

22 August 2024

English only

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**Implementation Review Group**

**First resumed fifteenth session**

Vienna, 28 August–6 September 2024

**Statement submitted by Transparency International, a  
non-governmental organization in consultative status with  
the Economic and Social Council\***

The following document is being circulated in accordance with paragraph 1 (i) of resolution 4/6 of the Conference of the States Parties to the United Nations Convention against Corruption and rule 17, paragraph 3 (b), of the rules of procedure for the Conference.

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# Call for UNCAC States Parties to take measures to enhance transparency of the funding of candidates and political parties (UNCAC Article 7.3)

## Transparency International Submission to the resumed 15th Session of the UNCAC Implementation Review Group

This submission draws attention to the lack of progress across States Parties in the implementation of UNCAC Article 7.3 on political finance transparency and recommends concrete actions to the Implementation Review Group, the Working Group on Prevention and more broadly to the UNCAC States Parties. There is an urgent need to prioritise measures aimed at improving implementation of Article 7.3 as evidenced by the most recent UNODC Thematic Report on the Implementation of Chapter II (Preventive measures) of the Convention<sup>1</sup>, independent expert assessments from Global Data Barometer and International IDEA<sup>2</sup>, an OECD survey<sup>3</sup>, and a recent series of global and regional consultation meetings conducted by Transparency International. However, to date, there have been no CoSP resolutions providing further guidance on the implementation of this crucial provision. At the same time, the current election super-cycle offers an ideal opportunity to take action at the global level to prevent corruption in and through elections.

### Introduction

1. 2024 is the largest election year in history, with over two billion people going to the polls in more than 74 countries. Fairness, transparency, and accountability in political finance are essential safeguards against corruption in public office, including influence peddling and state capture.<sup>4</sup> However, such safeguards are still far from robust in most countries around the world. In only 10 of the 74 countries holding elections in 2024, voters will know who funds the candidates or parties of their choice. This is not a surprise: the Electoral Integrity Global Report 2024 has again ranked campaign finance the weakest area of electoral integrity worldwide.<sup>5</sup>
2. Article 7.3 of the United Nations Convention against Corruption (UNCAC) commits its 190 State Parties to ensure transparency in political finance. Furthermore, the 2021 UNGASS Political Declaration §12 called upon member states to *'maintain, strengthen, develop and implement measures that protect the integrity of the electoral process and promote its*

<sup>1</sup> United Nations Office on Drugs and Crime (2024) *Implementation of chapter II (Preventive measures) of the United Nations Convention against Corruption: Thematic report prepared by the Secretariat*, 3 July 2024, (§4, Table 1, p. 3; §21, p. 10). Available at: <https://track.unodc.org/uploads/documents/UNCAC/WorkingGroups/ImplementationReviewGroup/28Aug-6Sep2024/CAC-COSP-IRG-2024-11/2412118E.pdf>

<sup>2</sup> See Political Integrity Module from Global Data Barometer <https://globaldatabarometer.org/module/political-integrity/> and the Political Finance Database from International IDEA <https://www.idea.int/data-tools/data/political-finance-database>, also compiled for the year 2023 in a submission made by Transparency International to the 10<sup>th</sup> Session of the CoSP in Atlanta, US in 2023 Transparency International (4 December 2023), CAC/COSP/2023/NGO/47, <https://www.unodc.org/documents/treaties/UNCAC/COSP/session10/NGO/CAC-COSP-2023-NGO47.pdf>

<sup>3</sup> OECD, Public Integrity Indicators, <https://oecd-public-integrity-indicators.org/>

<sup>4</sup> Governments perform 50 per cent worse in controlling corruption where political finance is not adequately enforced. Transparency International (2020), *Building Political Integrity to Stamp out Corruption*. Available at: <https://www.transparency.org/en/news/building-political-integrity-to-stamp-out-corruption-three-steps-to-cleaner-politics>

<sup>5</sup> An analysis of 586 elections in 170 countries between 2012 and 2023 shows that campaign finance performs the weakest, see: Electoral Integrity Project (2024), *Electoral Integrity Global Report 2024*, p. 17. Available at: <https://www.electoralintegrityproject.com/reports>

*accountability to voters, transparency and impartiality in domestic electoral institutions and oversight mechanisms, and transparency in the funding of candidatures for elected public office, political parties and electoral campaigns'* with a view to 'preventing corruption, ensuring accountability, promoting good governance and reinforcing trust in public institutions.'<sup>6</sup> Despite these commitments, low levels of transparency in political finance persist around the world, which in turn highlights the lack of guidelines and effective enforcement.

