

**Corruption & Development: How can Anti-Corruption be  
Integrated into Development Measures to  
Ensure Sustainable Development and Inclusive Growth**  
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**Strengthening Integrity and Accountability to  
Achieve the Millennium Development Goals**

**MR. TOSHIHIRO TANAKA**

Country Director, United Nations Development Programme - Philippines

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Ombudsman Conchita Carpio Morales;

Department of Budget and Management Secretary Florencio Abad;

German Ambassador Joachim Heidorn;

GIZ Regional Director for the Philippines and the Pacific Islands, Robert  
Kressirer;

German Federal Ministry for Economic Cooperation and Development, Dr.  
Stefanie Teggemann;

AIM Hills Programme on Governance Executive Director Angela Garcia;

Partners, and friends from civil society, government and development  
agencies;

Distinguished guests, ladies and gentlemen;

***Magandang umaga po sa inyong lahat!***

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Immediately after my arrival in Manila as the Country Director of UNDP, I was honored to co-chair the Philippine Development Forum Sub-Working Group on Anti-Corruption to support the honorable Ombudsman, Justice Conchita Morales. It was impressive to see the high level of commitment as well as donors' and public support to the anti-corruption drive in the Philippines that is the core strategy of the current Administration.

As we are aware, the Philippines is confronted by deep rooted challenges of corruption in the past decades. In 2012, Philippines scores 34/100 in 2012 Corruption Perceptions Index of Transparency International – with 0 perceived to be highly corrupt to 100, which is perceived to be very clean. The country still belongs to two thirds of the 176 countries ranked who scored below 50. With this, the Philippines need to do more in the fight against corruption. Moreover, early 2013, a report by the Political and Economic Risk Consultancy, a firm specializing in strategic business analysis for companies doing business in East and Southeast Asia, indicates that the Philippines ranks third in terms of corruption risk of doing business among countries in the Asia Pacific region.

We all know that corruption heavily impacts and diverts already limited resources meant for delivering critical public goods and services for all citizens, particularly the poor and the most vulnerable.

In a real term, this translates to lesser government budget to deliver much needed services. This means less classrooms, less hospitals, less kilometers of farm to market roads for remote villagers, less protection from

diseases for mothers and children, and less access to potable water for waterless villages, among others.

The absence of physical infrastructures and the deficient quality of existing infrastructures are typical manifestations of the negative impacts of corruption. Moreover, corruption created an adverse effect on the timeliness, relevance, effectiveness and efficiency of the services meant to save, protect and sustain the lives and livelihoods of the people in need of such quality services at an affordable cost.

It is obvious that the poor, the voiceless and powerless people suffer the most by the wide spread effects of corruption as they have no means to negotiate their terms are neither made aware of their rights nor what has been taken away from them through corruption.

Today, I am tasked to discuss the anti-corruption efforts in terms of its effects on the achieving of MDGs. As you well know, the UN Millennium Development Goals or MDGs were established to reduce the number of the people in the country and in the world who do not have access to jobs, education, health care, potable water and sanitation and other basic human needs. It is a commitment of countries around the world, Philippines included, to eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability, and promote global partnership for development by 2015.

With reduced resources, less infrastructure, lower quality of services, and inappropriate targeting, corruption in its all forms undercuts the country's chances in meeting its development goals—achieving MDGs that target the poor, mother and children, in particular.

With two years left, a recent study made by the National Economic and Development Authority (NEDA) shows that the country faces difficulty ensuring universal access to primary education. Currently, 5.2 million Filipino school-aged children remain out of school while the significant part of those enrolled drop out after reaching Grade 1. The Philippines also struggles to improve maternal health, as 54 percent of total pregnancies are unplanned. The lack of access to reproductive health services causes 11 mothers to die every day due to pregnancy-related causes. There is also concern over the accelerating incidence of HIV cases. The country is among the nine countries worldwide that have recorded more than 25 percent rise in HIV incidence. To date, about six Filipinos are getting infected with HIV each day.

### **The UNCAC and Sectoral Approach to Combat Corruption**

Indeed, corruption is a major threat to achieving the MDGs as it diverts resources away from the poor households who are already suffering from the lack of such resources. A successful campaign against corruption demands political commitment and leadership, far-reaching reform, and broadly based coordination among stakeholders and amidst various pressing, sometimes conflicting, priorities.

