



TRANSPARENCY INTERNATIONAL CANADA INC. NEWSLETTER

Volume 7, Number 4

December 2003

Letter from TI-Canada Chair and President

Dear TI-Canada Members:

As the year 2003 comes to a close, I would like to take this opportunity to thank you for your continued support of Transparency International Canada.

In February, the OECD Working Group on Bribery and Corruption Phase II review of Canada took place. TI-Canada was responsible for organizing and coordinating the business sector and civil society participation, on behalf of TI, the Business and Industry Advisory Council of the OECD, the Trade Union Advisory Council and the International Chamber of Commerce. The review went smoothly, and we are awaiting the official report from the OECD. Various departments and agencies of the government participated in the Review.

In May of this year, TI-Canada held its Symposium and Annual General Meeting, in Ottawa. With the theme "Toward Effective Implementation of the OECD Anti-Bribery Convention," the Robertson Conference Room, at the Department of Foreign Affairs and International Trade, was a particularly fitting venue. In addition to TI-Canada members, representatives of a number of government departments and agencies came to hear presentations from Export Development Canada, the Department of Justice, the Canadian Commercial Corporation, the RCMP, the Secretary of State (Asia-Pacific), CIDA, the Department of Foreign Affairs and International Trade, Industry Canada, the Chair of the Global Organization of Parliamentarians Against Corruption, and TI-Canada.

Both of these activities are evidence of the fact that anti-corruption is holding a more and more prominent place in the mindset of the federal government.

OUR ADDRESS HAS CHANGED!

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But there is a long way to go. After seven years as an organization, the TI-Canada Board felt it was time to have a review of its strategy. As a result, a new Strategic Plan has been developed, over the past few months, and will be completed shortly. As part of this process, and as a result of the fact that Canada is slipping in the Corruption Perceptions Index, we are turning our sights to our own backyard, looking at corruption at the municipal level in Canada. We have completed initial research into the field and are looking to target a municipal corruption survey in 2004.

There is growing awareness, on the part of corporations, with regard to the risks posed by bribery, as well as the growing expectation on the part of the public for greater integrity on the part of the corporate sector. In such an environment, the need for an organization, such as TI-Canada, is greater than ever. I invite you to continue with us on our important mission.

On behalf of the TI-Canada Board of Directors, let me wish you all the best for 2004.

Yours sincerely, Wesley Cragg, Chair and President

International Anti-Corruption Day Established

UN launches new global convention against graft on December 9th, henceforth International Anti-Corruption Day

The UN Convention against Corruption sets new standards and marks a breakthrough for facilitating the return of illicit funds sent abroad, but its success requires political will and a commitment to monitor implementation

Berlin/Merida, 8 December 2003 --- The UN Convention against Corruption...is a milestone for global efforts to combat graft, says Transparency International, the leading international non-governmental organisation devoted to fighting corruption. The Convention's signing ceremony [in Merida, Mexico] on December 9th, recently designated International Anti-Corruption Day by the UN General Assembly, is the result of a three-year effort by 129 countries to take global action against corruption.

"The Convention will provide a **comprehensive set of standards and measures** to promote international co-operation and domestic efforts in the fight to prevent corruption," said Peter Eigen, Chairman of Transparency International, speaking in Merida.... "The Convention addresses glaring inadequacies in two of the most critical tools for combating international corruption: mutual legal assistance and repatriation of funds sent abroad by corrupt officials," Eigen said.

The UN Convention provides for an **effective system of mutual legal assistance**. This should make it much easier to pursue cases of cross-border corruption. Currently, international corruption cases such as Elf Aquitaine and the Lesotho Highland[s] Water Project are rare exceptions, where persistent prosecutors have achieved results after years of effort. Much more commonly, cases are abandoned because lack of cooperation from abroad makes it almost impossible to follow the money trail.

The UN Convention also raises hopes that **funds transferred abroad by corrupt leaders** (most famously, charges have been made against Abacha, Taylor, Mobutu, Fujimori, Bhutto and Suharto) can be brought back to the countries from where they were looted and used for the well-being of the people. The Convention is groundbreaking in including for the

first time in an international legal instrument the concept, description and processes for international co-operation in the recovery of such stolen assets. The Convention also establishes the right of people who have suffered damage from corruption to initiate legal proceedings against responsible parties.

But despite the Convention's potential, the text does not provide a process to ensure effective implementation. "The **failure to address monitoring**, indeed to defer considering it for several years, is the most serious shortcoming of the Convention," said Peter Rooke, Transparency International Advisory Council member. Experience with other anti-corruption conventions, including those of the OECD, the Council of Europe, and the Organization of American States, has clearly demonstrated that monitoring is essential to ensure that diplomatic undertakings are transformed into effective government action against corruption.

