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TI-USA & OTHER NGOs MEET WITH ZOELICK ANTI-CORRUPTION AGENDA KEY ISSUE FOR NEW LEADERSHIP

As the World Bank board of directors was meeting on Monday, June 25, 2007, to consider the nomination of Robert Zoellick as president, Mr. Zoellick hosted consultations with several NGO's working in the international arena, including Transparency International-USA. There was broad consensus on the importance of maintaining the Bank's focus on poverty eradication, institutionalizing public consultations, rebuilding consensus within the board and the staff after the recent turmoil, and pursuing the anticorruption agenda as a critical element of securing the Bank's poverty eradication objectives.

TI-USA Chairman Alan Larson and President Nancy Boswell underscored the urgency of moving forward on a detailed

implementation plan for the Bank's Governance and Anti-Corruption (GAC) strategy, which has been stalled since the board approved the strategy in March. They also highlighted the importance of pre-



World Bank Group

ventive measures throughout the project cycle, risk-management, transparency and capacity-building, particularly in procurement, engagement with the private sector, and regard for the Volcker

panel recommendations on the Institutional Integrity Department due out in September. Others stressed that the US Congress was focused on the importance of continuing the anti-corruption emphasis at the World Bank and noted indications of support for this emphasis from recipients of Bank funds, notably African countries.

In press statements following his election, the new president noted the importance of continued attention to anti-corruption reform to the Bank's effectiveness. "The challenge is how best to clean corruption out. That's what the World Bank must diagnose, determine and execute in concert with developing and developed countries," said Mr. Zoellick in a *New York*

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G8 LEADERS' CORRUPTION COMMITMENTS ENCOMPASS EMERGING ECONOMIES & EXTRACTIVES AT 2007 SUMMIT

Declaration of Anti-corruption Commitments:

The 2007 G8 Declaration includes commitments to:

- Make progress on enforcement through "a continuous, rigorous and permanent peer review mechanism under the *OECD Anti-Bribery Convention*;"
- Ratify the UNCAC, develop an effective review mechanism, and provide capacity-building, especially for the recovery of stolen assets;
- Support implementation of the World Bank's GAC Strategy;
- Deny *safe haven* to corrupt individuals and their assets;
- Urge all *financial centers* to implement the highest transparency standards;
- Encourage *private sector* efforts to prevent corruption and increase transparency; and
- Promote transparent public *procurement*.

At the Group of Eight (G8) 2007 Summit in Heiligendamm, Germany, the leaders' **Declaration on Growth and Responsibility in the World Economy** vowed to move forward on their anti-corruption and governance agenda, including with

G8 Summit 2007
Heiligendamm



emerging economies and the extractive sector. TI welcomed the Declaration's inclusion of priorities promoted by TI chapters in its *TI G8 Progress Report*, but called for action. The Report, published on the eve of the Summit, capped a campaign by TI chapters to ensure that this year's G8 agenda included strong commitments, an action plan, and reporting back on progress in 2008.

Earlier in 2007, TI-USA Chairman Alan Larson and President Nancy Boswell met with Deputy National Security Advisor David McCormick and Assistant Secretary of State Daniel Sullivan and were assured of support for building consensus within the G8 for action.

In addition to reaffirming prior commitments to stem foreign bribery, increase transparency in financial transactions, and deny safe haven to the corrupt (see box to left), the G8 tackled the growing challenge posed by the emerging economies – Brazil, China, India, Mexico and South Africa – and committed to find common solutions.

Among the four issues listed for discussion in a new "Dialogue," to be hosted by the Organization for Economic Cooperation and Development (OECD), Please see *G8* page 7

TI PROGRESS REPORT ON OECD ENFORCEMENT POINTS TO MIXED PICTURE

On June 20, 2007, TI presented its **2007 Progress Report on OECD Enforcement** to the OECD Working Group on Bribery. In presenting TI's third annual assessment of progress on enforcing the Convention on Bribery of Foreign Public Officials, Fritz Heimann, who directed the project, presented a mixed picture. Preliminary evidence indicates meaningful action in fourteen countries, with a significant number of prosecutions in France, Germany, Hungary, Korea, Norway, the Netherlands and the US, many involving major multinational companies. On the negative side of the ledger, there is little to no enforcement in twenty countries, particularly in Canada, Japan and

the UK -- countries that play a major role in international trade.

