

08 December 2023

**Open Letter to the Delegation of The Republic of South Africa to
the United Nations Convention against Corruption (UNCAC) Conference of the States Parties**

To the Esteemed Delegates of The Republic of South Africa

Subject: ***Enhancing anti-corruption efforts by supporting increased transparency and international cooperation***

Dear Distinguished Delegates,

On behalf of Corruption Watch, an anti-corruption non-profit organisation that monitors and exposes acts of corruption in South Africa, we extend our sincere regards and commend your participation in the 10th Session of the UNCAC Conference of the States Parties (COSP) this December 2023 in Atlanta, Georgia, United States of America.

We write to you in the spirit of collaborative effort and shared responsibility that defines the UNCAC. Our goal is to address some critical facets of the anti-corruption framework that has been largely absent from the UNCAC agenda: beneficial ownership transparency, transparency in procurement, the need for international co-operation, and 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.

The UNCAC underscores the imperative for rights-based anti-corruption measures. It urges all States to uphold, champion, and consider their respective human rights commitments while addressing corruption. This is not solely a legal mandate but also a sound policy choice. In light of this context, we encourage government and citizens to capitalize on the occasion of the upcoming session to advocate for the implementation of the following measures:

1. ENHANCED AND ROBUST BENEFICIAL OWNERSHIP TRANSPARENCY MEASURES

We wish to bring to your attention Transparency International's (TI) comprehensive recommendations regarding the enhancement of beneficial ownership transparency at the 10th UNCAC COSP. We urge UNCAC States Parties to make robust commitments concerning access to registers for both domestic

and foreign competent authorities, as well as civil society. Emphasizing the importance of verification and interoperability of data, our proposal aligns with the challenges outlined in a recent United Nations Office on Drugs and Crime (UNODC) thematic report which highlights the obstacles faced by competent authorities in accessing crucial beneficial ownership information across borders.

The upcoming UNCAC COSP provides a valuable opportunity for States Parties to adopt ambitious measures that advance transparency. Specifically, we advocate for commitments to promote access to beneficial ownership information by various national and foreign authorities, acknowledgment of the significance of public registers, utilization of innovative technologies, and ensuring interoperability with other datasets. These recommendations address challenges self-identified by States Parties as obstacles to progress in combating corruption and recovering stolen assets. We kindly request you to share the TI submission with relevant individuals in the South African delegation participating in negotiations or attending the conference. Thank you for your attention, and feel free to reach out if further assistance is needed.

2. PROCUREMENT TRANSPARENCY

Addressing transparency in procurement processes is a key element in the broader fight against corruption, as highlighted by TI's recommendations for the 10th UNCAC COSP.

The proposals emphasize the necessity for member states to commit to promoting access and use of beneficial ownership information by various national and foreign authorities, including those overseeing public procurement. Recognizing public registers as an effective means of fostering transparency, the recommendations underscore the importance of making beneficial ownership data available to the public, especially entities involved in public contracts, concessions, or subsidies. Furthermore, the integration of digital and innovative technologies is encouraged to facilitate access and exchange of structured beneficial ownership information, ensuring its compatibility with other datasets covering public procurement. By addressing these issues, the recommendations aim to fortify the transparency and integrity of procurement processes, mitigating corruption risks and enhancing accountability in this critical aspect of governance.

3. NECESSITY OF INTERNATIONAL CO-OPERATION

International co-operation, as underscored by the Marrakech Declaration, plays a pivotal role in preventing and combating corruption globally, aligning with TI's recommendations for the 10th UNCAC COSP. The Marrakech Declaration emphasizes collaborative efforts to address corruption's cross-border nature, recognizing it as a shared challenge requiring shared solutions. In line with these

principles, TI advocates preventative measures that encompass the promotion of access and utilization of beneficial ownership information. These measures call on states to commit to ensuring the interoperability of beneficial ownership data with other domestic and foreign datasets, including those covering public procurement, sanctions, and politically exposed persons. By fostering international co-operation and aligning preventive measures with global initiatives like the Marrakech Declaration, the UNCAC Conference represents an opportune moment for states to collectively strengthen the resilience of their anti-corruption frameworks, contributing to a more transparent and accountable global governance landscape.

4. URGENT NEED FOR ENHANCED POLITICAL FINANCE TRANSPARENCY

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.

CALL FOR ACTION AT THE UNCAC CONFERENCE

We urge the delegation of South Africa to strengthen Article 7.3 of the Convention by introducing amendments where appropriate in the resolutions that have been tabled, which can effectively address 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 whistle-blowers 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 Co-operation.

States Parties should commit to sharing information, best practices, and resources to ensure 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.

The challenges posed by corruption, especially in the sphere of political finance, require a concerted and unified response. By taking a leadership role at the upcoming COSP10, South Africa can significantly contribute to the global fight against corruption. We trust that your delegation will consider our requests and take proactive steps towards a more transparent and accountable political environment.

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

Sincerely,

A handwritten signature in black ink, appearing to read "K Singh".

Karam Singh

Executive Director

Corruption Watch