In this regard, the United Nations Convention Against Corruption (UNCAC) provides a viable normative framework to guide prioritization and operationalization of anti-corruption efforts towards achieving poverty reduction and MDGs that also leads to the realization of the Aquino Administration's social contract with the Filipino people.

To be effective, the UNCAC represents a global consensus that recognizes the importance of both preventive and punitive measures. It also addresses the cross-border nature of corruption with provisions on international cooperation and on the return of the proceeds of corruption. The Convention further calls for the participation of citizens and civil society organizations in accountability processes and underlines the importance of citizens' access to information.

The Philippines recently concluded its periodic UNCAC review in 2012. The outcome of the review process of UNCAC implementation in the Philippines presents a huge opportunity for building wide consensus for political and policy reform to address corruption at the national and local levels.

We recognize that the issues and the responses needed to address corruption are complex. Where do we begin to address such issues? Evidence from the field shows that mainstreaming of good governance and anti-corruption measures into sectoral reforms and plans may lead to better results. In this way, anti-corruption efforts becomes more focused and contextualized within the realities and challenges of a particular sector may it be that of health, education, water or the environment. Each sector has

its own threats and vulnerabilities relating to corruption and as such, solutions are to be found according to such reality.

Another key players are the local governments. LGUs are the main catalysts to effect national MDG policies and translate them to local action plans and programs. Introducing good governance and anti-corruption policies and measures into local government units and converting political leadership of the local governments into champions of anti-corruption and MDGs will have far-reaching impacts on not only the achievement of MDGs but also the sustainability of MDGs.

At the end of the day, there is no doubt that addressing corruption vulnerabilities in MDG sectors especially at the local government level would help materialize much needed improvement in public service delivery.

### **Example of non-compliance by LGUs in implementation of Solid Waste Management Act (by CD)**

### **Participatory Public Finance and Governance for the MDGs**

Participatory public finance is another area that is of paramount importance to fight corruption and meet the MDGs. Fiscal policy determines how, where and to what extent public funds should be made available to materialize these development outcomes and commitments.

Good fiscal governance should provide for transparent political decision-making processes and administrative procedures that put citizen participation at its core. It shall lead to an enhanced transparency, legitimacy, predictability and relevance in the public finance processes. We also recognize the critical role of the media and NGOs to monitor the progress and call for attention and actions to institute good governance.

In a concrete term, we are currently working with the Civil Service Commission to implement the Anti-Red Tape Act through engaging citizens to monitor its implementation. With the Office of the Ombudsman, we support the establishment of a multi-stakeholder mechanism to monitor compliance to the UNCAC. With CSOs, we support strengthening of the capacities of the citizens and organized groups to perform oversight roles and engage with the governments at various levels and in all phases of the Public Finance, such as revenue generation, budgeting, public expenditures, debt management and audit.

Uprooting of corruption is the responsibility of each and every citizen of the society and that of both the public and private sectors. It is only through the engagement and commitment of all stakeholders and all walks of life, the Philippines may succeed to achieve its goal of creating an incorruptible society and eradicating poverty from it, as they are interconnected and mutually supportive.

## Concluding Remarks

Before I conclude my message this morning, please be assured that we take great encouragement in the steps shown by this administration to combat corruption and instill good governance. Anti-corruption efforts are a key thrust of the national programme, “*kung walang corrupt, walang mahirap*”, which has already started to yield some promising results.

In 2011, the Philippines improved its standing in Transparency International’s Corruption Perception Index from 134<sup>th</sup> to 129<sup>th</sup>. And in 2012, it has done even better, moving up 24 points to 105<sup>th</sup>. The journey may still be very long, but the first and firm steps are being taken to the right direction.

I hope that today’s forum could very well be the start of a more sustained and vigorous effort to promote and to mobilize people’s participation and governments’ commitment at all levels to achieving MDGs through enhanced integrity and accountability.

To conclude, I would like to thank the Office of the Ombudsman, Department of Budget and Management, GIZ, development partners and to all the advocates of good governance and MDGs in this room for your resolve, dedication and commitment.

I feel very honored and fortunate to be part of this great team and look forward to continued partnership of integrity and accountability.

***Maraming salamat po at mabuhay!***