The Report is the only comprehensive assessment of enforcement, bringing together information on investigations and prosecutions and highlighting the urgent need for continued vigorous OECD monitoring and peer pressure for action. The Report is based on information provided by TI national experts in thirty-four countries responsible for about ninety-five percent of OECD exports. TI-USA Board Member Lucinda Low, Steptoe & Johnson, provided the report on the US. The full report will be published on the TI website in July.

<http://www.transparency.org>

OECD OPENS MEMBERSHIP DISCUSSIONS WITH 5 COUNTRIES

At the close of the OECD Ministerial Council Meeting, held on May 15-16, in Paris, OECD member countries invited Chile, Estonia, Israel, Russia and Slovenia to open membership discussions and offered enhanced engagement to Brazil, China, India, Indonesia and South Africa, with a view to possible membership.

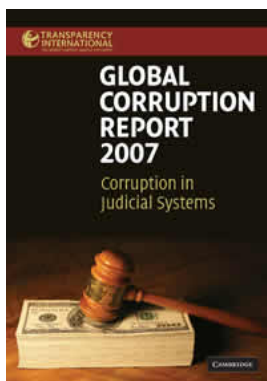
The push to enlarge membership is based on the OECD members' growing recognition of the importance of engaging emerging economies in international dialogue and ensuring their commitment to international standards, including the OECD Anti-Bribery Convention. Among the potential new OECD members, Brazil, Chile, Slovenia, and South Africa are already signatories to the OECD Convention.

TI GLOBAL CORRUPTION REPORT PROBES JUDICIAL SYSTEMS 2007 REPORT GARNERS PRAISE

Judicial corruption interferes with contract rights, erodes international efforts to tackle transnational crime and terrorism, and denies citizens a venue for impartial settlement of disputes, according to the 2007 TI Global Corruption Report released on May 24, 2007.

The Report's 28 essays and 37 country studies by scholars, judges, TI National Chapters, and other civil society activists from around the world bring together in one volume important research on corruption in judicial systems and recommendations for tackling it.

The Report has garnered widespread praise from practitioners, donors, and academics working on judicial issues. At a June 6th roundtable co-hosted by TI-USA and the Wolfensohn Center for Development at the Brookings Institution, keynote speaker



Aryeh Neier, President of the Open Society Institute, called the volume "outstanding." In his remarks, Mr. Neier noted that "shining the spotlight on the problem of judicial corruption is potentially an enormously important development." He observed that widespread public mistrust of the judicial system, in countries such as China, is a factor behind civil unrest, pushing citizens to resolve grievances through force and leading to social disorder and violence.

Other distinguished speakers at the June 6th event included Professor Susan Rose-Ackerman of Yale Law School, US District Judge Noel Hillman, Due Process of Law Foundation Executive Director Eduardo Bertoni, and Professor Philip Bond of the Wharton School. They explored the context in which judicial corruption flourishes and the many ways it affects daily life. Consistent with the Report's conclusions, the speakers

emphasized that years of judicial reform efforts have failed to tackle corruption effectively in many parts of the world. They encouraged the adoption of the Report's recommendations, which were reviewed by an eminent panel of experts, including retired US Supreme Court Justice Sandra Day O'Connor.

On May 24th, the date of the Report's official publication, TI-USA also hosted a press briefing with journalists from Russia, Asia, Latin America, and the US. Speakers included Linn Hammergren, a World Bank expert on judicial reform; Valeria Merino-Dirani, a member of the TI Board of Directors and founder of Corporación Latinoamericana para el Desarrollo (CLD), a leading judicial reform NGO in Ecuador, and Russell Wheeler, a Brookings Institution expert on US judicial issues and President of the Governance Institute.