3. The Working Group on Prevention discussed measures to enhance transparency of political finance in its 5th session in September 2014, following a request made by the CoSP in the resolution 5/4 entitled "Follow-up to the Marrakech declaration on the prevention of corruption".<sup>7</sup> In this meeting, the Working Group requested the secretariat to continue its efforts to gather information on good practices related to enhancing political finance transparency and to provide awareness-raising and other forms of technical assistance on the subject.<sup>8</sup> However, since 2014 there have been no further substantive discussions or follow-ups on the topic in the CoSP or any of its subsidiary bodies.
4. The Principles on Transparency in Political Finance and the Oslo Statement on Corruption Involving Vast Quantities of Assets are two sets of expert recommendations that provide further guidance on the implementation of Article 7.3.<sup>9</sup> They were issued by two expert group meetings organised in Prague and Oslo in 2019 by UNODC with the support of the Government of Norway. However, these principles and recommendations are yet to be discussed at the CoSP or any of its subsidiary bodies.

### **Relevant recent findings**

5. The 2024 Thematic Report referenced above, lists prevalent challenges in the implementation of Article 7.3, namely "(i) Lack of comprehensive legislation or administrative measures to regulate the funding of candidates for elected office and the funding of political parties, including in relation to (ii)adequate limits on private donations and (iii) the restriction of anonymous and (iv) foreign donations, (v) effective disclosure obligations and (vi) oversight and audit mechanisms."<sup>10</sup>
6. The same report also compiles key recommendations issued to UNCAC States Parties, including "(i) lowering or removing disclosure thresholds in relation to reporting obligations, (ii) ensuring the information reported includes the identity of persons providing funding, (iii) making donation registers public, (iv) harmonizing regulations to

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<sup>6</sup> United Nations General Assembly (2021, June 7). *Resolution adopted by the General Assembly on 2 June 2021, S-32/1. Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthen international cooperation*, <https://ungass2021.unodc.org/ungass2021/en/political-declaration.html>

<sup>7</sup> Conference of the States Parties to the United Nations Convention against Corruption (2014), *Report on the meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption held in Vienna from 8 to 10 September 2014*

<https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2014-September-8-10/V1405911e.pdf>

<sup>8</sup> *ibid.*

<sup>9</sup> United Nations Office on Drugs and Crime (2019), *Preventing and Combating Corruption Involving Vast Quantities of Assets: Expert Recommendations*, [https://www.unodc.org/documents/corruption/Publications/2019/19-10467\\_Preventing\\_Combating\\_Corruption\\_ebook.pdf](https://www.unodc.org/documents/corruption/Publications/2019/19-10467_Preventing_Combating_Corruption_ebook.pdf)

<sup>10</sup> United Nations Office on Drugs and Crime (2024) *Implementation of chapter II (Preventive measures) of the United Nations Convention against Corruption: Thematic report prepared by the Secretariat*, 3 July 2024, (§4, Table 1, p. 3; §21, p. 10). Available at: <https://track.unodc.org/uploads/documents/UNCAC/WorkingGroups/ImplementationReviewGroup/28Aug-6Sep2024/CAC-COSP-IRG-2024-11/2412118E.pdf>

ensure that all candidates, including independent candidates, are covered by accounting requirements, and (v) adopting dissuasive sanctions for failure to submit reports.”<sup>11</sup>

