

The Prague Agenda

We, some 1,300 people from 143 countries, drawn from governments, civil society and the private sector, assembled in our individual capacities in Prague, capital of the Czech Republic, from 7 - 11 October 2001 for the 10th International Anti-Corruption Conference. The theme was "Together Against Corruption: Designing Strategies, Assessing Impact, Reforming Corrupt Institutions".

Our earlier gatherings have been held in Washington (1983), New York (1985), Hong Kong (1987), Sydney (1989), Amsterdam (1992), Cancun (1993), Beijing (1995), Lima (1997) and Durban (1999). Many of us had also participated in the Global Forum discussions in Washington (1999) and The Hague (2001).

Our proceedings were chaired by Marie Bohata, Head of the Czech Statistical Office.

Our plenary sessions were addressed by H.E. Milos Zeman, (Prime Minister of the Czech Republic); Ronald Noble (Secretary General, INTERPOL, France); Eva Joly (Investigating Magistrate, France); Ann Pettifor (JubileePlus, UK); Joris Demmink (Ministry of Justice, The Netherlands); Jean Lemierre (President, EBRD); Fernando Olivera (Minister of Justice, Peru); Seiichi Kondo (OECD), Daniel Kaufmann (World Bank Institute), Heinz Rothermund (Royal Dutch Shell), Ricardo Semler (Semco Industries, Brazil), Patrick Alley (Global Witness), Baltasar Garzon Real (Investigating Judge, Spain), Francois Werner (International Olympic Committee), Marie Noelle Patterson (Vanuatu), Liu Liying (China), Peter Eigen (Transparency International), Ayo Obe (Nigeria), Freimut Duve (OSCE representative on Freedom of the Media), President Vicente Fox Quesada (Mexico) and George Soros (Chairman, Open Society Institute).

Plenary sessions were also chaired by Maria Livanos Cattai (International Chamber of Commerce); Frank Vogl (Transparency International); Petr Brod (Czech Service, BBC); and Ekaterina Genieva (President, Open Society Institute of Russia).

Our proceedings were honoured by being opened by President Vaclav Havel, himself once imprisoned by a totalitarian administration for speaking out against abuse of power and human rights. They were further enriched by the presentations of the 2001 "Transparency International Integrity Awards". The French investigating magistrate Eva Joly, was recognised for her courageous work in uncovering high level corruption. The prosecutors and people of the Brazilian city of Londrina, who had joined forces to quite literally sweep a corrupt city administration from office, were similarly acclaimed. Corruption, they have shown, is a threat to societies in the developed and developing worlds alike.

We met against the background of the worst single act of terrorism the world has ever known, one which cost the lives of thousands of ordinary men and women from more than 80 different countries. In expressing solidarity with the victims of all such abuse, we welcome the actions being taken around the world to strengthen institutions and practices to contain the continuing menace those who would perpetrate such acts present to citizens everywhere.

The Secretary-General of Interpol stressed the role played by corruption in facilitating these crimes against humanity. He pointed out that none can afford to separate the fight against corruption from the fight against terrorism. Mutual legal assistance arrangements have to be strengthened, financial regimes improved and new laws passed, but none will have the effects intended if customs, police and security officials are corrupt. The best security structures are rendered impotent if undermined from within by corruption. We are also conscious of the need to fight the endemic corruption that is blighting the lives of many millions of people around the world, creating feelings of helplessness and despair and an environment that can provide a ready recruiting ground for those who seek allies in their murderous causes.

Our proceedings were given added poignancy at our opening ceremony when we paid tribute to Carlos Alberto Cardoso (Mozambique), Luis Carlos Galán Sarmiento (Colombia), Georgy Gongadze (Ukraine) and Norbert Zongo (Burkina Faso). Each paid with his life for his efforts to bring about just and honest government in his country.

President Havel reminded us, in the context of the first occasion of our Conference taking place in Central or Eastern Europe, that there is a direct link between corruption and human rights abuse, with the corrupt suppression by all means of those who peacefully criticise those in power. The Prime Minister of the Czech Republic also observed that the main tool of the economic Mafia in its battle with political establishments is not murder but corruption.