The report can be viewed at <http://www.transparency.org/publications/gcr>

WORLD BANK BOARD CONSIDERS CONTROVERSIAL COUNTRY SYSTEMS ISSUE TI CONTINUES TO PRESS FOR PUBLIC CONSULTATION

The World Bank has revived for consideration a controversial proposal to permit eligible borrowers to conduct Bank-financed procurement using their own systems rather than the Bank's guidelines. The proposal was sent to the board of directors on June 19, 2007, but further discussion is anticipated prior to a final decision. TI has called for robust public consultations on issues of methodology, application and implementation.

When the Bank considered moving to "country systems" in 2005, TI expressed support, in principle, for building the capacity of countries to conduct transparent and corruption-free procurement, but expressed concern about the proposed methodology and selection process. TI called for broad public consultations with affected stakeholders at all stages, from development of a methodology to implementation.

At that time, TI and other organizations registered concern about the methodology for determining the adequacy of local procurement systems in practice, and called for greater public oversight to ensure adequate protection against corruption risks inherent in weak procurement systems.

In response to widespread criticism over the 2005 proposal, the Bank withdrew it, promising to hold consultations on a revised version. On June 19, 2007, a "Status Report" proposing pilot projects go forward was submitted for board consideration without the promised public consultation. The report contained a revised country systems proposal, broadening its scope from the project level to country-wide eligibility in certain cases. Following strong expressions of concern, particularly from the US private sector, a "Supplemental Note" was submitted

to the board providing for full and open consultation as the process unfolds.

TI provided comments calling for broad multi-stakeholder consultation on the methodology used to assess the adequacy of local country procurement systems, and before pilots are selected. It called for attention to the broader country capacity to address corruption and for public oversight. Although the country systems proposal was discussed at the June 19th Bank board meeting, no firm conclusion was reached and it is likely to be the subject of further discussions in coming months. TI will continue to monitor this issue and comment as the process moves forward.

See TI's recent comments to the World Bank on the use of country systems at: <http://www.transparency-usa.org/documents/WBCountrySystemsHLabelletoJJDaboub.pdf>

TI MEETS WITH VOLCKER PANEL

TI Chair Huguette Labelle, TI Advisory Council Chair Peter Eigen, and TI-USA President Nancy Boswell addressed the "Volcker Panel" convened by the World Bank board and President to assess the Bank's Department of Institutional Integrity. Paul Volcker, a former US Federal Reserve Chair who led the UN Oil-for-Food investigation, was selected to lead the panel of experts, which includes former Senior Vice President-General Counsel, GE, and TI-USA Board Member Ben Heineman and former Kenyan Permanent Secretary for Governance and Ethics and TI-Kenya leader, John Githongo. At the May 29th session, Ms. Labelle emphasized the need for an effective, professional, independent, and accountable investigative department. She delineated key elements of an effective organization and potential impediments to its proper functioning. TI will follow up with a written submission. The Panel's report is expected in September.

ASSET RECOVERY GETS BOOST FROM WORLD BANK

The World Bank has announced plans to help developing countries recover assets stolen by corrupt leaders. The cross-border flow of proceeds from criminal activity, corruption and tax evasion is estimated at \$1-1.6 trillion per year—half from developing and transition economies, according to the Bank.

The initiative, announced in April, is a joint effort with the United Nations Office on Drugs and Crime (UNODC) with plans to work with other regional development banks, the International Monetary Fund (IMF), OECD, the Norwegian Agency for Development Cooperation (Norad), the G8, Switzerland, and developing countries to ensure a global effort. The project, which requires funding to go forward, will be an important step toward helping developing countries address corruption.

Proposals on the table for further discussion include:

- Persuading all jurisdictions, especially those containing financial centers, to ratify and implement the UNCAC;
- Helping developing countries build capacity for requesting mutual legal assistance for asset recovery;
- Developing partnerships to share information and experience; and
- Offering expertise, on a voluntary basis, to monitor the use of recovered assets in order to ensure transparency and development impact.