7. These findings were confirmed by a series of regional and global consultations conducted between March and June 2024 by Transparency International (TI) with the participation of over 100 stakeholders including TI national chapters, intergovernmental organisations such as OECD, OSCE, Council of Europe, African Union, International IDEA and other civil society organisations. The key challenges to political finance integrity identified in this consultation series can be grouped into:
  - (i) lack of transparency provisions and practices such as bookkeeping, reporting and disclosure obligations for political parties and candidatures,
  - (ii) infiltration of illicit flows into politics, particularly through anonymous donations, foreign donations, online campaigns and cryptocurrencies;
  - (iii) An uneven playing field due to unregulated self-funding, unrestricted donation and expenditures, and inadequate public funding;
  - (iv) financial barriers to the participation of women in elections;
  - (v) abuse of incumbency, including use of state resources and powers, policies and resource allocation decisions, use of security forces and use of state media for the electoral benefits of the incumbents
  - (vi) insufficient oversight and accountability, mostly as a result of a lack of mandate and capacities of oversight institutions, lack of coordination between relevant institutions, and insufficient enforcement of existing sanctions.<sup>12</sup>
8. A survey of indicators based on the implementation of the OECD Recommendation on Public Integrity in 36 countries, shows that although 32 of them publish political parties and/or candidates’ election campaign finance reports, still nearly half of them lack bans on anonymous donations, Furthermore, 19 out of 36, do not explicitly ban the use of public funds and resources in favour of or against a political party.<sup>13</sup>
9. A statement previously submitted by Transparency International to the tenth session of the CoSP in Atlanta in December 2023 compiled evidence from the Global Data Barometer, the International IDEA Political Finance Database, and the 2023 Second Cycle Implementation Review Thematic Report from UNODC, all of which showed that these challenges are indeed prevalent in the majority of the countries surveyed by these expert assessments (respectively 109 and 181 countries) and across UNCAC reviews.<sup>14</sup>

## Recommendations

10. Transparency International calls on the UNCAC Implementation Review Group and the Working Group on Prevention to:

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<sup>11</sup> United Nations Office on Drugs and Crime (2024) *Implementation of chapter II (Preventive measures) of the United Nations Convention against Corruption: Thematic report prepared by the Secretariat*, 3 July 2024, (S21, pp.9-10 Available at: <https://track.unodc.org/uploads/documents/UNCAC/WorkingGroups/ImplementationReviewGroup/28Aug-6Sep2024/CAC-COSP-IRG-2024-11/2412118E.pdf>

<sup>12</sup> Transparency International (2024), *Towards Standards for Political Finance Integrity - Discussion Paper*, [https://images.transparencycln.org/images/Towards-Standards-for-Political-Finance-Integrity\\_Discussion-Paper\\_v2-15July.pdf](https://images.transparencycln.org/images/Towards-Standards-for-Political-Finance-Integrity_Discussion-Paper_v2-15July.pdf)

<sup>13</sup> Organisation for Economic Cooperation and Development, *Public Integrity Indicators*, <https://oecd-public-integrity-indicators.org/>

<sup>14</sup> Transparency International (4 December 2023), *CAC/COSP/2023/NGO/47*, <https://www.unodc.org/documents/treaties/UNCAC/COSP/session10/NGO/CAC-COSP-2023-NGO47.pdf>

- Recommend to the CoSP that the implementation of Article 7.3 be included in the workplan of the Working Group on Prevention, taking note of the findings from the second cycle implementation reports.<sup>15</sup>
- Request the Secretariat to conduct a comprehensive, in-depth survey of the specific challenges, good practices, lessons learned, and technical assistance needs in relation to effectively enhancing transparency of the funding of candidates and political parties by State Parties, pursuant to Article 7.3 of the Convention.

11. Furthermore, Transparency International calls on States Parties of the UNCAC gathered in Vienna under the framework of the IRG and Working Group on Prevention to launch a Group of Friends initiative on the Implementation of Article 7.3 of the Convention to coordinate efforts ahead of the next session of the CoSP, scheduled to take place next year in Doha, Qatar.

Berlin, 16 August 2024

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<sup>15</sup> United Nations Office on Drugs and Crime (2024) *Implementation of chapter II (Preventive measures) of the United Nations Convention against Corruption: Thematic report prepared by the Secretariat*, 3 July 2024, (§4, Table 1), p. 3; §21, p. 10). Available at: <https://track.unodc.org/uploads/documents/UNCAC/WorkingGroups/ImplementationReviewGroup/28Aug-6Sep2024/CAC-COSP-IRG-2024-11/2412118E.pdf>