

## **Building Multidisciplinary Frameworks to Combat Corruption**

7<sup>th</sup> Regional Anti-Corruption Conference of the  
ADB/OECD Anti-Corruption Initiative for Asia and the Pacific  
Hosted by the Government of India

New Delhi, India, 28-29 September 2011

### **Valedictory Address**

**Shri Pranab Mukherjee, Honourable Minister of Finance, India**

Distinguished Participants, Ladies and Gentlemen,

It is my pleasure to be here at the concluding day of the 7th Regional Conference on the theme “Building Multidisciplinary Frameworks to Combat Corruption.” I understand that this conference has brought together policy makers, experts, legal specialists and practitioners from the public sector, the private sector and the Civil Society from several countries and that you have had fruitful deliberations.

Let me start by congratulating all delegates and experts for their contributions to this conference. I would also like to commend the Department of Personnel & Training Government of India, the ADB and OECD for the efforts put into organizing this event. I appreciate the relentless and persistent efforts of this ADB/OECD initiative in joining the global fight against Corruption and their goal to address all aspects of the universal convention of United Nations Convention Against Corruption (UNCAC).

I am happy to learn that this conference has helped focus on issues such as framework for multi-jurisdictional investigations, Public Procurement and the role of private sector and citizens in combating corruption. I have been told that the conference has discussed the challenges that countries face in securing effective mutual legal assistance to address trans-border corruption in the Asia Pacific context. I have also been told that the Steering Committee had considered and recommended acceptance of the request of the Government of ‘Timor Leste’ to join the initiative thus paving the way for its formal admission as the 29th member.

Corruption is a multifaceted problem. It has diverse manifestations, from petty bribery in the delivery of public service to major scandals involving large organizations and even nations. It requires a multifaceted approach to address it. There has to be a framework for prevention of corruption in the public and the private domain. There has to be a legal framework recognizing the act of corruption as a crime, supported by an effective enforcement machinery. There is also an awareness aspect on the issue, which has to be addressed by empowering individuals who are the ultimate victim of corruption, directly or indirectly.

In today’s globalised context of our economies, effective international co-operation has become a sine qua non of any framework against corruption. We need to engage with each other at different levels to effectively block all physical escape routes for those blatantly propagating corrupt practices. Moreover, given the pervasiveness of this phenomenon, it is a war that has to be fought on all fronts and in a concerted and coordinated manner by all stakeholders. Symptomatic solutions to the problem only present temporary results. To be effective, any framework against corruption has to be comprehensive.

Our efforts to tackle this menace have been unceasing and we are committed to the goal of achieving 'Zero Tolerance' against corruption. India has a sound legal framework to address corruption. It includes the Prevention of Corruption Act 1988, Money Laundering Act 2002, the Companies Act; and the Criminal laws of IPC and Cr. PC, which provide, in adequate measure, the tools to enforce the law against the guilty. The Anti-Corruption institutional infrastructure consists of the Central Bureau of Investigation, Central Vigilance Commission, Directorate of Enforcement, Serious Frauds Office; police machinery at the State level; and, the elaborate vigilance administration mechanism setup both at the centre and state levels, which forms the framework to handle corruption, at the domestic and trans-border levels. There are well established institutional mechanisms for transparent and fair selection of public servants, implementation of code of conduct and Disciplinary Rules, Constitutional bodies and mechanism of oversight. Our country is also privileged to have an independent and vibrant judiciary as an able watchdog, means of legal redress and a guardian of justice.

This does not mean that we are free of corruption. Indeed, corruption is widespread and deep routed in our society. There are issues of slackness in implementation of existing laws, ineffectiveness of some laws, lack of coordination between different agencies that have overlapping mandates, policy gaps such as in the area of election funding and governance failure in several areas of public services delivery, that have contributed to the pervasiveness of this phenomenon.

On the positive side, we are a free society with rich democratic traditions where the freedom of expression is highly valued. If citizens are able to make their voice heard and the media is able to project the will and wish of the people, a vibrant judiciary working for the cause of justice is invariably able to deliver justice.

The Government of India has taken an all-encompassing initiative with a Group of Senior Ministers being entrusted with the task of formulating and putting in place a roadmap for strategizing and spelling out measures to tackle corruption in public life. The Group was constituted in early January this year and has already submitted its first report. The specific areas which the committee has been looking into are state funding of elections; fast tracking of all cases against public servants accused of corruption; ensuring full transparency in public procurement and contracts, including enunciation of public procurement standards and a public procurement policy; taking away the discretionary powers enjoyed by Ministers at the Centre; introduction of an open and competitive system of exploiting natural resources and other administrative issues. The first Report spelling out various recommendations regarding administrative and disciplinary measures has already been accepted.

We have recently ratified the United Nations Convention Against Corruption (UNCAC) in May 2011. We are required, as a part of our obligations emanating from the Convention, to undertake an assessment of the state of domestic laws. Our domestic laws are substantially compliant with the mandatory requirements of the Convention. With the ratification of the UNCAC, we hope to secure effective international co-operation in addressing trans-border corruption.

A bill titled 'The Prevention of Bribery of foreign Public Officials and Officials of Public International Organizations Bill 2011' was introduced in March 2011 in the Indian Parliament. This would cover the requirement of criminalization of bribery of foreign public officials as mandated under the United Nations Convention Against Corruption. A process has also been set in motion to consider criminalizing bribery in private sector through an amendment in the Indian Penal Code.

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The Government has also taken a number of significant legislative initiatives, in parallel to the exercise of ratification of the convention, which include the introduction of the Public Interest Disclosure and Protection to Persons making the Disclosures Bill, 2010; Lokpal Bill, 2011; and the Judicial Standards and Accountability Bill, 2010.

As a measure to tighten the control over black money, the Government has made significant progress in the recent year. There have been 16 new Tax Information Exchange Agreements (TIEAs) with focus countries like Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Isle of Man, Jersey, Gibraltar, Monaco, etc. have been concluded. A process of re-negotiation of Double Taxation Avoidance Agreements (DTAA) with 75 countries to broaden the scope of the Article concerning Exchange of Information to specifically allow for exchange of banking information has been taken up. Negotiation has since been completed with 22 countries. In addition, 18 new DTAA negotiations have been completed which provide for effective exchange of information. Government has signed amendment to tax treaty with Switzerland and the Swiss Parliament has accorded its approval to the treaty recently. As soon as Switzerland completes its internal process, the treaty shall come into force and will allow India to obtain banking information from Switzerland in specific cases for the period starting from 1st April, 2011.

We are committed to making progress in our fight against corruption. It is also important that other stakeholders, including the private actors and the civil society come forward in shouldering some responsibilities and contribute to the efforts of public agencies in this endeavour. At the same time we are one with the global community in sharing the responsibilities in our collective efforts to address this issue in its international dimension.

Let me conclude by thanking you all for your valuable contributions towards making life of each global citizen corruption free. I hope all the delegates will be carrying with them a resolve to further the efforts of this Initiative in tackling corruption. I hope you have enjoyed your stay in India and carry back fond memories from here. Have a safe journey as you return to your countries.

Thank you