To access the World Bank press release see:

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21299829~pagePK:64257043~piPK:437376~theSitePK:4607,00.html>

UNCAC MONITORING MECHANISM UNDER CONSTRUCTION

TI ASKED TO SUBMIT RECOMMENDATIONS

The first Conference of States Parties (CoSP) to the United Nations Convention Against Corruption (UNCAC) concluded with broad agreement on the need for a monitoring mechanism and the creation of a working group to define its terms of reference. The working group has been charged with examining ways in which UNCAC monitoring reviews can be coordinated with the monitoring programs of other anti-corruption conventions to avoid duplicative monitoring and to take advantage of regional capabilities.

TI-USA Board Member Fritz Heimann has drafted recommendations for the

mechanism and its terms of reference. These recommendations will be submitted to the UN Office on Drugs and Crime, the UNCAC Secretariat, and form the basis of a major TI advocacy campaign in the run up to the second CoSP in January 2008.

The TI report calls for:

- Continuation of information gathering on country progress to date and development of implementation tools;
- Promotion of implementation of the asset recovery chapter;
- Promotion of key articles of the preventive measures chapter;
- Pilot programs to develop methodolo-

gies for country reviews;

- Cooperation with donor agencies to promote technical assistance for developing countries; and
- Development of procedures for cooperation with monitoring organizations for other conventions.

It also calls for the establishment of expert working groups covering each UNCAC chapter to conduct reviews and provide advice to the UNCAC Secretariat and the CoSP. The Working Group will report back to the second CoSP.

US & CHINA STRATEGIC ECONOMIC DIALOGUE ON TRANSPARENCY HIGHLIGHTS NEW DISCLOSURE REGIME

Following the second meeting of the US-China Strategic Economic Dialogue (SED) in Washington, DC, on May 22-23, 2007, the lead negotiators on the transparency issue addressed a roundtable co-hosted by TI-USA and Covington & Burling LLP. Department of Commerce General Counsel John Sullivan and Assistant USTR for China Affairs Tim Stratford joined their Chinese counterpart, Hu Zhen-jie, Division Director in the Office of the State Council.

Mr. Sullivan and Mr. Stratford briefed the audience on progress to date, underscoring the positive nature of the dialogue and the progress China has made, particularly in the area of rule-making. Mr. Hu provided an overview of several transparency reforms recently imple-

mented by China, with a particular focus on China's new Regulations on Open Government Information, which form the basis for China's first government information disclosure system.

The regulations, published the month before the May SED meetings, will apply not only to the central government, but also at all local levels. The regulations call for proactive publication of information, including on government functions and procedures of 'vital interest' to the public, including public services and education, public health, food and drug safety, and government budgets and decisions.

Although the regulations are a positive step toward greater transparency, they

are subject to numerous exceptions. For example, disclosure may not harm "state security, public security, economic security or social stability," and there are specific, yet undefined, exemptions for state secrets, commercial secrets and individual privacy. The SED will provide a forum for exploring how these exceptions will be interpreted.

US Treasury Secretary Henry Paulson and China's Vice Premier Wu Yi led the SED on a range of issues, including ensuring market access, promoting energy security, protecting the environment, and increasing transparency.

For more information on the SED and outcomes see: <http://www.treasury.gov/news/index2.html>

MCC EFFORTS TO FIGHT CORRUPTION IN FOCUS

A Millennium Challenge Corporation (MCC) working paper, published in April 2007, underscores the emphasis MCC places on fighting corruption. TI-USA was invited to contribute to the paper and participated in an April 25th experts roundtable discussion hosted by MCC.

The paper focuses on lessons learned from years of anti-corruption reform and how they inform MCC's policy dialogue with candidate countries and the development of MCC's threshold programs. It draws attention to the positive incentives created by predicating MCC funding on countries' meeting the

anti-corruption threshold. Many developing country governments are implementing anti-corruption reforms hoping this will help them qualify for MCC assistance. The MCC also promotes anti-corruption through its threshold program, providing assistance to countries that do not meet the threshold requirement but are committed to undertaking the necessary reforms. The majority of the threshold programs focus on meting the anti-corruption indicator.

