

14TH INTERNATIONAL ANTI-CORRUPTION CONFERENCE
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Plenary I – Corruption, Peace & Security

Panelists:

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| Melinda Crane | Deutsche Welle (Moderator) |
| Gareth Evans | President Emeritus of the Brussels-based International Crisis Group |
| Kunio Mikuriya | Secretary General of the World Customs Organization (WCO) |
| Geraldine-Fraser Moleketi | Democratic Governance Practice Director, UNDP |
| Bill Hughes | Managing Director, Serious Organized Crime Agency, UK |
| Ernesto Savona | Professor of Criminology Università Cattolica del Sacro Cuore, Milan, Director of TRANSCRIME |
| Magdalena Sepulveda | Independent Expert on Human Rights and Extreme Poverty for the Office of the UN High Commission of Human Rights; Director of Research, International Council on Human Rights Policy |
| Salil Shetty | Secretary General, Amnesty International |

Transcription

Emma Suwanarat:

Thank you, Dr. Crane....When you are ready, the floor is yours.

Melinda Crane

Thank you very much and hello, welcome....

When we reflect on corruption, we often think of it in a commercial or a bureaucratic context, as an expensive nuisance that makes transactions burdensome and unpredictable. But, in fact, it is much more than that. Corruption fuels many of today's gravest risks to security, from nuclear proliferation, to terrorism, to organized crime, and that is why we are meeting today, this plenary session on Peace and Security, to discuss that link between corruption and security. It is no accident that the countries which rank the lowest on Transparency International's global Corruption Perceptions Index are those with the legacy of conflict: Somalia, Afghanistan, Iraq, Sudan and Myanmar. The virus of corruption feeds on failed and failing states, with effects felt far beyond the borders of countries concerned.

They're not the only fertile hosts for this virus. Globalization and economic misery are exacerbating the corruption spread even in countries with little or no legacy of conflict. .Just like legitimate businesses, illicit networks are off-shoring, using advanced information and complicated trade flows to establish lucrative bases abroad. In doing, so they recruit from the most vulnerable segments of society.

How can we fight corruption in this particularly pernicious form? What levers are available when public institutions are ineffectual, when corruption and organized crime have, in effect, captured essential functions of the state? How do we break the link between poverty, crime and conflict?

So that those are the questions we want to talk about today... in this first plenary on Peace and Security..and it's my great honour to introduce a very distinguished panel by asking our panelists to go up to the stage as I call your names, and just before I do that I would like to say to all of you in the audience: we are going to be eager to hear from you, we very much want to hear your questions; toward the end of the session we will have about thirty minutes for that, so please do keep your questions in mind for later on.

And now please welcome with me our panelists: I would like to introduce first Gareth Evans, he is President Emeritus and former CEO of the International Crisis Group, the independent organisation

which is devoted to conflict prevention and resolution. He's also Chancellor of the Australian National University and the co-chair of the International Commission on Nuclear Non-Proliferation and Disarmament. He was one of Australia's longest-serving foreign ministers and he's the recipient of numerous awards for his efforts on behalf of peace and disarmament. *[Applause]*

Bill Hughes spent much of his 35 year career in British law enforcement battling organized crime, most recently as Director-General of the UK's Serious Organized Crime Agency which combines police, intelligence, customs and immigration functions. He's a member of Durham University Centre for Criminal Law and Criminal Justice and in 2009 he was made a Commander of the Order of the British Empire. Welcome. *[Applause]*

Kunio Mikuriya, Secretary General of the World Customs Organization (WCO), has led efforts to coordinate the work of the WCO with other international organizations to support trade facilitation and customs reform. Prior to joining the WCO, he held senior positions in Japan's Ministry of Finance, including, as Director of Enforcement, overseeing efforts to fight illicit trade. *[Applause]*

Geraldine-Fraser Moleketi is with the UN Development Programme where she serves as director of Democratic Governance Practice. Her prior career in the government of South Africa included 2 Cabinet portfolios: as Minister for Public Service and Administration and as Minister of Welfare and Population Development. And she was a member of the South African parliament. Welcome. *[Applause]*

Ernesto Savona is Professor of Criminology of the Università Cattolica del Sacro Cuore, Milan, and he is director of the TRANSCRIME Joint Research Centre on Transnational Crime. He has acted as a consultant to the UN, the EU and the US Department of Justice and he's a member of the World Economic Forum's Council on Organized Crime. *[Applause]*

Magdalena Sepulveda is the UN expert on Human Rights and Extreme Poverty for the Human Rights Council. She's a Chilean lawyer and she has taught at several universities, and provided technical assistance and training on Chilean rights to a number of NGOs and governments. *[Applause]*

Salil Shetty joined Amnesty International as Secretary General in July 2010. Before that he served as Director of the United Nations Millennium Campaign from 2003-2010 and as Chief Executive of Action Aid, an international development NGO. He's been actively campaigning for human rights since his youth in Bangalore, India. *[Applause]*

OK. That was a long walk but here I am. Gareth Evans, as I mentioned at the outset, all of the countries at the bottom of Transparency International's Index do, in fact, have a legacy of conflict. From your perspective, as a member of the International Crisis Group, what's the nature of this link between corruption and conflict? How does corruption threaten the security, not just of individuals but of States themselves?

