



TRANSPARENCY INTERNATIONAL CANADA INC. NEWSLETTER

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TI-Canada Symposium

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Sixty-five people attended the TI-Canada Symposium "Toward Effective Implementation of the OECD Anti-Bribery Convention," in Ottawa, May 12, 2003. The symposium was hosted by at the Department of Foreign Affairs and International Trade and focused on the recent review conducted by a select OECD Committee of the Canadian Corruption of Foreign Public Officials Act ("CFPOA").

Formal symposium presentations were made by TI-Canada, a number of government officials representing departments who had met with the OECD review panel to discuss steps undertaken to ensure compliance with the Canadian anti-bribery legislation and a number of others who had met with the OECD review panel including: Wesley Cragg and Michael Davies, representing TI-Canada;. Yolanda Banks, Corporate Social Responsibility Advisor, Export Development Canada (EDC); Douglas Breithaupt, Counsel, Criminal Law Policy Section, Department of Justice; Sylvie Germain, Policy & Planning Analyst, Canadian Commercial Corporation (CCC); Chief Superintendent Peter German, Director General Financial Crime, Royal Canadian Mounted Police (RCMP); The Hon. David Kilgour, Secretary of State for Asia Pacific; Michael Lawrence, Director, Contracting Management Division of Canadian International Development Agency (CIDA); Keith Morrill, Director, Criminal Security and Treaty Law Division, Department of Foreign Affairs and International Trade; Kernaghan Webb, Chief of Research and Senior Legal Policy Advisor, Office of Consumer Affairs,

Industry Canada; and John Williams, MP, Chair, Global Conference of Parliamentarians Against Corruption (GOPAC).

Everyone at the symposium appeared to agree that there was a lack of general awareness of the CFPOA and that this needs to change. Representatives from CCC, CIDA and EDC spoke about efforts undertaken by their departments to increase awareness of the CFPOA and the need to address the issue of bribery in international commerce. Several government departments indicated that they have incorporated the CFPOA into clauses of their contracts.

Dr. Cragg, who chaired the symposium, pointed to the need for inter-departmental coordination within the government so that one consistent message is delivered regarding the CFPOA. This would aid in increasing awareness of this piece of legislation. He also emphasized the need for anti-bribery training programs for government officials responsible for negotiating and managing contracts with private sector corporations involving international commercial transactions.

Michael Davies drew the attention of participants to nationality versus territoriality jurisdictional issues. Currently, the Canadian legislation extends only to cases of bribery that can be linked in some way to actions or decisions taken in Canada.. TI-Canada has urged the Canadian Government to add a nationality dimension to the current territorial jurisdiction so as to cover bribes offered by Canadians in the conduct of business in other countries whether or not any aspect of the offence was committed in Canada. In response,

Keith Morrill underscored Canada's traditional reluctance to extraterritorial legislation.

It was noted, in the course of discussion, that Canada is one of the first countries where a charge has been laid under the CFPOA.

A number of speakers emphasized that they would like to see Canada provide more international leadership in advancing the anti-corruption agenda and pointed to the obvious connections to addressing anti-poverty and governance issues particularly in international development.

Speakers also pointed to a need to change the prevalent attitude that anti-bribery practices are a competitive disadvantage. Canadians (corporations and government organizations) need to understand how anti-bribery practices, and an anti-bribery reputation, can be used as a competitive advantage in the global market place.

A good deal of discussion focused on the general lack of awareness among Canadian business people of the fact that the bribery of foreign public officials is a criminal offence in Canada. Reaching small and medium sized businesses (SME's) with this information and assisting them in building effective anti-bribery values into their international operations was identified as a particular challenge. Some participants in the symposium felt that codes of conduct should be required for any business seeking the assistance of any governmental department in an international commercial venture. The value of ethics codes for SME's active in international markets was addressed. There was some agreement that research needs to be conducted on the effectiveness of such codes of conduct.

Participants learned that Industry Canada is currently engaged with other international participants in the development ISO corporate social responsibility standards. There was considerable agreement that ISO CSR standards

would aid in increasing awareness of corruption related issues.

A concluding observation: The fact that the issue of corruption is now on the political agenda of many countries around the globe is quite an accomplishment, since, as few as 10 years ago, the issue of corruption was not on international or national agendas.

While there is still much work to be done in this area, discussion and strong coordination among the interested and influential parties is the key to effectively addressing the global challenge of corruption .