MCC has been using TI tools and working with local TI National Chapters. In meetings with Rodney Bent,

MCC Deputy CEO, and Maureen Harrington, VP for Policy & International Relations, TI-USA Chairman Alan Larson, and President Nancy Boswell expressed support for the MCC's "performance-based" approach, but cautioned that significant and sustainable reform requires long-term time horizons, broad public engagement, and risk management tools. Discussions about further collaboration are ongoing.

The MCC Working paper is online at: <http://www.mcc.gov/documents/mcc-workingpaper-corruption.pdf>

FTSE4GOOD EXCLUDES COMPANIES FAILING TO MEET IT'S ANTI-BRIBERY CRITERIA

In March 2007, the FTSE Group announced that *AEA Technology, UK* and *Sumimoto Metal Industry, Japan*, failed to meet the FTSE4Good socially responsible investment index's new anti-corruption criteria and had consequently been deleted from the index series. To date, 180 companies have met the FTSE4Good Countering Bribery Criteria.

The Countering Bribery Criteria were launched in 2006 with advice from TI and are being introduced on a phased basis. Companies deemed to belong to high-

risk categories were required to advise FTSE4Good by January 2007 that they had in place an anti-bribery policy and manage-



ment systems. Failure to meet this requirement leads to exclusion from the Index. By September 2007, high-risk companies will

have to publicly disclose their anti-bribery policies and management systems. According to the FTSE Group it has been "a notable challenge" to focus companies on the need to disclose their policies and systems. Plans are in place to expand the application of the anti-bribery criteria to more companies after the initial implementation to high-risk companies is completed in 2008.

To learn more about the FTSE4Good Index and the Countering Bribery Criteria visit: <http://www.ftse.com/ftse4good>.

TI MAINTAINS PRESSURE ON WORLD BANK TO INTRODUCE ANTI-BRIBERY PROGRAM REQUIREMENT

With new World Bank leadership in place, TI will again press for the Bank to require companies bidding for Bank-financed projects to adopt and enforce anti-bribery programs in the belief that it would help stem the supply side of bribery in Bank-financed projects and encourage broader adoption of anti-bribery practices.

TI advocacy contributed to the introduction, in 2004, of a certification requirement for large public works for bidders to declare they have taken steps to ensure that they or no one acting on their behalf will engage in corrupt practices. TI welcomed the certification as a first step but pressed for a full anti-bribery program requirement.

On March 22, 2007, TI-USA President Nancy Boswell and Michael Gadbow, Vice-President and Senior Counsel for International Law and Policy, General Electric, made a presentation to the World Bank Procurement staff at an informal meeting convened by Peter Harold, Director, Operations Policy & Country Services. Ms. Boswell focused on the need to reduce the risk of bribery in Bank-financed projects and emphasized the current consensus on the preventive value of effective anti-bribery policies and programs, as exemplified by the Business Principles for Countering Bribery. She highlighted the timeliness of including an anti-bribery requirement as part of the Bank's new GAC Strategy.

Mr. Gadbow presented the business case for such a requirement and emphasized the need for systemic approaches to dealing with corruption and the usefulness of corporate anti-bribery programs. Bank staff agreed on the need to address bribery in Bank projects and on the merits of anti-bribery programs but only to consider possible approaches.

TI will soon submit a formal letter signed by representatives of the World Economic Forum's (WEF) Partnering Against Corruption Initiative (PACI), the United Nations Global Compact, and the International Chamber of Commerce urging the introduction of an anti-bribery program requirement.

BIG FOUR ACCOUNTING FIRMS TO COOPERATE WITH TI ON EXTERNAL ASSURANCE APPROACH

In response to stakeholder interest in third-party verification of voluntary corporate anti-bribery programs, TI engaged with PricewaterhouseCoopers, a long-standing member of the Business Principles Steering Committee, to

develop an approach to external assurance based on TI's Business Principles for Countering Bribery (BPCB). At the WEF annual meeting in January 2007, TI Private Sector Leader, Jermyn Brooks, convened senior partners of the "Big Four" and members of the

PACI board to explore the readiness of the firms to assist in developing a methodology for voluntary third-party verification of corporate anti-bribery programs. The firms agreed to work with TI and will meet again in Summer 2007.

