure for political commitment against corruption.

As people become increasingly weary of corrupt leaders, they are demanding more accountability. Ordinary citizens, including many young people, are increasingly showing their commitment to fighting corruption in their communities and Governments.

As part of this process, people can – and should – inform themselves about what their Governments are doing to tackle corruption and hold elected officials accountable for their



actions. Actions are also key – reporting incidences of corruption to the authorities, teaching children that corruption is unacceptable, and refusing to pay or accept bribes.

a boost to development, lift countries out of poverty and build fairer, more just societies.

Our common purpose

We all have a stake in fighting corruption.

Corruption undermines Governments' ability to serve their people by corroding the rule of law, public institutions and trust in leaders. Corruption acts as a brake on development, denying millions of people around the world the prosperity, rights, services and employment which they desperately need – and deserve.

When corruption prevails, development is threatened. Fighting corruption is therefore not only an aim in itself, but also the most effective way to ensure sustainable development and a better future.

With the United Nations Convention against Corruption, the world has a powerful tool to fight this global sickness. Let us use the Convention's far-reaching measures to give

To support States' anti-corruption efforts, the United Nations Office on Drugs and Crime (UNODC) and the United Nations Development Programme (UNDP) deliver a broad range of technical assistance.

UNODC is the guardian of the United Nations Convention against Corruption. To support States parties' efforts to fully implement the Convention, UNODC delivers technical assistance in various thematic areas such as prevention, education, asset recovery and integrity in the criminal justice system. UNODC works with Governments, international organizations, and civil society.

UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. This includes work on anti-corruption and good governance. On the ground in some 170 countries and territories, UNDP offers global perspective and local insight to help empower lives and build resilient nations.

Photos: Ioulia Kondratovitch; UNODC.

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¹ Transforming our World: the 2030 Agenda for Sustainable Development, General Assembly resolution 70/1, Sustainable Development Goal 16, targets 16.4, 16.5 and 16.6. For more information, please go to: http://www.unodc.org/unodc/en/about-unodc/sustainable-development-goals/sdg16_-_peace-and-justice.html.

² United Nations Convention Against Corruption, United Nations, New York, 2004.

³ Status of December 2018

⁴ Technical Guide to the United Nations Convention against Corruption, United Nations, New York, 2009.

⁵ World Health Organization, 2018. 'The sustainable development goals as a framework to combat health-sector corruption'

⁶ World Health Organization, 2012. 'Why is good governance relevant to the pharmaceutical public sector?'