

Transparency International Canada

Eleventh Annual General Meeting

Report of Chair and President on the work of TI-Canada in 2007

Dealing with fundamentals

Resources

Those of you who attended the AGM a year ago will recall concern over 2007 being our first year without core funding from CIDA. After nine years of this much valued support a loss of a little more than one third of our revenue was a challenge that I am pleased to report we have successfully met. Your Treasurer will of course report in more detail when he presents the audited financial statements, but suffice to say that, in the short term, taking a new path of bidding on an anti-corruption related contract has seen us finish the year with more than a 10% increase in surplus operating funds. While this two year revenue source has been key to meeting our budget for this year and for next, the project (to familiarize China's Henan Province officials with Canadian access to information and procurement practices) has also been useful in providing opportunities for the Chapter to be introduced to, or re-acquainted with, relevant departments at all levels of Government in three provinces. This opportunity has also developed the Chapter's reputation as an effective executing agency for transparency projects linked to international cooperation. We have recently been approached again to bid on a similar project. The quality of the Executive Director's management of the project has been a key element in this, and we appreciate that. The down side has been the price we have paid in terms of the time available for other Chapter priorities. For the more important long-term, considerable effort was put into applying for charitable status this year. We are awaiting a decision and expect it to be a positive one.

Just what is TI-Canada's role?

Pertinent to our experience in 2007, although occurring in the first quarter of 2008, the Board devoted a Saturday in March to reviewing the 2004 strategic plan. We had a particular concern to clarify the role of TI in a country that regularly sits in the top 15 of the CPI (Corruption Perceptions Index), and where Government goes into action when corruption is exposed - a very different scenario from the majority of the 90 TI National Chapters around the world. This concern was also stimulated by the public scandals that emerged in 2007. We want to add value to dealing with the issue of corruption and not be merely another voice decrying it when it emerges. That means determining practical ways that we can contribute to bringing about change. One result of that resolve is in the 2008 symposium. We struggled with whether we were, or should be, a watchdog, whether our focus should be international or domestic, whether we should be a leader in building coalitions with other ethics groups and so on. Key conclusions from the "Retreat" include the need for TI-Canada::

- to be an informed voice that promotes anti-corruption practices and transparency in Canada's governments, businesses and society at large
- to address bribery and corruption within Canada
- to address bribery and corruption carried on by Canadian companies outside Canada

- to provide value-added propositions to Canadian businesses so they are in compliance with Canadian and international laws.

The action plan for 2008 includes completing the research into comparisons between the approach of Canadian law vs. US, German and Australian law to the issue of corruption; developing a training program for the private sector possibly in conjunction with TRACE International; mapping what related organizations in Canada are doing; and reaching the stage of offering municipalities practical tools for preventing corruption.

Addressing the Chapter's long-term goals in 2007

As reported at the 2006 AGM at the beginning of 2007 the Board agreed on the following four overarching goals within which an annual action plan is developed. You learned of many of the activities undertaken from the Executive Director's report. This report serves to highlight a few:

1) That all levels of Government have effective anti-bribery measures

The focus of this long-term goal has been at the municipal level of government this year in the wake of publicity about a number of scandals. An appraisal of the issue by the Municipal Governments Committee led us to focus on fraud and the internal controls needed to prevent it. In 2008 we will be assessing the views of municipalities in dealing with this.

The allegations concerning former Prime Minister Mulroney and Karlheinz Schreiber provided an opportunity for the Chapter to consider the poor record of convictions arising from such situations in Canada. Two of our Board members, in cooperation with other TI Chapters, have been undertaking a comparative analysis of the legal frameworks in which such public scandals are scrutinized. Their report to date will be given in the Symposium preceding the AGM. This initiative of the Chapter will continue in 2008 and be brought to a conclusion that can be shared with interested and influential parties. Your Board also urged the PM to hold a public inquiry into this matter, which could erode the confidence Canadians expect to have in their elected leaders.

We continued to keep abreast of the Federal Accountability Act on a need to know basis during the year.