TAKING THE BUSINESS PRINCIPLES FOR COUNTERING BRIBERY ON THE ROAD

On March 17, 2007, the first of three Middle-East regional workshops on the BPCB took place in Bahrain. The workshop, co-sponsored by TI's Bahraini Transparency Society and the Bahraini Accountancy Association, convened some 30 participants from the region, including senior company managers, to learn about the BPCB and discuss current developments in corporate governance. The partici-

pants issued recommendations on the need for improved corporate governance in the region and for increased dialogue between the private and public sectors. They committed to create a working group to develop a corporate governance code. Two other regional workshops will be held in Jordan and Morocco in July and September. This program is supported by the Center for International Private Enterprise.

The Business Principles were also featured at TI Canada's annual symposium on June 12th. More than 40 participants from business and government and academia attended the meeting, which also included presentations on the legal environment for Canadian companies and company programs to manage bribery and corruption risks.

GERMAN COURT ISSUES FIRST CONVICTION IN SIEMENS BRIBERY SCANDAL

On May 14, 2007, a German court handed down a conviction in the first of a series of cases against Siemens AG following allegations of \$500,000 in slush funds used to pay bribes. The court convicted Andreas Kley, the ex-finance chief at Siemens AG's power generation unit, of bribing managers at Italian energy company Enel SpA to win contracts. According to public reports, Kley was the company official responsible for ensuring compliance with Siemens' anti-bribery code. A former consultant to the company, who admitted to paying bribes, was also convicted.

UK ANTI-CORRUPTION FORUM DISCUSSION PAPER ON DEBARMENT

The UK Anti-Corruption Forum, an alliance of stakeholders in the UK engineering and construction industry sector, recently published a discussion paper supporting debarment of companies by multilateral development banks providing certain minimum requirements are met and international standards are consistently applied. The paper suggests procedures and recommendations applicable to mandatory and discretionary debarment. It proposes a reduction of the debarment period for companies demonstrating, by independent verification, that they have an effective anti-corruption program in place. The paper is available at: <http://www.anticorruptionforum.org.uk/acf/news/publications/>

TI PROMOTES ANTI-CORRUPTION REFORMS & OPPORTUNITIES FOR PUBLIC PARTICIPATION AT THE ORGANIZATION OF AMERICAN STATES

On June 25, 2007, TI presented recommendations to the Committee of Experts reviewing enforcement of the Inter-American Convention Against Corruption. Underscoring recommendations TI presented to the 37th OAS General Assembly in Panama earlier in June, TI again called for the review process to be accelerated and to more vigorously pursue action to remedy deficiencies identified by the Experts.

At the June meeting at OAS headquarters in Washington, DC, TI National Chapters from Mexico, Peru, and Trinidad and Tobago presented their assessments of steps their governments have taken on the provisions under review, including on procurement, whistleblower protection and civil service hiring practices.

Their findings were mixed. Mexico has made significant strides in using transparency to fight corruption, with

an expansive access to information law and a strong e-procurement system. Peru has also implemented a strong access to information law, but its procurement system remains vulnerable to corruption and whistle-



blower protection is weak. Trinidad & Tobago, undergoing an economic boom from natural gas resources, is facing rising corruption and diminishing public accountability.

Despite the presence of the TI Venezuela Executive Director, the govern-

ment of Venezuela blocked her presentation to the Committee of Experts. TI urged the Committee to change its rules to institutionalize civil society participation in the review process and, in particular, to ensure that NGOs registered with the OAS are not subject to political interference from governments. TI raised the matter with the Secretary General's Special Representative for Civil Society, a new position created at the 2007 General Assembly.

