

May 14, 2000

*1999 Annual Report of Wesley Cragg, Chair and President of Transparency International Canada*

In my 1998 annual report, I described 1997 as a watershed for the anti-corruption movement. It was the year that corruption emerged as a high priority agenda item for international institutions like the OECD, The World Bank, and the International Monetary Fund to name just a few. In 1998, the Canadian Government and the Canadian Parliament signalled their support for these developments by ratifying the OECD Anti-Bribery Convention, thereby bringing it into force. For many, these developments were taken to indicate that the battle for the hearts and minds of the international business community was over. There may even have been a sense that all that remained was a mopping up operation, where the focus could shift to a recalcitrant few who had yet to be convinced of the merits of the anti-corruption campaign.

If all of this is true, then 1999 might be described as a year of reality therapy. Workshops, membership building, and the new Transparency International Bribe Payers Index all point in the same direction. While leading international bodies like The World Bank have been persuaded that bribery is a serious problem and must be tackled in all its guises, many in the business community remain to be convinced. Astonishingly, after a year in which anti-corruption legislation had either been passed or was being actively debated in much of the industrialized world, forty-five percent of executives from major foreign companies active in emerging market countries who responded to the TI Bribe Payers Survey reported that they had not heard about the OECD Anti-Bribery Convention. Only five percent of the same group described themselves as being familiar with the Convention.

Our own efforts at disseminating information about the criminalization of the bribery of foreign public officials point in the same direction.

The key lesson to be learned from 1999, in my view, is that winning the legislative battle is only a small first step in the campaign to combat corruption world wide. The next challenge is clearly to persuade the business community and the government that much more needs now to be done and to challenge both to develop effective anti-corruption programs for their own activities.

The past year, then, has been a year in which TI-Canada has wrestled with several tasks. First and most important has been the task of informing the business community of the existence of the new anti-bribery legislation. We have done this through media contacts, organizing seminars, developing our website and public addresses. Much of this activity is described in the report of our National Coordinator.

Our second priority has been to urge the government to develop a government wide anti-corruption agenda. It is highly unlikely that criminalization alone will have a decisive impact on the phenomenon of bribery in international business transactions. Fortunately, there are a number of additional steps available to the government. In June of 1999, a TI-Canada delegation met with a large and representative group of senior civil servants at a meeting chaired by Don Campbell, Deputy Minister of Foreign Affairs, and Huguette Labelle, President of the Canadian International Development Agency. At that meeting we suggested a four pronged government wide agenda that in our view would go a considerable distance in ensuring that the new

legislation achieved maximum impact.

Unfortunately, we have yet to see an effective response to our proposals. However, there are indications that the government is developing an agenda and looking for ways to implement it effectively. We know, as well, that our call for effective implementation of an anti-corruption agenda has been heard by the Office of the Auditor General and the Canadian International Development Agency. This alone indicates that our interventions have had some impact.

In the course of the past year, we have also welcomed a new Charter Member. Canadian National has now added their considerable support to the anti-corruption movement in Canada. A number of other companies, government departments and individuals have become members as well.

### **International Developments**

TI-Canada has played a leadership role internationally. Michael Davies, TI-Canada Vice Chair, and I participated actively at the Annual General Meeting of the international organization held in Durban, South Africa, in October of this past year. At that meeting, I was asked to spearhead the development of a Code of Ethics for the international organization and its various chapters around the world. This will be an exciting opportunity to work with members and chapters of TI around the world. The project is anticipated to result in the formal adoption of a Code at the AGM of Transparency International in Prague in October 2001.

We also invited the international movement to hold its AGM for the year 2000 in Ottawa, Canada. Planning for that event is now well underway guided by the sure hand of Bronwyn Best, our National Coordinator. We expect that event to provide an excellent opportunity to introduce the Canadian Government and many of our business and civil society supporters to the international movement first hand. We intend also to use the opportunity to introduce TI delegates from around the world to our national political and judicial institutions and national leaders. Canada is widely regarded as a country that has managed to discourage corruption effectively in comparison to other countries in the world. The meetings in Ottawa will give people from countries that have been less successful in this regard an opportunity to see how that has been accomplished here in Canada.

### **Challenges for the Future**

Where does the Canadian anti-corruption movement go from here? There are a number of challenges that face us. We will need to strengthen our base of financial support if we are to maintain an effective national office and national presence. It is important, however, that this financial support emanate from a wide range of individuals, organizations, government departments and corporations. Achieving Foundation status will be an important step in this direction. We will cease to be a credible coalition if corporate support is understood or interpreted to mean that TI-Canada is simply the voice of the corporate community.

We need to continue to broaden the membership of the Board of Directors. Our geographical representation continues to widen, but gaps remain that should be addressed. We will have to

work hard to ensure that the perspective of women is strongly represented in our deliberations. Balanced representation for the academic sector and civil society, including labour, is also important if we are to be actively described and if we are to be able to legitimately present ourselves as the voice of a Canadian anti-corruption coalition.

Finally, we will have to remain open to a wide variety of voices and viewpoints. This may be our biggest challenge. It is, however, one which I anticipate that our Board will address openly and enthusiastically.

The past year has been active and productive. We would like to thank our members and those who have worked with us to advance the cause of Transparency International. With the help of all those who have worked with us, we have built a sound foundation on which to build our coalition in the new millennium.