2) That Canadian companies, their subsidiaries, supply and distribution chains do not bribe

Presentations to the mining community were made in the year and two more resource companies signed up as members of the Chapter. Since NRC is leading the outreach on EITI to the resource sector (i.e., to those companies operating in a country where the government has signed on) it is unlikely that there will be any need for the Chapter to do more than reference it when an opportunity arises. But the Extractive Industries Committee's vigilance on this need for Canadian Government support of the initiative can be considered a contributing factor in the Government's position.

Efforts to interest the Department of Justice in a voluntary disclosure program for corporations in relation to the offence of bribery of a foreign public official was a

project reported to the membership last year but which did not meet with the success we hoped for but has led to re-thinking what is needed.

3) That the Government complies with and advocates for global and regional conventions against corruption

The International Conventions Committee, with the participation of some other TI-Canada members, has been active in pursuing this goal. In cooperation with the Extractive Industries Committee the members encouraged Canada's support for the Extractive Industries Transparency Initiative (see above), reported on Canada's implementation of the OECD Anti-bribery Convention, reported on Canada's compliance with the Inter-American Convention against Corruption, ensured anti-corruption is included in G8 meetings, and provided input with regard to the implementation of the UNCAC (ratified in October 2007).

4) That transparency exists in all Canadian organizations

Efforts toward this end have been through media opportunities to make reference to the Canadian law regarding bribery of foreign officials and the signing of conventions. This has been on a reactive basis. A proactive strategy would require more resources than are currently foreseen.

Other

Cooperation with TI at the international level

Some of the work regarding international conventions has involved providing content and commentary to documents prepared by the TI Secretariat to international bodies on behalf of all Chapters. You may take pride in the fact that the responsiveness of this Chapter to such requests is held in high regard by the Secretariat.

As you can read in the Executive Director's report the Chapter was re-accredited this year. Participation in this process of due diligence supports the continuing efforts of this still young movement to provide a governance structure that ensures a coherent effort worldwide that necessarily takes strength from locally generated solutions. Arising from this was a concern about sustainability of our Chapter's financial resources and the need to be in compliance with the requirement for an accredited Chapter to register the international logo nationally.

Engagement of members

I am pleased to say that four of our past Directors and several other members were active in committee work this year, and it is hoped that this will increase as our work becomes more project focused.

Board meetings

The Board met five times during the year for three hours each time, and the majority of Directors devoted time between meetings to the committees that produce much of the work. Since most of us are working full time (even those who are retired!), this is quite challenging, and we look forward to securing increased resources with charitable status and being able to hire expertise to assist us in achieving our aims.

I would like to sincerely thank the following Board Members who are stepping down this year:

After 6 years on the Board, at which time a year's absence is required - Bob Olivero. Bob has been the bedrock of the Chapter's work within the Americas' group in TI and has provided several reports to the Committee of Experts monitoring the OAS convention.

After 5 years on the Board which have included chairing the Governance and Nominating Committee and before that the Extractive Industries Committee - John Willson. John has also brought in new Charter members and kept the necessity for transparent practices in front of the mining industry at every opportunity.

After 3 years on the Board - Donna Kennedy-Glans. Donna brought in a new Charter member and has paved the way for another. Despite the limits on her time, she gave valuable input to the Board meetings in which she was able to participate.

Don McCutchan is stepping down after 2 years due to the frequency of his international travel, which has limited participation more than he would have liked. Don has brought in one Director and proposed another in this year's slate, both of whom have excellent credentials.

To these and all the Board Members I offer thanks and appreciation for their commitment and the utmost respect for their wisdom and talents. Among your Board Members from the private sector, the professions, academia, the churches and civil society there is collectively an exceptional range of knowledge of the corruption problem and sometimes a variety of perspectives on approaches to take. I would like to thank, too, the many members of TI-Canada, from the private, public and civil society sectors, without whom we could not continue the important work of the Chapter.

Finally I would like to thank the Executive Director, Bronwyn Best, for her continued high quality work during the year. The role she plays in maintaining the momentum of a group of busy people, whose paths do not necessarily cross outside of TI work, is the most important asset we have.

Respectfully submitted,

