

## **Report of the Chair and President to the Tenth Annual General Meeting of Transparency International Canada**

2 June 2007

Last year's AGM marked ten years of work for the Canadian Chapter of the TI movement and ten years of service by the founding Chair and President, Wes Cragg. This chronological marker inspired your current board to start the year by clarifying the goals of the now well established Chapter and, by so doing, focusing the work of the Directors, many of whom were new to the Board, and the work of the Executive Director for the short and long term.

Four goals emerged out of a review of the 10 year accomplishments of the Chapter, the global strategy of the international anti-corruption movement and the particular anti-corruption challenges in Canada. These goals underpinned our action plan for 2007-2008, were posted on the website and appeared in the October 2006 TI-Canada Newsletter. They are:

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 organizations

You will no doubt have noticed the emphasis on bribery and may wonder why not on corruption. The TI movement long ago determined that the most pervasive and pernicious element of corruption is bribery. It is considered a subset of corruption and defined as "the offer of anything of value, including cash or in-kind influencers, nepotism and favouritism to influence the awarding of a contract or the granting of a position". Given the human and financial resources of the Chapter, and with due respect for the sheer complexity of fighting corruption, our priority is placed on preventing bribery.

The board met five times in the year and approved three new initiatives, on which we have been working. One was to submit a proposal for a voluntary disclosure program to the Ministry of Justice in the face of prosecutions under the Corruption of Foreign Public Officials Act becoming more likely in the future. This was adopted, and Justice has shown some initial interest. The second was to be a point of contact for the public to come to for advice on how to report corruption. People do come to us with their stories and we need to offer them a place to take them. Research into current practices in the TI movement has been completed, and we expect to offer a menu of referrals on the website by Fall 2007. The third initiative was to monitor the Federal Accountability Act. Our focus has been on the changes to access to information, which the Act makes more difficult than previously.

The committee working with the extractive industries participated in urging the Government to support the Extractive Industries Transparency Initiative (EITI), which was achieved in February 2007. Several members of the committee participated in the various government Roundtables, across Canada, resulting in the recently published "Corporate Social Responsibility in the Oil, Gas and Mining Sectors and Their Operations in Developing Countries." The committee is working with various mining associations in Canada on a potential workshop on EITI and the accompanying Publish What You Pay program for the Canadian mining community.

The international conventions committee continues to encourage Canadian ratification of the UN Convention against Corruption, as well as to work with other TI G8 National Chapters to hold G8 countries accountable for their anti-corruption commitments, including the implementation of the OECD Convention against Corruption. The international board and TI Secretariat issued a strong statement to the UK Government on the widespread outrage at the decision of the UK government to terminate the investigation of alleged corruption involving BAE and the Saudi Arabian government. The committee supported this effort by writing to Canada's G8 Sherpa, particularly as our Government is one of the two that peer reviews the compliance of the UK government with the OECD Convention. This committee also prepared the Canadian contribution to the 2006 TI Progress Report on OECD Convention Enforcement, in which we submit our observations of enforcement in Canada. The Americas committee worked successfully to obtain funding from the Department of Foreign Affairs and International Trade to support a conference in Caracas to celebrate the 10<sup>th</sup> Anniversary of the OAS Inter-American Convention against Corruption. Originally scheduled for October 2006, this conference took place in February 2007.

The committee working on bringing more transparency to municipal governance moved away from the plan for a survey on public perceptions of municipal corruption to developing a tool for a municipality to assess its exposure to the risk of corruption. Drawing on the professional expertise of Directors, tools for assessing the risk of fraud and of bribery in contracting are in process. Once completed, in 2007, this will be offered to municipalities.

Stepping down at this meeting after serving the maximum nine years on the Board is Ian Marshall, whose contributions of legal expertise have been numerous over these formative years of the Chapter; Anita Davis is stepping down after five years; her work on our strategic direction was greatly appreciated and still a basis for our thinking. Elizabeth Beale is leaving us after 2 years, due to the many demands on her time and we thank her for her insight and support. All of the committees are supported by the talents and commitment of Bronwyn Best, our Executive Director, who not only supports our volunteer time with consistent follow through but also contributes her passion for the issue and her considerable experience in the area of ethics. It has also been pleasing this year to have some members participate in committee tasks, and I hope there will be opportunities for more of you to do so in the future.

Our modest budget has even so been challenging in the last several months. For nine of the formative years of the Chapter, our core funding came from CIDA, for which we are most grateful. We congratulate CIDA on their new Anti-Corruption Policy, and we look forward to working with them, in the future, on discrete projects dealing with anti-corruption. CIDA core funding came to an end in 2006, and Directors have worked hard to increase Charter membership as a result, and with some success. More still needs to be done to provide value, if we are to see the membership grow and become a steady source of income. We are pleased to report that we were successful in bidding on a CIDA-funded project, executed by Agriteam Canada, to assist in research on policies for strengthening transparency and anti-corruption of Henan Provincial Government, China. This project will generate revenue in yet a new way for the Chapter.

I would like to thank the very fine Board for giving their time this year. We have an exceptional mixture of experience and perspectives from the resource industry, the legal,

economic and accounting professions, academia, government relations, the churches and development NGOs. I look forward to achieving more together in the balance of the year. 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 TI-Canada.

Respectfully submitted,

A handwritten signature in black ink, reading "Claude M. Bonneau". The signature is written in a cursive style with a large initial "C" and a distinct "M" and "B".