The symposium closed with words of thanks to the Department of Foreign Affairs and International Trade for its sponsorship and for providing excellent facilities for both the symposium itself and for the Annual General Meeting of Transparency International Canada which followed.

--electronic versions of presentations will be available at: www.transparency.ca

TI-Canada AGM

Following the Symposium, "Toward an Effective Implementation of the OECD Anti-Bribery Convention," TI-Canada held its Sixth Annual General Meeting. Four serving Board Members, Ms. Clare Bonnell, Dr. Wesley Cragg, Mr. Michael Davies and Mr. Tom Goldie, were elected to a further three-year term. Two new Board Members, Ms. Joy Kennedy, and Mr. John Willson, join these four, along with Dr. Peggy Cunningham, Ms. Anita Davis, Mr. Peter Harris, Mr. Ian E. Marshall, Mr. John McWilliams, Mr. Bob Olivero, and Mr. P.K. (Sunny) Pal, as members of the TI-Canada Board.

Ms. Kennedy is currently the Ecological Justice Program Officer with KAIROS – Canadian Ecumenical Justice Initiatives. She has worked at local, national and international levels in the areas of sustainable development, economic and

social justice, and environment. Ms Kennedy is an energetic and experienced activist and visionary, demonstrating leadership on issues such as climate change, international debt, corporate responsibility, violence and abuse, poverty and human rights, especially women's equality and children's rights. She has worked for ecumenical justice coalitions and the World Council of Churches, recently working on preparations for the Ecumenical Teams participating in the two United Nations processes, Financing for Development, March 2002, and Rio +10, September 2002. Ms. Kennedy has participated in various corporate performance benchmarking processes.

In 2001, Mr. Willson retired as President and CEO of Placer Dome Inc. Prior to this position, he served as President and CEO of Pegasus Gold Inc., President and CEO of Western Canada Steel Limited and Subsidiaries (part of Cominco Limited) and Vice President of Northern Group, Cominco Limited. Mr. Willson also held a number of other positions in Cominco Limited, as well as serving as President for Garaventa (Canada) Limited. Born in England, his career has led him to live in British Columbia, Greenland, the Northwest Territories and the state of Washington. In addition to TI-Canada, Mr. Willson serves on the boards of Nexen Inc., Finning International Inc. and PanAmerican Silver Corp.

Dr. Cragg reported as Chair and President, that it has been another active and challenging year for TI-Canada. He reported that TI-Canada had accomplished the objectives it had set for itself when it was launched six years ago. The Chapter was now immersed in a project of strategic planning with a view to setting new goals and objectives. He thanked the Board for its commitment and commented on the remarkable diversity of talents and skills, backgrounds and areas of Canada they represented. Dr. Cragg was thanked in turn for his leadership, over the past year, as was Ms. Bronwyn Best, National Coordinator, who was described as the "glue" for the organization.

Global Corruption Barometer

On July 3, 2003, Transparency International launched The Global Corruption Barometer, "A 2002 Pilot Survey of International Attitudes, Expectations and Priorities on Corruption," developed with Gallup International's *Voice of the People* Survey. The Barometer is a survey of the general public, conducted as part of a general household survey, in 47 countries on all continents. TI commissioned Gallup to include a subset of three questions in their *Voice of the People* Survey.

Question 1 looked at how seriously respondents believe corruption affects the different spheres of life, such as their personal and family life, the business environment, political life, and the culture and values of society in their country. Question 2 inquired into respondents' expectations as to how the level of corruption will change over the next three years. And Question 3 asked respondents for their first choice to eliminate corruption from an institution such as courts, political parties, police, the private sector, etc.

Canada was one of the countries surveyed, with 971 responses. With regard to Question 1, surprisingly, 42.5% of Canadians said that corruption *very significantly* affected their personal and family life. 46.3% felt corruption *somewhat significantly* affected the business environment; 44.3% felt corruption *somewhat significantly* affects political life (with 42.6% feeling it was *not significant*); 52.8% felt corruption *somewhat significantly* affects culture and values of society.

With regard to Question 3, the largest number of Canadians, 37.7%, felt that corruption over the next three years, in Canada, would *stay the same*, while 23.7% felt it would *increase a little* (other options were: *increase a lot*, *decrease a little*, *decrease a lot*, *don't know/no response*).