Ours is a powerful coalition which has grown increasingly in size and strength over the course of past Conferences. We are committed to building global standards of transparency and accountability not only for governments but also for the private sector, civil society and international institutions alike. We do this in the belief that we are contributing to improving the welfare of people throughout the world, particularly the poor, and see these standards as fundamental to achieving acceptable levels of social justice buttressed by the Rule of Law. We must encourage others to embrace transparency and accountability, but we ourselves must ensure that our own practices also meet these standards.

In the process of forging these standards, the role of developed countries is of central importance. Not only do they have a legal and moral obligation effectively to enforce the OECD Convention Against the Bribery of Foreign Public Officials, but they have also to be aware that many other countries look to them for examples of good practice in building modern government.

When developed countries grant impunity to their political leaders; when they fail to enforce laws against their political and business elites; when they obstruct investigations; when they act to weaken laws designed to counter money-laundering and international mutual legal assistance; and when they prevaricate in providing assistance for the return of assets looted by leaders of developing countries back to the countries where these assets rightly belong, such developed countries serve actively to undermine our undertaking. All developed countries have a duty to help the oppressed throughout the world, and to condemn - not grant succour to - the oppressors.

However, developing countries and countries in transition, with their more fragile infrastructures, face great challenges, and reforms in the developed world will serve little purpose in advancing social justice world-wide if developing countries and countries in transition, too, do not play a full and active part.

Transparent and accountable practices must be developed right across their institutions, including the private sector; ethics, both in and out of government, promoted; the voting records of individual legislators made public; clear and unambiguous conflict of interest provisions enforced; sound and timely accounting practices generated for government and private sector alike, consistent with international accounting and auditing standards; a free media encouraged; strong and effective regulatory mechanisms, including the financial sector, put in place; reliable records management systems established; score-cards for public procurement developed; and above all, the forging of independent and able judiciaries committed to upholding the Rule of Law.

These are just some of the features of individual national integrity systems that must be established and sustained if corruption is to be constrained. This is no easy task, but it is one with which we are all ready to assist - development agencies, IFIs, international institutions, the private sector and civil society alike. We were particularly encouraged to hear the recently-elected President of Mexico express his determination to adopt this approach, and to do so with the support of civil society.

Our own experience confirms that the establishment of coalitions of interests such as our own at the national level is one of the most effective steps a society can take in its efforts to curb corruption.

It is incumbent on all to play a full and committed role in our struggle. In this a heavy burden rests with the professions - legal, accounting, financial and engineering - who have for so long played a sinister part in actively facilitating corruption and who now have an opportunity to make a positive contribution to our efforts. With the criminalising of much international bribery under the OECD Convention, these professions must realise the risks they will run if their habits do not change. Repeatedly, the point was made that civil society in various parts of the world is starting to offer a secular framework for institutional change.

A further remarkable demonstration of the potential we have in working together was the offer made by Interpol (which has no authority over its member police forces) to share with civil society their materials for building ethical police forces to empower civil society organisations to take appropriate follow-up action in their own countries.

Some of the issues mentioned can be addressed through the proposed United Nations Convention Against Corruption. We look forward to the early conclusion of this new international instrument. However, we are concerned that the drafting process should not be used as a pretext by those who wish to delay urgently needed reforms. We also believe that any such Convention must have a strong and effective monitoring system if it is to have the impact that is needed. We look to the Convention to enshrine a prohibition against the affording of safe havens to corrupt officials who flee their countries, such as the one contained in the Inter-American Convention.

In this context we heard a strong call for the immediate return from Japan of the disgraced former president of Peru, Alberto Fujimori, to the country he governed for ten years and to whose people he should account for his stewardship. Similar demands were made for the return from Britain of the funds looted by the late Sani Abacha while military head of state in Nigeria, as called for by African civil society in their Nyanga Declaration.

International systems must ensure that these shameful events are not repeated. Arrangements for mutual legal assistance are clearly in urgent need of attention, and we will play our part in the efforts now under way to reform these as an element of the global initiative against terrorism.

We have worked for two years with eleven leading international banks from Europe and North America to improve "Know Your Customer" principles as a method to reduce money-laundering, among others by corrupt politicians and their business associates. We strongly support the resulting "Wolfsberg Principles", which continue to be refined and made more specific. We would like to see these Principles adopted by all leading banks and extended across the full range of the financial services industry. We strongly support current initiatives to make anti-money-laundering rules more effective, and to increase cross-border cooperation between bank supervisors and law enforcement officials.

