

TRANSPARENCY INTERNATIONAL CANADA BOARD MEETING

Thursday, December 14, 2006, 11:00 – 14:30 EST

Gowling Lafleur Henderson, Suite 1600, 1 First Canadian Place, Toronto

Present:

Clare Bonnell, Chair

Elizabeth Beale (by conference call)

Bronwyn Best

Anita Davis

Joy Kennedy

Donna Kennedy-Glans (by conference call) John Willson

James Klotz

Morley Lemon

Don McCutchan

David Shugarman

John Swinden

Regrets:

Ian E. Marshall

Bob Olivero

MINUTES

Prior to the commencement of the meeting, Clare Bonnell informed the Board that, due to the demands of his new position, David Brennan had resigned from the TI-Canada Board. The Board accepted but expressed its regret at the resignation and thanked Mr. Brennan for his services to TI-Canada.

1. Approval of Minutes of 5 Sept 2006 Board Meeting

Moved by Joy Kennedy and **seconded** by John Willson to adopt the Minutes of the 5 September 2006 Board Meeting. **Carried.**

2. Business arising from the minutes

Bronwyn Best noted that the Strategic Framework, due to be reviewed in this Board Meeting, would be covered under the Committee reports.

3. Correspondence

Further to the Background Notes, Ms. Best noted a letter, prepared by TI-S and the G8 TI National Chapters, would be sent to the G8 Sherpas. It was suggested and agreed to that the letter to Canada's G8 Sherpa would be copied to John Kirton, University of Toronto G8 Research Centre.

4. Report of Chair and President

Ms. Bonnell reviewed her report, sent electronically, prior to the Meeting. With regard to the various requests made in this report to the Board, it was agreed that:

- a) **Ms. Bonnell** and **Ms. Best** should keep track of the pilot project regarding individual TI membership, being run by TI-S and TI-Switzerland;
- b) **James Klotz** is to be in touch with Susan Cote-Freeman, of TI-S, regarding SMEs and the TI Business Principles; activities here might dovetail with the implementation of the United Nations Convention against Corruption;
- c) **Don McCutchan** is to contact the SME section at Industry Canada as well as speak to EDC regarding disclosure issues;

- d) **Donna Kennedy-Glans** will work with **Ms. Bonnell** on comments to be sent to TI-S by February 2007, regarding TI's working paper on Aid and Corruption; **Ms. Bonnell** is to send the paper to Ms. Kennedy-Glans and Ms. Kennedy;
- e) on behalf of TI-Canada, **Anita Davis** will monitor TI policy and working papers, as well as other tools, on the TI website and feed this information into TI-Canada Committee work, as necessary;
- f) making TI's working paper on preventing corruption in humanitarian aid known to the Canadian public does have potential for TI-Canada; **Ms Kennedy** would like to review any aid and corruption subset that may be part of the CIDA Stand Alone Public Engagement Fund application.

5. National Coordinator's Report

Further to the National Coordinator's Report in the Background Notes, Ms. Best noted that the TI-Canada Newsletter Vol. 10, No. 3, had been written and was about to be distributed to 500+ in the TI-Canada database. The Board noted it is pleased with the new, improved TI-Canada website.

- **Acceptance of New Members**

Moved by Mr. Willson and **seconded** by Ms. Kennedy to accept Scott Ruddick as an Individual Member. **Carried.**

6. Reports from Board Members on TI-Canada Activities other than Committee Work

- **Media coverage of CPI**

Ms. Kennedy-Glans reported that The Toronto Star had been interested in the aid and corruption angle as well as the U.S. position on the Index;

- **Federal Accountability Act**

David Shugarman related that the FAA has now been passed; there is much that is promising, as well as much that is frustrating, in the Act; there are five key parts to the Act; Canada has moved from a principle-based code of conduct regime to one that is legislated; there is a lack of improvement with regard to Access to Information. **Dr. Shugarman**, with the assistance of **Mr. McCutchan**, is to draft a letter to be sent to the Canadian government, regarding the fact that it has now become enormously difficult for ordinary Canadians to access information.

- **Charitable Status**

John Swinden reported that he would accompany Peter Harris, when the latter next meets with Revenue Canada, in order to put forward TI-Canada's case to become a charity.

7. Committee Reports

- **Governance and Nominating**

As per the 21 April 2006 TI-Canada Board Meeting Minutes, at the 14 December GNC meeting, the issue of adding an interpretive note, dealing with Board power to remove a Board member, to the By-law was discussed. It not being clear to the GNC that there is a need to have an interpretive note appended to the By-law, the

Committee noted that it would review introducing this issue into the Governance Guidelines, at its next meeting. It was also recommended by the GNC that, rather than changing existing By-law wording, a sentence should be added to 5. d) of the By-law, dealing with the Termination of Membership. **Moved** by Mr. Willson and **seconded** by Ms. Davis that the following sentence be added to 5. d) of the TI-Canada By-law: "It would be expected that any member, who is currently under investigation, recuse himself from participation in the organization."

Carried.

▪ **Membership**

Ms. Davis reported that the Committee will be revitalizing the Marketing Strategy prepared in 2004.

