



TI and the IACC Council:  
Augustine Nueindana, Michal Burian, Kevia Ford, Key-Chong Park, Peter Eigen, Gillian Dell, Michael Hershman, Barry O'Keefe, Carlos Morelli.

## Media gets its first look at TI's first-ever Global Corruption Report

Transparency International held a pre-launch press conference Wednesday to introduce the Global Corruption Report 2001. Calling it a snapshot of the state of corruption around the world, TI Chairman Peter Eigen said the report was a new tool to "give the international anti-corruption community a sense of where we are going".

The GCR, to be launched on 15 September in London, Washington DC and Buenos Aires, includes detailed and comprehensive coverage of money laundering, corruption in the arms trade and conflict zones, and corruption amidst the international community in post-conflict situations. But, consistent with TI's mission to facilitate civil society in its fight against corruption, the report also charts the positive reforms introduced during 2000-2001, said the book's editor, Robin Hodess. The taboo surrounding corruption has been broken and corruption is now a key item on the agenda in many countries, she said. An example analysed in the report is the implementation of the OECD Anti-Bribery Convention, a major step forward against international corruption. The GCR also includes 12 regional reports written by some of TI's chapters, offering a unique survey of the state of corruption in their regions.

For more information on the Global Corruption Report 2001, please see [www.globalcorruptionreport.org](http://www.globalcorruptionreport.org), or stop by the TI stand at the Prague Congress Centre where the GCR is currently on sale for USD 30. Interested media should contact Jeff Lovitt at +491624196454.

### ATTENTION PRESS

This morning's press conference at 12:30 with Vicente Fox is limited to journalists with prior accreditation only. (To verify that you are accredited, please see the list in the Press Centre.)

Due to security clearance requirements, we kindly ask you to arrive early.

All journalists are invited to attend the press conference with plenary speakers, which takes place upon President Fox's departure (approx. 13:00)

We would like to apologise to IACC participants, who wished to attend the Capital Markets workshop on Wednesday morning, and to PriceWaterhouseCoopers, workshop co-ordinator. News of the workshop's cancellation was not circulated in time. Persons interested in information from the workshop co-ordinators should write to [clough@transparency.cz](mailto:clough@transparency.cz).

Brady Clough, TI-Czech Republic.

## Art and film prizes awarded at Gala Evening

Prague Mayor Jan Kasl was on hand at last night's IACC gala evening at the Municipal House to award prizes to Art against Corruption winners in the Literature and Photography competitions. TI Chairman Peter Eigen handed out prizes in Transparency International's first-ever anti-corruption film festival. Seventeen films were shown in Prague from 6-8 October as part of Film for Transparency 2001. The winners of the film competition were: Best Documentary: **Right to Information** (India, 1999), directed by Anurag Singh; Best Student film: **ID Citizen** (Venezuela 1999),

directed by Diego Velasco; Runner-up Student film: **Home Sweet Home** (South Africa, 2000), directed by Norman Maake.



Prague Mayor Jan Kasl awarding prize in Art against Corruption literature competition.



Peter Eigen

### INVITATION

We are pleased to invite all conference participants to the theatre events taking place at the exhibition tent on Wenceslas Square on 11 October, from 13:00-16:00 (after the final plenary session).

Weather today

19 °C



partly cloudy

# news

10th international anti-corruption conference

## Small actions can and do make a difference



Marie-Noëlle Patterson

As the 9 year-old son of Marie-Noëlle Patterson, Vanuatu's first Ombudsman, once told his mother, "Big countries are like small countries, only bigger." In her speech at the IACC plenary meeting, Ms Patterson told the gripping story of her 5-year term in office in Vanuatu, a Pacific island with a population of 200,000. She insisted that her story had important lessons for the fight against corruption in even the largest countries in the world: "Small actions in our big world can and do make a difference."



Baltasar Garzon

As Vanuatu's Ombudsman from 1995 to 2000, Ms Patterson produced a long series of hard-hitting reports on malpractice in public office, challenging officials as high as Cabinet Ministers and the Prime Minister. She aroused strong opposition, but her continued efforts to expose wrongdoing received wide support from the public. She urged IACC participants to follow her lead in confronting corruption without compromise: "We need to be prepared to offend people more...If I had restricted myself to diplomatic, measured phrases, I would have achieved nothing."