As for Question 3, respondents were asked, "If you had a magic wand and you could eliminate

corruption from one of the following institutions, what would your first choice be?" Canadians responded in the following manner: Political Parties, 39.7%; Medical Services, 9.7%; Immigration, passports, 8.8%; Courts, 8.3%; Education System, 6.5%; Police, 5.7%; Tax revenue, 5.7%; Private sector, 4.4%; Business licensing, 3.2%; Utilities (Telephone, etc.), 2.3%; Customs, 1.8%; Other, 3.8%.

In three quarters of the countries surveyed, political parties were singled out as the institution from which citizens would most like to eliminate corruption. In a press release issued at the time of the results, TI Chair Peter Eigen said, "The people of the world are sending a clear message to political leaders: they have to rebuild the trust of ordinary people. Transparency International has been working around the globe to call political parties to account when it comes to campaign finance, and in challenging elected politicians to live up to their campaign promises on fighting corruption. It is time to recognise the full extent of corruption among political elites in both the developed and developing worlds, and the need to curtail conflicts of interest and political immunity."

--for the full texts of the press release, "If citizens had a magic wand the world over, they would most like to eliminate corruption from political parties," July 3, 2003, and "The Transparency International Global Corruption Barometer," please visit: www.transparency.org

TI figures move into leading positions

In April 2003, Argentine lawyer, TI Board Member, President of TI Latin America and Caribbean regional committee, and President of Poder Ciudadano (TI's national chapter in Argentina), Mr. Luis Moreno Ocampo, was appointed the first Chief Prosecutor of the International Criminal Court (ICC). Although he had to give up his TI affiliations, on his appointment, Mr. Moreno Ocampo remains committed to TI's anti-corruption cause. He was quoted as saying, "Mass killings and

corruption are two kinds of abuse of power, generally used together against poor people. Dictators who are killing people usually have millions in secret accounts, and the ICC will investigate and prosecute them.

Mr. John Githongo, Executive Director of TI's national chapter in Kenya, and, until recently a member of the TI Board, was recently appointed Permanent Secretary for Governance and Ethics in the Office of President Mwai Kibaki. While no longer Executive Director of TI-Kenya, Mr. Githongo participated in the 11th International Anti-Corruption Conference (IACC), held in Seoul, Korea, 25 – 28 May 2003.

The former Chair of TI-Korea and Mayor of Seoul, Mr. Goh Kun, became Prime Minister of Korea on 22 January 2003. Along with the President of South Korea, Prime Minister Goh was very active in the 11th IACC. In Chile, Mr. Luis Bates, the Head of TI-Chile, was recently appointed Justice Minister.

TI Chair, Peter Eigen, was quoted as saying, "The wave of appointments of anti-corruption activists to important positions in government and international institutions is a promising sign that political will to fight corruption is on the rise. Just ten years ago corruption was a hot potato that policy-makers did not want to touch. Today, it is increasingly being recognised as the single greatest obstacle to development and economic growth. This is a sea-change in thinking. TI will continue to engage with governments and the private sector, and to act as a civil society watchdog holding them to account and ensuring that they live up to their anti-corruption commitments."

--information taken from TI press release, "International Criminal Court chief prosecutor will investigate dictators' secret bank accounts," 22 April 2003; for full account, please visit: www.transparency.org

11th International Anti-Corruption Conference

Close to 900 people from 108 countries, active in the government, private and civil society sectors, participated in the 11th International Anti-Corruption Conference (IACC), “Different Cultures, Common Values,” held in Seoul, South Korea, May 25 – 28, 2003. Below are some excerpts drawn from the concluding statement:

The Seoul Findings

We were honoured to have our proceedings opened by H.E. President Roh Moo-hyun, President of the Republic of Korea. He described the approaches his government has been adopting in carrying out its promises to his people of a participatory and corruption-free society following the cleanest and fairest election in the country’s history. “The financial crisis in 1997 caused Koreans to realise that transparency and fairness are as important as growth itself,” he reflected.

Our insights were enriched by profound addresses from the Hon. Ms Kang Kum-Sil (Minister of Justice, Korea), Professor Hans Kung (President of the Foundation for a Global Ethic), Sri Sri Ravi Shankar (Chairman of the International Association for Human Values) and the Hon. Kiraitu Murungi MP, (Minister of Justice, Kenya). H.R.H Prince El Hassan bin Talal of Jordan, unable to attend, shared his thoughtful insights with us.

