The world is about to reach a new development milestone: 2015. It marks both the end and beginning of a journey for a better world for all. The year 2015 is a crossroads for development – and the role of governance in it.

The year 2015 signals the end date for development commitments that global leaders first made at the United Nations (UN) in 2000: the Millennium Development Goals (MDGs). These goals include several critical pledges ranging from universal primary education to an improved global partnership on trade, aid and debt.

The year 2015 also represents the beginning of new opportunities. It provides a unique moment to focus on the key factors behind development progress and to integrate these elements as new goals. For Transparency International, governance and anti-corruption must be recognised as critical forces behind eliminating poverty. Both are preconditions for sustainable and equitable development. Both are central to any new global commitments put forward.

As the world looks beyond 2015, Transparency International calls on the UN and its member governments to establish a governance goal for open, accountable and participatory governance. It is a goal that is rooted in human rights and based on the principles of transparency, accountability, integrity and citizen participation. It is a goal that applies to all countries and one which none has yet to fully achieve.

Progressive and intermediate governance targets must also be adopted that cut across the full range of goals. The integration of governance principles throughout all development commitments recognises the multi-dimensionality of governance and its integral contribution to advancing progress in different sectors: from education and water, to the environment and natural resources.

Equally, the process to select and monitor the agreed-upon goals must be characterised by transparency, accountability, integrity and citizen engagement. These governance principles are critical for creating the global governance system that is needed for a truly equal global partnership among all stakeholders. For example, to effectively track progress on commitments, there must be transparent, timely and understandable information that is accessible to all.

By putting governance at the heart of new global commitments, we will ensure that sustainable, equitable and rights-based development characterises our world beyond 2015.
THE DEMAND FOR GOVERNANCE

A broad consensus has emerged on the importance of governance for shifting the development paradigm and speeding up positive changes in people’s lives. This can be seen everywhere from UN declarations on sustainable development and climate change to country promises made to have more open governments. And it is a common idea that is shared with individuals of all ages, male and female, around the world. More than 300,000 people consulted through a UN-lead push — done via electronic and in-person surveys — put an “honest and responsive government” among their top-three asks for what issues future global development commitments should address. Moreover, the critical importance of governance and the fight against corruption to the world’s future, towards 2015 and far beyond, is a commonly held view by a wide-range of constituencies and countries around the world.

For a country’s equitable and sustainable development, governance mechanisms are needed across the board: from a nation’s education and health systems to its financial system and companies. Governance is needed to mitigate climate change and to effectively manage land and natural resources. Governance is also needed for the global system that is tasked with deciding on and monitoring the development commitments that are made beyond 2015.

Where governance is effective and just, it provides a solid base for economic, environmental and social sustainability. As the UN High-Level Panel on the Post-2015 Development Agenda has signalled, “to foster long-term, sustainable growth...the global community must promote good governance, invest in stable and accountable institutions, fight corruption, (and) ensure the rule of law”.

For these positive impacts to happen, governance must be composed of key, reinforcing pillars such as transparency accountability, integrity and participation.

These elements establish a governance framework for transformative change. They serve to unlock the positive and empowering forces of governance for the social good. They ensure that the maximum resources required to eradicate poverty are available and effectively used for that purpose. They are the building blocks for making development equitable, sustainable and rights-based.

Transparency, accountability, integrity and participation also create the foundation to fight public and private sector corruption at the local, national and global level. They are the essential ingredients for ensuring acts of corruption do not go unpunished and that impunity and violence are eliminated. They are the forces that create well-governed, peaceful and just societies.

As a new development agenda is being formulated, it is essential to position governance at its centre.

Looking beyond 2015, we must put in place the necessary pieces for sustainable, equitable progress and to end poverty. This begins with governance.

KEY RECOMMENDATIONS

Governance defines how relationships between the state and its citizens are organised, how money is collected and spent, and how people participate in their
communities as well as in a common quest of a better life and shared prosperity for all.

