



**SOFIMUN**  
**Sofia International Model United Nations**

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**CHAIRPERSON:**  
**ALBENA GELEVA & ELLIE FOGARTY**

**TOPIC: (B) – INTERNATIONAL  
COOPERATION IN THE FIGHT AGAINST  
CORRUPTION**

**BACKGROUND GUIDE**





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## **Topic B: International cooperation in the fight against corruption - summary**

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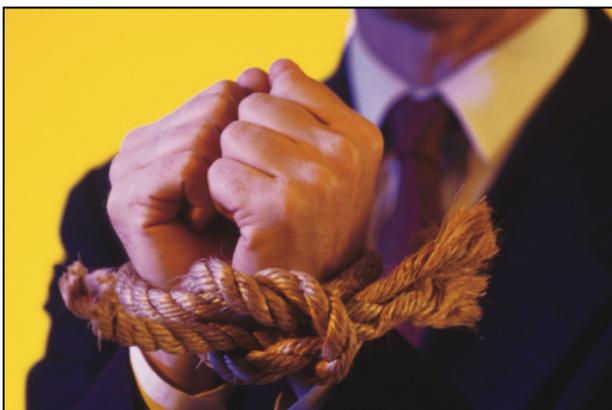
Corruption, when applied as a technical term, is a general concept describing any organized, interdependent system in which part of the system is either not performing duties it was originally intended to, or performing them in an improper way, to the detriment of the system's original purpose.

In broad terms, political corruption is the use of governmental powers by government officials for illegitimate private gain. All forms of government are susceptible to political corruption. Forms of corruption vary, but include bribery, extortion, cronyism, nepotism, patronage, graft, and embezzlement. While corruption may facilitate criminal enterprise such as drug trafficking, money laundering, and trafficking, it is not restricted to these organized crime activities. The activities that constitute illegal corruption differ depending on the country or jurisdiction. Certain political funding practices that are legal in one place may be illegal in another. In some countries, government officials have broad or poorly defined powers, and the line between what is legal and illegal can be difficult to draw.

Bribery around the world is estimated at about \$1 trillion (£494bn), and the burden of corruption falls disproportionately on the bottom billion people living in extreme poverty.

## **Topic B: International cooperation in the fight against corruption – background guide**

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World Bank President Paul Wolfowitz has called corruption the single most important obstacle to development and has ratcheted up the fight against graft in Bank projects. He held up loans to India, Bangladesh, Kenya and Chad because of corruption concerns and increased the budget of the Bank's anti-corruption unit. "This is about making sure that the bank's resources go to the poor and don't end up in the wrong pockets," Wolfowitz told US News & World Report. "It is about fighting poverty."

The problem of corruption practices when managing development funds is a wide spread issue on the international scene. The leakage of aid funds, as well as corrupt contractors and officials flush with cash has left many poor people devoid of essential services. High-level corruption in government layers facilitates malicious practices that lead to harmful effects for the community and the environment.

Massive, centrally planned and financed water, energy, transport and other public works projects are particularly prone to corruption, thanks to their complexity, capital intensity and high price tags. They offer larger spoils than small-scale projects and programs to increase the



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efficiency of existing infrastructure. Unless corruption is checked in the earliest stages of the planning process, corrupt politicians, government officials and construction companies will always favor large-scale projects to address a country's infrastructure needs.

### **Infrastructure, corruption, and development failures**

Building infrastructure projects in the developing world is a \$200 billion business that provides a plethora of opportunities for corruption. Bribes are paid to secure concessions and kickbacks are provided in exchange for contracts. Bid rigging occurs, shell companies are established, and procurement documents are falsified. Sub-standard materials are used in construction, regulators are paid off, and prices for infrastructure services are inflated. Compensation for forcibly displaced communities ends up in the pockets of bribe-seeking local officials. The World Bank acknowledges these corruption risks, but it has not figured out what to do about them. A recent bank report about infrastructure acknowledges that "anti-corruption is the area where the largest gaps remain in our understanding of what works and what does not."



Given the enormous potential pay-offs, it is not surprising that there are often powerful vested interests behind big, new public works projects. Peter Eigen, the founder of Transparency International, argues that corruption in the construction sector not only plunders economies; it shapes them: "Corrupt government officials steer social and economic development towards large capital-intensive infrastructure projects that provide fertile ground for corruption."<sup>4</sup>

The political economy of infrastructure development "doesn't just line the pockets of political and business elites; it leaves ordinary people without essential services," according to Peter Eigen. The push for big projects diverts resources from decentralized, community-based options and from the maintenance of existing infrastructure. Ultimately, local people are stuck with the economic, social, and environmental costs of infrastructure projects that may not be the best option for providing water or energy services – or may not even be providing them at all. These two problems, namely corruption and unmet needs for infrastructure services, are closely linked.

### **Corruption in Pakistan's water sector**

Pakistan's water sector, like many of those around the world, is fraught with large and small-scale corruption. According to a 2003 survey by Transparency International, Pakistan's Water and Power Development Agency is perceived to be the second most corrupt institution in the country. Close to half of the more than 31,000 complaints received by Pakistan's anti-corruption ombudsman in 2002 were related to this one institution.<sup>11</sup> As the World Bank's 2005 Pakistan water strategy admits, top positions in the country's water bureaucracy are sold at a high price.



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Corruption works in a variety of ways in Pakistan's water sector. After paying high sums to secure senior government positions, officials need to recoup their costs in the form of kickbacks. They can do so primarily through projects that serve construction companies and large landowners, not through improved maintenance programs and low-cost projects that serve the poor.

The SOFIMUN 2008 ECOSOC delegates will have to look at alternatives and establish best policies for prevention of corruption practices. Furthermore, delegates need to discuss what measures should be taken on a national and broad international level so as to ensure that infrastructure and development finances reach their intended allocations.

Such measures could include legal actions to criminalize bribery of officials and strengthen their accountability to the public, international cooperation to strengthen the fight against domestic corruption by government structures, movements to strengthen government procurement processes and promote transparency, development of good government principles and national integrity systems.

In the scope of these measures the SOFIMUN 2008 ECOSOC could consider also decentralized and nonstructural approaches in handling development projects.





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## **Suggested Reading and Additional Sources**

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### ***Topic B: International cooperation in the fight against corruption***

UN ECOSOC website

<http://www.un.org/ecosoc/>

Transparency International website

[www.transparency.org](http://www.transparency.org)

TI Global Corruption Report (available from June 2008)

<http://www.transparency.org/publications/gcr>

The World Bank website

<http://www.worldbank.org/>

United Nations Convention against corruption

[http://www.unodc.org/pdf/crime/convention\\_corruption/signing/Convention-e.pdf](http://www.unodc.org/pdf/crime/convention_corruption/signing/Convention-e.pdf)

ECOSOC resolution on the fight against corruption

<http://www.un.org/docs/ecosoc/documents/2006/resolutions/Resolution%202006-24.pdf>

"United Nations Declaration Against Corruption and Bribery in International Commercial Transactions", A/RES/51/191, 16 Dec 1996, 51/191

<http://www.un.org/documents/ga/res/51/a51r191.htm>

"Criminal Law Convention on Corruption" ETS No. 173, Strasbourg, January 1999,

<http://conventions.coe.int/Treaty/EN/Treaties/Html/173.htm>

World Economic Situation and Prospects 2008

<http://www.un.org/esa/policy/wess/wesp.html>