Yesterday's plenary session was on the subject of "Strengthening Institutional Restraints". A range of approaches was discussed for reforming and controlling institutions. Ms Patterson was joined by Baltasar Garzon Real, the Spanish investigating judge who indicted former Chilean ruler Augusto Pinochet, in stressing the importance of investigative agencies in exposing corruption and bringing corrupt officials to justice. Cheryl Gray - summing up recent thinking in the World Bank - argued that fighting corruption is all about changing institutions. Fighting corruption is not just about writing laws; it's about changing "the rules of the game" that govern behaviour, changing incentives to move institutions from a "high corruption equilibrium" to a "low corruption equilibrium" in which citizens themselves enforce anti-corruption legislation by exposing wrongdoing. Ms Gray described the change in the World Bank's thinking over the last 5 years, which has led to an increase in World Bank lending for institution-building from USD 2.5 billion in 1999 to USD 4.5 billion in 2001.

Echoing Ms Patterson's comment that small actions can make a big difference, Ms Gray pointed to the invaluable lessons which can be learned from specific projects around the world - from letting Ugandan parents know exactly how much money their children's schools should be receiving to using the internet to make public procurement more transparent in Chile.

by Toby Wolfe

## World Headlines

- Police in the UK are investigating alleged comments by a spokesman for a radical Muslim group that British Prime Minister Tony Blair is considered a "legitimate target" for Muslims.
- Indonesia has become the latest country in Asia to be hit by violent protests as the backlash against the US-led strikes over Afghanistan spreads. On Wednesday as many as 600 students tried to knock down the main gate leading into the parliament building in the capital, Jakarta, as they gathered for a third day of protests.

## Czech Headlines

- The Czech Republic is prepared to take part in the US retaliation against terrorists by providing a Russia-made transport airplane Tu-154, which would carry material and people between Europe and the US.

## Today's speakers

### Plenary Meeting

**Ekaterina Genieva:** President, Open Society Institute Russia.

**Peter Eigen:** Chairman of Transparency International.

**Remi Parmentier:** Political Director of Greenpeace International.

**Soli Sorabjee:** Attorney General of India.

**Ayo Obe:** President of the Civil Liberties Organisation, Nigeria's oldest indigenous human rights organisation.

**George Soros:** International financier and Chairman of the Open Society Fund

### Closing plenary and Handover Ceremony

**Marie Bohatá:** Head of the Czech Statistical Office and Chairperson of the Board of Directors of Transparency International Czech Republic.

**Vicente Fox Quesada:** President of Mexico.

**Pavel Rychetský:** Deputy Prime Minister of the Czech Republic, responsible for legislative affairs.

**Kun Goh:** Mayor of Seoul.

# 10<sup>th</sup> IACC at a glance



"If customs, police and security professionals are corrupt, no expense of high tech devices will provide our citizens the security they deserve. If corrupt public servants provide false identity documents, terrorists will move more freely throughout the world, and all of us, and all of our society will remain threatened."

**Ronald Noble**

"The rule of law is the lamp that lights democracy."

**Eva Joly**

"I strongly believe that sensitisation to the issue (of asset recovery) is growing, with the interest of the UN, the EU and the experience we've had in Nigeria in the past 15 months. Switzerland has been co-operating with us. In the past few months, the UK government has started to co-operate. But we should push further."

**Chief Bola Ige, Attorney General and Minister of Justice, Nigeria**

"Corruption is the only crime that is advantageous for both sides."

**Czech Prime Minister Milos Zeman**

"To fight corruption of an international nature, we need an international jurisdiction."

**Baltazar Garzon**

"It occurred to me as I looked out here that this is not a very democratic conference, as I don't see many corrupt people here to defend themselves. I hope this is not one of the reasons you've invited me here."

**Ricardo Semler,  
CEO of Semler Industries**



# Taking stock of recent forms in Mexico



Francisco Barrio

President Vicente Fox arrives in Prague today and will address the 10<sup>th</sup> IACC. In the anti-corruption world, all eyes are on Mexico, which is undergoing extraordinary changes.

Transparencia Mexicana, the national chapter of Transparency International in Mexico, has contributed to these changes. In October 2000, the chapter met with the newly-elected president and presented him with an agenda called *10 Actions in Favour of Transparency and Against Corruption*. The measures included the provision of better access to public information, and the improvement of public accounting methods.