Governance must be as central to shaping efforts beyond 2015 as it is in shaping national and global realities on a daily basis.

Transparency International calls on world leaders and the United Nations to:

• Establish a stand-alone goal for open, accountable and participatory governance with measurable, intermediate and progressive targets.

• Integrate the governance principles of transparency, accountability, integrity and participation into all other proposed goals, each with measurable, intermediate and progressive targets.

Governance as a stand-alone goal, and mainstreaming governance principles throughout all goals, are critical to ensuring the needed commitment of governments, the needed incentives to business and the needed engagement of citizens for us all to achieve together sustainable and equitable development beyond 2015.

TARGET AREAS

For Transparency International, it is important to outline at this stage in the beyond 2015 process some of the key target areas of a governance goal to inform and shape the global debate about future commitments.

Transparency International proposes a select set of target areas that reflect the range of topics which have increasingly become associated with effective, just and participatory governance, as well as fighting corruption. This sub-set of governance issues has been selected for its direct impact on the achievement of sustainable and equitable development — beyond ensuring transparency, accountability, integrity and participation. They serve to align governance and development efforts into a coherent and integrated set of commitments.

These target areas speak to the double responsibility that all countries have in progressively realising governance principles; both in meeting related commitments at home and promoting their fulfilment abroad.

All the proposed target areas are measurable, both in terms of quantitative and qualitative progress. Many reflect issues where global and regional commitments exist, monitoring is already underway or indicators are readily available. Yet the existence of monitoring processes and indicators should not be the only pre-condition for determining which targets to include. The world must be ambitious in selecting what is needed rather than what is only available. Moreover, technological developments in recent and coming years will enable both the gathering of data, and the bottom-up participation of citizens in data provision, at levels quite unthinkable until very recently.

The specific target areas Transparency International believes to be critical to a stand-alone governance goal are: citizen engagement, rule of law, fiscal transparency and procurement.

Target 1: Citizen engagement: Guarantee active and meaningful participation of all citizens in decisions that affect them, their communities and our planet.
Rationale: Citizen engagement can allow for transformative change in a country’s development. Engagement can ensure that policy decisions are made in the public’s interest and produce results to their benefit. To truly achieve citizen engagement, there must be an environment where human rights are respected, protected and fulfilled. Individuals, regardless of their background, must have equal and adequate space to engage in policy decisions. They must have access to information and basic protections of their civil liberties. This can be supported by ‘access to information’ laws which are enacted, enforced and respected, as well as a free and independent press. All these factors are crucial to turn transparency into a channel for accountability, integrity and participation. Where citizen engagement is robust, it has the power to transform development commitments into sustainable and equitable progress. However, around the world much more needs to be done — in many countries, indeed a lot more. Between 2009 and 2011, over 100 countries adopted legal restrictions that limit civil society activity. To ensure space for civil society, the aim to create an “enabling environment” for civil society as part of global development effectiveness commitments must be upheld and achieved.

Target 2: Rule of law: Ensure that the rule of law is respected, implemented and upheld by institutions that are well-resourced, independent, honest, professional and competent.

Rationale: Rule of law builds social trust, accountability, stability and peace. It provides the legal means needed to combat impunity, crime and violence, and illicit networks. It creates the context for a state that can effectively eradicate poverty and ensure equitable, sustainable development. Rule of law is the foundation for fighting corruption and building governance. The rule of law creates the legal and political foundations needed to protect citizens’ rights and liberties, maintain law and order and ensure that all sectors (public and private) function effectively. In this sense, rule of law is a prerequisite for a country’s prosperity and development. For example, a Transparency International study of 48 countries shows that lower maternal mortality is positively associated with a country’s good performance on the rule of law, even when controlling for a country’s wealth and spending on health.