The following programme committees of TI-Canada were asked to report on their objective/s for 2007 and inform the Board as to which of the following TI-Canada long-term goals they addressed:

1. That all levels of Government have effective anti-bribery measures;
2. That Canadian companies, their subsidiaries, supply and distribution chains do not bribe;
3. That the Government complies with and advocates for global and regional conventions against corruption;
4. That transparency exists in all Canadian organisations.

▪ **International Conventions**

The Committee presented a report focusing on the following objectives: ratification and implementation of the UN Convention against Corruption; implementation of the OECD Anti-Bribery Convention, including the issue of nationality jurisdiction; other meetings and initiatives, particularly with regard to the G8. The activities of the ICC reflect all four long-term goals of TI-Canada. **Ms. Bonnell** is to provide Ms. Kennedy with comments on the ICC objectives, which the Committee will discuss early in the new year.

▪ **Extractive Industries**

Further to the Background Notes, discussion centred around the need for a champion in the extractive industries sector to move the EITI agenda forward in Canada, with particular emphasis on the mining sector. **Mr. McCutchan** will contact the new COO of Goldcorp, when that individual is in place. **Mr. Willson** will follow-up with Teck Cominco, regarding them taking a leadership position. It is hoped the **champion** would assist TI-Canada in getting approval to produce a workshop at the annual meeting of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), April 29 – May 2 in Montreal. The objectives of the EIC address the second and fourth of TI-Canada's long-term goals.

▪ **Americas**

In reference to the information in the Background Notes, Ms. Best emphasized the two goals of the TI National Chapters in the Americas Region, over the next five years: Fight against corruption in the political representation system, including political financing, state capture, political parties, etc.; and Public Integrity/integrity in the public agent. The objectives of the Americas Committee address the first long-term goal of TI-Canada.

- **Municipal Governance**

As per the Background Notes, the objective of the MGC for 2007 is to provide a service to improve transparency at the municipal level, which responds to the first long-term goal of TI-Canada. This tool will be developed under the direction of **Morley Lemon** and **Mr. Swinden** and will discuss the recommended preconditions for municipalities to deal with fraud, bribery and corruption.

8. Other activities

- **Voluntary Disclosure Program**

Mr. Klotz distributed a “Draft Proposal to the Canadian Department of Justice for a Voluntary Disclosure Program for Offences under *The Corruption of Foreign Public Officials Act*,” which he and Brian Heller (Heller, Rubel) had prepared. This is a major step in the anti-corruption fight, and there is interest on the part of other countries and the World Bank that Canada is working on this. **Moved** by Dr. Shugarman and **seconded** by Dr. Lemon that TI-Canada strongly supports this initiative and approves of moving ahead with a Voluntary Disclosure Program in Canada. **Carried.** It was agreed that **Mr. Klotz** and **Mr. Heller**, on behalf of TI-Canada (which would be initiating, although not carrying out, the proposal) would have a meeting with DOJ in mid to late January, to introduce the proposal of a VDP. Discussions at this meeting would include how to handle the public relations surrounding the issue. **Mr. Klotz** is to speak with Ms. Cote-Freeman of TI-S, regarding the VDP, before the meeting with the DOJ.

- **Advocacy and Legal Advice Centre**

The report, prepared by TI-Canada volunteer, Emmanuel Acheta, has just been received. In February/March, **Mr. Klotz**, **Dr. Lemon**, **Mr. Olivero** and **Ms. Best** will discuss the potential of a referral service associated with the TI-Canada website.

- **Sectoral Anti-Corruption Forums**

Later in the Spring, **Mr. Klotz**, **Dr. Lemon** and **Ms. Best** will review this potential program, which will form a part of a membership outreach program.

9. TI’s Strategic Framework

This item was not discussed.

10. Treasurer’s Report

- **Financials as at 30 November 2006**

Mr. Swinden reviewed the most recent Financial Statements, noting there was nothing out of order.

- **Draft Working Budget 2007**

Ms. Best reviewed the Draft Working Budget 2007, noting that, without CIDA core funding, which is no longer available, TI-Canada would not survive at its present expense rate through 2007.

- **Financial Brainstorming**

A number of corporations were suggested for targeting as TI-Canada Charter Members. **Ms. Best** is to distribute a “prospect list” to the Board for follow-up. One suggestion is to persuade companies to champion TI-Canada projects, recognizing

this requires capacity. The idea of executive seminars, proposed by a TI-Canada member, were also discussed and determined, at this time, to be too time-consuming.

11. National Coordinator's Contract

Moved by Ms. Kennedy and seconded by Mr. Lemon to change the title of "National Coordinator" to "Executive Director." **Carried.** It was **agreed** that Mr. Swinden would produce a month-by-month projection of revenues and expenditures for 2007. Ms. Best's contract was renewed with the caveat that it would be reviewed quarterly and, if necessary, revised.

12. Theme/Location/Date Suggestions - 2007 Symposium

It was **agreed** the **theme** would address the TI Business Principles and the UN Global Compact; the **location** would be the Board Room of Gowling Lafleur Henderson LLP, Toronto; the **date** would be **Tuesday, June 12, 2007, 9:00 – 15:00.**

13. Other Business

There was none.

14. Next Board Meetings

Ms. Best will send out a list for review by the Board.

15. Adjournment

Moved by Ms. Kennedy and **seconded** by Mr. Klotz to terminate the meeting. **Carried.**