Following the Committee of Experts meeting, TI-USA convened a meeting at the Woodrow Wilson International Center for Scholars to enable the National Chapters and TI Venezuela to share their views with a broad range of public policy experts. TI Venezuela presented a grim picture, which included growing political patronage in the civil service.

TI-USA WELCOMES TWO NEW BOARD MEMBERS

Frank Piantidosi, Chairman and CEO, Deloitte Financial Advisory Services LLP

Frank Piantidosi, Chairman and CEO of Deloitte Financial Advisory Services LLP, has extensive experience helping government, private sector, and multilateral institutions combat fraud and corruption. In addition to his role as Chairman and CEO, Mr. Piantidosi is the Global Managing Partner of the Forensic and Dispute Services practices of the Deloitte Touche Tohmatsu member firms. He is frequently sought as an expert and has been an innovator in the development of the dispute consulting and forensic investigations discipline.

Charles Kolb, President, Committee for Economic Development (CED)

As President of CED, an independent and non-partisan organization, Charles Kolb engages 250 business and education leaders dedicated to economic and social policy research and the development of policy recommendations. TI-USA has cooperated with CED in its comprehensive and thoughtful analysis of congressional ethics failures and in its advocacy of prompt and effective action. Prior to joining CED in 1997, Mr. Kolb served as General Counsel of United Way of America and held several senior-level US government positions.

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Times article published June 26th. This stance is consistent with his record as US Trade Representative (USTR). In that capacity, he presided over the conclusion of numerous trade agreements that included actionable requirements for anti-bribery legislation, whistle-blower protection, and legal and regulatory transparency, particularly in the expenditure of public funds.

Over the course of the Bank's efforts to develop its GAC strategy, TI-USA hosted a series of multi-stakeholder roundtables, submitted comments on the strategy and implementation plans,

and held meetings with high-level Bank officials and board members. In cooperation with the Bank, TI-USA hosted an event at the Bank during its April 2007 Spring Meetings with officials responsible for the strategy. Speakers included TI Chair Huguette Labelle and Oby Ezekwesili, the newly appointed Bank VP for Africa, who was a former Nigerian minister and early TI member.

TI has called for vigorous implementation of the GAC strategy by ensuring adequate financial and human resources, positive staff and borrower incentives, and clear timelines and

benchmarks. TI has also stressed the need to find ways to ensure aid continues to flow to the poor – even when loans need to be halted for concerns about corruption – through deeper engagement with citizens and non-executive branch stakeholders in countries where the Bank operates and insistence on fiscal transparency.

The TI-USA statement on the nomination of Mr. Zoellick as World Bank president is available at: <http://www.transparency-usa.org/documents/TIUSAStatementJune1207.pdf>

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will be enhancing “an open investment environment including strengthening corporate social responsibility principles” and “defining common responsibilities for development with special regard to Africa.” TI has raised concerns about the impact of emerging economies on the anti-bribery and transparency agenda and welcomed these and the additional commitments, in other sections of the declaration:

- To “strategic advancement of the (OECD) Convention through continued engagement with *non-party emerging economies*;”
- To encourage emerging countries “to meet the international anti-corruption standards” and invite them “to adhere to international anti-corruption instruments;”
- To initiate, in the context of EITI multistakeholder conference, a

dialogue with governments and state-owned companies in major emerging economies.

The leaders also focused on “Responsibility for Raw Materials: Transparency and Sustainable Growth,” and committed to fight corruption in both *revenue raising and expenditures* and to continued financial, technical and political support for revenue transparency initiatives, including the Extractive Industry Transparency Initiative (EITI). TI chapters in both developed and developing economies participate actively in EITI and welcomed the specific proposal of the G8 Presidency to convene in 2007 a *multi-stakeholder conference* on transparency in the extractive sector.