To enforce the rule of law, the judiciary must be well-financed, independent, impartial, honest, competent and diligent. There must be professional, well-resourced and honest police, investigators and prosecutors. There must be ‘whistleblower’ protections that encourage people to speak out and expose corruption at all levels.

Globally, the rule of law extends to how related international conventions and treaties are fully implemented, enforced and monitored by countries. For example, the UN Convention against Corruption (UNCAC), with 165 countries as states parties, provides an important global framework to nationally strengthen such areas as the judiciary, law enforcement and oversight agencies. The UNCAC and other international treaties are critical tools for dealing with the globalised nature of many contemporary challenges — from tax evasion and illicit flows, to climate change and sustainable development.

Target 3: Fiscal transparency: Make certain all countries publish all budget-related documentation, including revenues and payments, in a timely, accessible, detailed and understandable manner, as well as cooperate in the prevention, detection and eradication of all illicit flows.

Rationale: At the national level the transparency and accountability of budgets, from revenue flows to expenditures, are key to achieving equitable and sustainable progress. Information is needed on all of a government’s fiscal documents, revenues and disbursements to the point of programme delivery (including the amount, purpose and beneficiaries of public spending). Additional components that should be provided include overall levels of the openness of
budgets, timely publication of key budget documents (including the executive’s budget proposal and auditing reports), oversight mechanisms for checks and balances, and access to information on budgetary debates in the legislature. Still, much of this information is not provided by countries. According to recent findings on 100 countries, 77 fell short of the threshold for what is commonly held as basic budget transparency.xvi

Fiscal transparency, including for a country’s budget, is key to ensuring that a country's resources are used for its development and to eradicate poverty and inequality. Fiscal transparency demonstrates to citizens that governments are accountable trustees of the country's resources. As many countries see natural resource revenues contribute significantly to their overall budgets, it is critical that measures are adopted and implemented to ensure these flows are transparent and publicly reported. This should be done nationally and internationally by requiring companies to report on these revenue payments on a project-by-project and country-by-country basis.

At the international level, collective efforts are needed to support fiscal transparency and domestic resource mobilisation by combatting illicit flows — from capital flight to money laundering and tax evasion — that funnel an estimated US$ 1.6 trillion per year away from the public purse. xvi This money is sorely needed for health care, education, infrastructure and other national public works projects. These are funds that can be used to strengthen social stability and prevent internal conflicts. International cooperation is urgently needed to promote financial integrity and transparency of the international financial system. This can be done by rigorously enforcing anti-money laundering obligations, including ‘Know Your Customer’ and due-diligence procedures. At the same time, global level efforts are required to ensure that national and international financial sector regulatory authorities have the necessary resources and expert training to fully perform their roles in supporting these efforts. Finally, legal frameworks are required to enable asset recovery cases to go to court, both in countries where assets were stolen and deposited.xvii

**Target 4: Procurement:** All countries have transparent and accountable procurement processes that are based on openness, competition and objective criteria.

**Rationale:** Procurement touches all dimensions of people’s lives and represents substantial amounts of public resources mobilised for the public good. Around the world, municipal and national governments use public procurement processes to build roads, provide school textbooks, stock medical clinics and construct drinking water systems. These different activities account for a public contracting market that is estimated globally at US$ 2 trillion.xix With these significant funds at stake, there is a need to ensure that taxpayer money is well spent to deliver high quality goods at a fair cost. However, practice has shown that where transparency and accountability are low in public procurement, corruption can arise at a rate of between 10 and 25 per cent — and in the worst cases, up to 50 per cent — of the total contract’s value.xx Moreover, companies in the public works contracts and construction sector are seen as the most prone to bribery.xxi Similarly, collusion between companies in the public contracting sector is a problem and warrants increased attention.