We have noted with appreciation the new determination of the Swiss authorities, in marked contrast to the past, to provide more effective international assistance, a process we expect to continue and broaden. We also noted the recent moves to introduce greater transparency into transactions financed by the World Bank, and look both to other international financial institutions to follow this lead and to the World Bank itself to pursue further an agenda of increased transparency.

The structural injustices that developing countries and countries in transition face also featured prominently in our discussions. These are also reflected in relationships with international financing institutions. In many heavily-indebted countries debt is negotiated in secret, a situation

which we deplore, and in some there are no public records of debt at all.

The incurring of debt, we noted, is neutral. It can be an engine of development when used prudently and transparently. Debt can, however, be misused as a means of plundering a country, with catastrophic consequences for a country's people. Accordingly, we repeat our statement at Durban, namely that we support unreservedly debt relief in circumstances which ensure that the benefits flow to the poor.

We acclaim the initiative of JubileePlus in proposing that in future there should be an open and transparent judicial inquiry into the circumstances in which unpayable debt has been incurred to determine who should bear the liability for bad lending decisions. Such a mechanism would unquestionably introduce stronger elements of discipline, transparency and accountability into the international architecture.

Where debt is incurred by corrupt and repressive elites to enrich themselves, there is no reason why its burden should solely fall on their repressed people. Again, we look to international financial institutions and to the governments of industrialised countries to use their positions to require that borrower governments publish full details both of the loans they receive and of the purposes for which they are provided.

Likewise, we agreed to explore a suggestion by Global Witness that the U.S. Securities and Exchange Commission (SEC) and leading stock exchanges should make it mandatory for corporations in the extractive industries to declare the royalties and tax payments they make to individual countries.

Ours was not a conference of empty rhetoric and generalised condemnation of corruption and the corrupt. Rather, throughout the week and in over 100 workshops we addressed specific challenges of how corruption can be addressed, in institutions, in corporations and among people who work in them. We examined success stories, some the result of previous IACC and Global Forum discussions, and we dissected initiatives that had proved less fruitful.

Successful innovations range from the dramatic improvements for the children of Uganda that increased transparency in the funding of their schools has brought about, to the potential savings realised by transparent e-procurement now practised in countries such as Chile, Korea and Mexico.

Class (i.e. community) court actions are being brought in increasing numbers, successfully challenging abusive government decisions; ethics programmes are being introduced in a professional and targeted manner; methods are being developed to identify successfully over-priced contracts before they can be signed by governments; and in some countries political parties are starting to cooperate with civil society to contain corruption in political party financing.

The issue of "conflict diamonds" is being addressed in practical ways; Transparency International is developing business integrity principles with actors from the private sector; a number of individual corporations are providing a strong lead on practising transparency and accountability in the societies where they operate; and techniques are being developed to assess and to monitor the progress being made to reform and refurbish national integrity systems. The International Olympic Movement has expressed a wish to work with us in the development of its own needed reforms.

We have also begun to address the special challenges presented by post-conflict situations, and the need to secure ways in which emergency assistance can be rendered more effective by being shielded from corruption.

All are the products of consultation and cooperation between major elements of our coalition - governments, the private sector and civil society.

For the future we identified initiatives, too numerous to list in a declaration. Appropriate groups from within our coalition will carry these forward and progressappraised when next we meet. Details will be posted on our web site. They cover governments, the private sector and civil society, and include preventive and awareness-raising measures no less than steps to achieve both enforcement and institutional strengthening.

We noted that the element of gender is of particular importance. Not only does corruption bear disproportionately on women, but they have a major role to play. We were delighted to welcome for the first time a number of youth groups to our discussions, and were similarly pleased that religious organisations are also joining in the coalition.

We cannot leave Prague without expressing our heartfelt thanks to our hosts, Transparency International Czech Republic and the Government of the Czech Republic for the excellent arrangements they made for us. We take with us abiding memories of a city of elegance and a people of warmth and generosity.

We look forward to meeting in the City of Seoul in two years' time, there to ensure that our deeds will have matched our words.

Prague

11 October 2001