Against this backdrop of demands for change, one of the first actions of President Fox after taking office in December was the

## World's forests at risk

"Laws are one thing, the means to implement them quite another," said Maritta Koch-Weser, opening the IACC corruption in forestry workshop.

The workshop provided an opportunity for forestry experts, researchers and activists to share ideas on the place of corruption in debates about illegal logging and the means of combating corruption in forestry. It focused on the role that the Forestry Integrity Network (FIN), originally founded at a workshop in Harvard in May 2000 under the auspices of Harvard University, Transparency International and IUCN, could play in fostering constructive debate and networking around the issue.

In Brazil, more than 70% of concession

creation of an anti-corruption commission in the public administration. This is something unprecedented in Mexico, says Francisco Barrio, the minister responsible for the Department of Comptroller General "The commission regroups Ministers, the Attorney General and the heads of the offices in the Presidency in an inter-ministerial commission whose only mandate is to fight corruption," says Barrio. The recent changes have also been marked by more openness, with input being sought from many sides, including civil society.

One year later, what are the major challenges still facing anti-corruption efforts in Mexico? For one, it is very difficult to measure results, according to *Transparencia Mexicana*. Success can potentially be measured by "frying the big fish"; by sanctioning hundreds of public servants (as was recently done in the firing and fining of 5,000 government employees); or it could be left to subjective perceptions. It is also difficult in this vast country for the average person to recognise the hand of the federal government, state governors, or municipal bodies in any changes in policies or services. This makes any evaluation of the government's attempts at clean-up particularly difficult.

One area where Mexico is clearly leading among Latin American countries is the government's electronic procurement system (COMPRANET). Launched in 1995, it has received a boost by the new administration. *Transparencia Mexicana* - which has already been monitoring major public procurement projects through schemes known as Integrity Pacts - says that this gives the pact a new dimension. Through

management plans violate the law. In the early 1990s, forest product exports from Malaysia to Japan were underreported by 40%, according to panellist Nalin Kishor of the World Bank Institute. Koch-Weser spoke of the way that corruption in forestry was a source of "quick money" and a "movable feast", in the sense that, as with money laundering, it could constantly evade national legal measures to prevent it by moving across borders. The non-cohesiveness of laws to protect forests from illegal and corruption-related activities at the global level is a major obstacle.

While FIN is not a "magic bullet" to end corruption in forestry, it could offer some gains - by enabling participants to pool their research and advocacy, in order to embarrass perpetrators more forcefully. Dr

the TI Integrity Pact government procurement agencies and bidders for the contract sign a pledge not to offer or receive bribes. With COMPRANET, this is done on-line.

Ironically, it was COMPRANET that led *Milenio*, a Mexican newspaper, to uncover a scandal this spring which was quickly dubbed "Towelgate". Figures posted on the web site revealed that President Fox's residence was in the process of being stocked with exorbitantly priced towels. Why the fuss over a few towels? "Public expectations of the new government are extremely high," says *Transparencia Mexicana*. "And this was the first opportunity to think: Aha! All politicians really are the same."

Despite the scandal, political will against corruption is still on the rise. Every week new programmes and initiatives are publicised, including a children's web site through the Federal Comptroller's Secretariat. These examples show new interest in laying the groundwork for an effective strategy against corruption. Francisco Barrio compares successful anti-corruption reform with bamboo: "It takes a lot of time to catch, but once it starts to grow, it grows quickly."

Next on *Transparencia Mexicana*'s agenda is a new National Corruption Index, which for the first time will match perceptions of corruption with hard data. The chapter has tracked 38 public and private services all over the country and these have been ranked in terms of actual frequency of incidents of bribery. The survey - to be published immediately following this conference - will certainly be read by many with great interest, not least the government itself.

Ajit Batterjee from Calcutta, India, who has won international prizes for his work in community forestry programmes, described the way that empowering local people to prevent corruption in their forests can "nip the whole thing in the bud". Corruption facilitating illegal forestry activities is so rife that "even the birds are smuggled out, using dyes to disguise them."

Cornelis van Tuyll from German development agency GTZ emphasised the gravity of the situation. "Corruption in forests is a major problem - in timber production, in national parks and in nearby areas - yet most people continue to look at forestry as a technical issue instead of a societal one."

by Jessie Banfield