To counteract this reality, procurement and public financial management standards must be enacted that promote the transparent and accountable oversight of funds destined for the public’s benefit as well as which are consistent with international agreements.xix Efforts being led by the Construction Sector Transparency Initiative (CoST), the Global Initiative on Fiscal Transparency (GIFT), the Open Contracting initiative and the Open Government Partnership (OGP) represent important multilateral processes that are setting a new and common bar for what is transparent and accountable procurement, including the full range of documents that should be publicly disclosed.
Throughout the procurement cycle, there is also the need to understand how e-procurement, anti-fraud, anti-bribery and debarment policies (by export credit agencies and multilateral organisations), as well as independent oversight, can be used to strengthen public procurement.

Apart from target areas, there is a need for governance principles to be integrated in the process used for determining these commitments, the indicators selected for their monitoring and the entire implementation process of the commitments.

For this reason, the monitoring system for the post-2015 commitments must provide for disaggregated, timely, understandable and accessible information. Indicator selection will be critical and must be thoughtfully approached — an effort to which Transparency International looks forward to contributing.

**CONCLUSION**

The world is at a crossroads when it comes to governance and the recognition and utilisation of its transformative role in catalysing development. For Transparency International, governance must be as central to the beyond 2015 agenda as it is to everyday life around the world.

Transparency International calls on the UN and member governments to anchor and integrate governance and anti-corruption in the post-2015 framework for development. While these are issues that all individuals must embrace, the UN is ultimately the representative forum that will decide whether member countries agree on them.

Governance principles must be brought into country commitments that look beyond 2015 to include universal aims applicable to all countries. These principles must cut across sectors and look at the full range of governance issues: transparency, accountability, integrity and participation. They must characterise the process that produces the commitments, the implementation process and the monitoring used to assess progress on them. Adopting such an approach is bold and necessary — it is indeed essential in order to catalyse sustainable and equitable development gains for all people and all countries.

The moment in history calls out for this through the voices of people around the world united in seeking to unleash the transformative power of governance. We can either focus on governance by design for the benefit of all, or face the consequences of governance by default for the benefit of the vested interests of the few. Transparency International urges world leaders and the United Nations to grasp the opportunity now.
Endnotes

i For governments, some of the key principles have been embedded in global initiatives such as the Open Government Partnership (OGP). For more information, see: www.opengovpartnership.org/ogp-participation. International discussions on these issues include Rio+20 and the Busan Global Partnership for Effective Development Cooperation.


iv Ibid.

v These factors are among the six put forth by the Beyond2015 (www.beyond2015.org) platform in “Just Governance”, Submission to the UN consultation on Governance. See: http://eesc.org/downloads/Beyond%202015_Governance_position_paper.pdf?preview=1.

vi For governments, some of the key principles have been embedded in global initiatives such as the Open Government Partnership (OGP). For more information, see: www.opengovpartnership.org/ogp-participation. International discussions on these issues include Rio+20 and the Busan Global Partnership for Effective Development Cooperation.

vii For more information, see: www.opengovpartnership.org/ogp-participation.

viii Laws should have stipulations about individual rights to information on government data, creation of oversight bodies and legal reserves and exceptions.


xiii Agreements include the Multilateral Convention on Tax Information Exchange and voluntary initiatives like the Global Forum on Transparency and Exchange of Information.


xv These include the UN Framework Convention on Climate Change (http://unfccc.int/2860.php); and the UN Conference on Sustainable Development (www.unsd2012.org/).


xix OECD, ‘The size of Government Procurement Markets’ (Paris, France: OECD, 2002). www.oecd.org/dataoecd/34/14/1845927.pdf. This amount corresponds to potenically contestable government procurement markets, i.e. markets where “competitive pricing exists, where there is actual and effective competition, or there is potential competition due to the existence of low barriers to entry to the market”.


xxii This refers to Article 9 of the UNCAC and the OECD Principles on Enhancing Integrity in Public Procurement.

xxiii For OGP, see: www.opengovpartnership.org/; For GIFT, see: http://fiscaltransparency.net/; For CoST, see: www.constructiontransparency.org; For Open Contracting, see: www.open-contracting.org/.