Over the three years of negotiations, the UN Convention was watered down in other ways: an important article which required state parties to make the funding of political parties transparent and accountable was replaced by a weak optional provision. A provision calling on states to criminalise bribery in the private sector was made non-mandatory. Still, the inclusion of private sector corruption in the text at least made clear that corporate corruption is of major concern globally.

Transparency International, which participated in all of the UN Convention negotiating sessions, is fully committed to supporting the process of follow-up after the Convention's signing in Merida. TI and its 90 national chapters around the world have extensive experience with the monitoring of existing anti-corruption conventions. "Putting an effective and constructive monitoring mechanism in place may take some time," said Peter Rooke, "but TI welcomes the possibility to contribute to this process."

"The important task ahead is to urge states to ratify the Convention as soon as possible so that it becomes an active, legally binding instrument for states," said Rooke. The Convention requires ratification by 30 countries for its entry into force. But the impact the Convention has in combating corruption will depend on its effective implementation and application by a large number of states."

“As a global anti-corruption instrument, the Convention provides a unique opportunity to create public awareness and commitment to curbing corruption,” said Rooke. “This includes awareness of the seriousness of corruption and the existence of steps which can be taken to curb it. The Convention is evidence of global commitment and gives citizens around the world a basis for ensuring that their respective governments follow through.” TI therefore welcomes the inclusion in the UN General Assembly resolution to adopt the Convention, of a decision to designate December 9th as the annual International Anti-Corruption Day.

--TI Press Release; for the full text of the UN Convention against Corruption, visit: www.unodc.org/unodc/en/convention_corruption_merida.html

Peter Rooke New TI Regional Director for Asia-Pacific

Peter Rooke has had extensive experience in the work of fighting corruption. Originally trained as a lawyer, Peter worked for many years for the international law firm Clifford Chance. He has lived and worked in countries in Europe, Africa, and the Middle East; and was responsible for developing the firm's network of offices in the Middle East, Asia, and Central and Eastern Europe. For the last 10 years, Peter has worked as a volunteer with TI both in Australia and internationally. Peter was CEO of TI-Australia from its founding, has served as a Board member of TI and on TI's Advisory Council, and has been involved in supporting the establishment and development of many of the TI Chapters in the region, all of which he has visited. More recently, he has been involved in TI's work on the UN Convention.

APEC Leaders Produce Statement on Fighting Corruption

TI Urges APEC to implement transparency standards and calls for a swift revival of WTO negotiations on transparency in government procurement **Berlin- 22 October 2003** – Transparency International (TI), welcome[d] the 21-nation Asia-Pacific Economic Cooperation (APEC) Leaders' Statement on fighting corruption and implementing Transparency Standards. TI is also encouraged by the commitment by APEC leaders to implement comprehensive “area-specific” Transparency

Standards into domestic law for customs and other important trade and investment related-areas. TI notes that transparency standards are essential if trade and investment are to be conducted in ways that provide the best outcome for citizens of APEC countries.

It is estimated that systemic corruption can add up to 25% to the costs of government procurement. This results in inferior infrastructure and entrenches developing countries in poverty, where basic needs are not met.

“While we are disappointed that standards for transparency in public procurement will not be completed until 2004, TI welcomes the commitment by APEC leaders to implement those standards into domestic law by January 2005,” says David Nussbaum, Managing Director of Transparency International. “This commitment will help the APEC region to initiate progress on transparency in procurement at the World Trade Organisation. The breakdown at the WTO Cancún Ministerial Meeting last month was a lost opportunity to move towards shared transparency standards. If corruption in procurement is not contained, poverty will grow,” said Nussbaum.

This commitment and the ambitious objective of completing work by January 2005 can contribute substantially to making government more accountable and to reducing opportunities for corruption. However, this commitment must be followed by prompt action. Leaders must demonstrate the political will to overcome vested interests and capacity concerns.

TI applauds the Asia-Pacific leaders call on WTO members to “re-energise” the WTO negotiating process and supports further talks on a multilateral framework agreement on Transparency in Public Procurement (TGP), with the objective of developing a work programme for negotiations by December 15, 2003. The issue of transparency in public procurement was held hostage to other issues in Cancún. An agreement should be negotiated on its merits. For less developed and developed countries, it is in their own interests to introduce transparency measures in public procurement, because the waste of their own scarce resources is at stake.

--press release of TI; for further details, visit: www.apecsec.org