The Hon. Murungi [Minister of Justice, Kenya] argued cogently that large-scale corruption should be designated a crime against humanity, as for many around the world it falls into the same category as torture, genocide and other crimes against humanity that rob us of our human dignity. In supporting his call, we condemn corruption as immoral, unjust and repugnant to the ideals of humanity enshrined in the Universal Declaration of Human Rights and we confirm our conviction that all human beings have a basic human right to live in a corruption-free society.

We state our strong conviction that there is absolutely no substance in the myth that corruption is a matter of culture. Rather, it offends the beliefs and traditions of us all.

A crisis in ethics lies at the heart of recent **failures in self-regulation**, and underlines the necessity for appropriate government regulation, especially in areas vulnerable to corruption. There is a place for self-regulation, but the processes involved call for independent monitoring and verification.

Since we last met, work has begun on the drafting of the **United Nations Convention Against Corruption**, a development we wholeheartedly support and which we look to as providing a framework for future international cooperation. If our efforts are to succeed, significant change has to be effected in countries in all parts of the globe, those of the rich no less than those of the poor.

There is...now widespread recognition that the fight against corruption can only be waged successfully if all are involved, both within and outside government.

Chief Justices around the world have developed the Bangalore Statement of Global Principles on Judiciary Integrity, noted by the recent session of the U.N. Human Rights Commission, which will serve as a global benchmark.

At the United Nations itself there is the prospect of governments reaching a consensus on the steps to fight corruption that if achieved will be truly historic.

Youth are now organising with the vision of “A World Without Corruption”, and at our gathering the Youth Network Against Corruption (www.ynac.org) developed an imaginative action plan.

Increasingly, too, governments are recognising their people’s right to information and starting to appreciate both the positive benefits to governance of more open and participatory

approaches and the beneficial impact this can have for citizens, and especially the poor.

We have passed from mere words and into the sphere of concrete and concerted action. As we continue in our efforts, we will do so in the conviction that the values we all share will stand us in good stead throughout the years ahead.

--for the full, provisional text of "The Seoul Findings," please visit: www.transparency.org

Integrity Awards 2003

Three individuals were honoured with TI Integrity Awards at the 11th IACC. The Awards were presented to Dr. Dora Nkem Akunyili, the Director General of the National Agency for Food and Drugs Administration for her determination to stamp out corrupt practices in the import and manufacturing of drugs, cosmetics and food products in Nigeria; Sua Rimoni Ah Chong, former Auditor General of Samoa whose determination to expose financial crime in the South Pacific region has been an inspiration in the battle to promote government and private sector accountability; Ana Hazare, social activist in India, who has been campaigning for more than 20 years to end corruption in the forestry sector.

In addition, posthumous recognition was given to investigative journalist Abdelhai Beliardouh, from Algeria, and Antonio Siba-Siba Macuacua, chairman of the largest commercial bank in Mozambique. Both these individuals died while taking a stand against corruption.

Extractive Industries Transparency Initiative (EITI)

A high-level multi-stakeholder conference was held in the UK, 17 June 2003, with regard to the Extractive Industries Transparency Initiative (EITI). The benefits of the extraction of natural resources are diverted to the enrichment of a number of small corrupt elite. In light of this, it is recognised that an increasing number of

stakeholders are asking that the transparency of revenues generated from the oil, gas and mining industries become a prerequisite for equitable economic and social development in many of the resource-rich countries.

TI congratulated both the UK government on the EITI initiative and the G8 countries on their declaration, following their meeting in Evian, France, 1-3 June 2003, supporting an intensified approach to transparency. With regard to the latter, TI has expressed its concern that, "Whilst a **voluntary approach** on a country-by-country basis may be successful where there is an existing significant degree of commitment to integrity and transparency we are concerned that in countries where the diversion of revenues into the personal wealth of elites is seen as a perquisite of power, and where there is consequently extreme poverty among the general population, the necessary commitment to openness will simply not materialise. As a consequence we find it difficult to believe that anything other than a **mandatory approach** can succeed except in a minority of situations...."

--information taken from TI press release, "Transparency of revenues generated from oil, gas and mining should be applied in G8 countries and Iraq, says TI: Statement by Transparency International re. EITI," 17 June 2003, please visit: www.transparency.org

Ongoing News

TI is working on a new 3-5 year strategy, to be implemented by November 2004

TI-Canada is working on a new 3-5 year strategy to be implemented in late 2003/early 2004.