While TI welcomed the breadth of the 2007 commitments, its Report

underscored the fact that, since the 2002 G8 Summit, the leaders have made numerous commitments but many have failed to live up to them. The Report notes, for example, the failure of Russia to take action, in particular by participating in the EITI. It also points to the failure of Canada, Japan and the UK in particular to enforce the OECD Convention. This was underscored by extensive press coverage during the Summit on the UK's termination of an investigation into allegations of bribery by BAE in the Al-Yamamah contract with Saudi Arabia. TI chapters, which have called for reinstatement of the investigation, will intensify their focus on pressing for the UK to promptly remedy the deficiencies in its foreign bribery law.

See the full TI G8 Progress Report at: <http://www.transparency.org/content/download/19961/276777>



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David Lane
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Nancy Zucker Boswell
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RECENT & UPCOMING EVENTS

- June 18-19:** Transparency-International-NATO Meeting, Brussels, Belgium
- June 26-28:** "Globalization and the Good Corporation," World Bank Institute, New York, NY
- June 28:** "Illicit Financial Flows: The Missing Link in Development," Center for International Policy and the Hills Program on Governance at the Center for Strategic and International Studies (CSIS), Washington, DC
- July 5-6:** UN Global Compact Leaders Summit "Facing Realities: Getting Down to Business," Geneva, Switzerland.
For more information visit www.globalcompactsummit.org.
- July 7-8:** Transparency International Board Meeting, Berlin, Germany
- July 10:** "Anti-Corruption Efforts in Latin America: Lessons Learned," CSIS, Washington, DC
- July 13:** "Instruments of Reform for Increasing Accountability: The IMF Code of Good Practices on Fiscal Transparency and Guidelines on Resource Revenue Transparency," Transparency International-USA, Washington, DC (RSVP to Brian Morgan at bmorgan@transparency-usa.org or 202-589-1616)
- July 25-26:** World Trade Organization (WTO) General Council Meeting, Geneva, Switzerland
- August 9-14:** American Bar Association (ABA) Annual Meeting, San Francisco, California
- August 27-31:** UNCAC Working Group, Asset Recovery and Review of Implementation Meetings, Vienna, Austria
- September 2-9:** 3rd Meeting of APEC Business Advisory Council (ABAC), Sydney, Australia
- September 8-9:** 15th APEC Economic Leaders' Meeting, Sydney, Australia
- September 20:** G8 Foreign Affairs Ministers Meeting, Germany
- October 1-2:** UNCAC Working Group on Technical Assistance Meeting, Vienna, Austria
- October 3-6:** ABA 2007 Section of International Law, Fall Meeting, London, UK
- October 8-10:** 12th International Business Forum 2007, World Bank, Washington, DC
- October 9-10:** WTO General Council Meeting, Geneva, Switzerland
- October 19-21:** World Bank Group and IMF, Fall 2007 Annual Meetings, Washington, DC
- October 24:** Advisory Committee on Voluntary Foreign Aid, Fall Public Meeting, Washington, DC
- October 27-28:** Transparency International Annual Membership Meeting, Bali, Indonesia
- December 4-20:** Conference of International Non-Governmental Organizations, UNESCO, Paris, France

NOTEWORTHY PUBLICATIONS & SPEECHES

- Jeremy Carver (TI-UK), Peter Clark, Cadwalader, Wickersham & Taft LLP (TI-USA Board Member), and Lucinda Low, Steptoe & Johnson LLP (TI-USA Board Member), speakers at *Minimizing the Risk of Improper Payments in an Era of Increased International Enforcement*, American Conference Institute, London, UK, June 13-14, 2007.
- David de Ferranti, Brookings Institution (TI-USA Board Member), speech on "Developing a Framework for Understanding Interactions of Governance Structures and Goals for Improved Transparency and Accountability," Transparency and Accountability Project (TAP), Brookings Institution, May 24, 2007.
- Michael Hershman, The Fairfax Group (TI-USA Board Member), speeches on "Developing Anti-Corruption Training Programs," *UN Global Financial Crimes Congress*, Bangkok, Thailand, April 18, 2007; "Corporate Compliance," *International Investigators Conference*, Vienna, Austria, May 10, 2007.
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We welcome news of events, publications and speeches.

Please email your contributions to Brian Morgan at administration@transparency-usa.org