Gareth Evans

I think there are four quite distinct ways in which corruption impacts on state security, putting at risk whole societies and the people within them.

The first is as a generator and facilitator of civil conflict. It's a little bit difficult to establish a strong causal link between corruption and civil conflict, although it is difficult to believe that corrupt and inequitable distributions of wealth and welfare haven't played at least a part in stimulating many of the civil conflicts whether they have been driven by grievance or greed or both, that have erupted over the decades, not least in resource-rich countries like Indonesia, Nigeria, Sudan and the Congo. But I think a much easier link to understand, and in mini-context much more relevant, is the role that corruption plays as a facilitator of some of the most savage civil conflicts we've seen. What makes such wars both possible and really lethal is the huge and still largely unchecked worldwide spread of small arms and light weapons and corrupt transaction involving border smuggling and diversions and material are really the norm in this area. So sometimes irresponsible trading rules, weak export controls play a part as well but it is corruption which is the real key to this. The money to buy such weapons also very often comes, as we know, from the theft or misuse of natural resources, West and Central African blood diamonds being the best known example. And again financing major civil conflict from the proceeds of trafficking and contraband, smuggling or drug trafficking has long been a phenomenon in countries in conflict, from Columbia to the Balkans, the former Soviet Union and elsewhere...So that's the first category.

And the second is the role of corruption as an inhibitor of post-conflict peace building. Now that's a crucial thing to get right, because we know now that the best single indicator of future conflict is past conflict and how crucial it is to address those underlying causes. The corruption environment here is often not very different from that in other high corruption environments but the opportunities for dishonesty seem to really multiply in post-conflict peace building situations, with consequences that are rather more troubling. Particularly acute problems that tend to arise: big one-off infrastructure projects creating, obviously high-level pay-off opportunities; large influxes of developmental and emergency aid, with ample skimming opportunities; big legitimate making profit opportunities operating as a cover for disguising less legitimate ones; and of course you've got the usual hangover from conflict periods of influential organized crime groups.

The third area that I want to mention specifically is the relationship between corruption and terrorism. Here again it is extremely difficult to find a causal link...If there was such a causal link you'd see a far higher correlation between terrorist targets and the most corrupt states. I think the real issue here again is corruption as a facilitator of terrorism. States where the law, the Rule of Law is weak, where criminalization flourishes, terrorists can accumulate weapons and funds and forge documents much more easily. They can take advantage of existing criminal organizations or create their own to traffick profitably in guns, drugs, humans to acquire and transport, including across state borders, the material they need for terrorist attacks, or they can simply bribe, as has happened, for example, with the FARC in Columbia on a massive scale, customs and security forces and local officials.

The final issue I want to mention, and maybe one that people don't think about as often as they should, is the role of corruption as a facilitator of nuclear weapons proliferation and terrorist opportunities, which is probably the greatest state security threat of all. Here the critical ingredient for states who want to get into the proliferation business, or non-state terrorist actors who want to use nuclear weapons, critical issues go to weapons design, manufacturing, technology and, of course, the materials that are necessary to make nuclear weapons. And here, with the formal rules being as tight as they are, circumscribing that activity, it is through the backdoor, the illicit backdoor of corruption, that a lot of such activity that has occurred in the past as we know with the A. Q. Khan Network in Pakistan, and we fear may occur in the future, will be dependent on this sort of bribery. And just very quickly the kinds of issues that are involved here, with the typical illicit procurement transaction involving convincing an individual or a firm to provide sensitive technology, or equipment or materials; to turn off the alarm system when a theft is going on; corruption to bypass or gain approval from whatever internal review process may exist, with a firm in question supplying that kind of material or technology; bypassing in the same way the export control system of the country in question; bypassing in the same way again, or gaining approval from customs or border control officials. We know that has happened in the past *and* in the United States and European countries as well as in the more familiar suspects, and we simply can't be certain that it is not happening now.

I won't go on, because I've been told to keep the opening remarks short, to say anything about the remedies for each of these problems...but in short I think one can say that there is simply *no* alternative in each of these areas to a really coordinated international effort based on cooperation; to enforce international mechanisms; to provide financial, institutional support when its needed; and of course it was to promote an anti-corruption culture, based on integrity and accountability. And perhaps we will have a chance to revisit some of the specific strategies later on.

Melinda Crane

Absolutely...We're going to be getting into remedies later on in the second half of our discussion. Gareth Evans, thank you very much. So a reminder there about how that link between corruption and conflict works. There's another interesting correlation in the Transparency International index, and that's to human rights. Many of those countries that are lowest on the global Corruption Perceptions Index are also those with very poor human rights records.

Salil Shetty, your organization, Amnesty International, is working hard to empower people along such areas as the right to information, freedom of expression...But can they really impede corruption in the sort of failing states that we're talking about, where civil society is really thin, where central institutions are shattered?

Salil Shetty

Yes, well... let me.... It is actually, in a sense, building on what I said this morning in the Opening Session because, see, when you say *failing states* or *failed states*, it makes it sound like they don't have capacity, that's the implication of that. But as you know, the same governments who are

otherwise incapable of delivering what they are supposed to deliver, they suddenly get a lot of capacity when it comes to fighting with their neighbours or, you know, abusing the human rights of their own population. So it's quite amazing how this capacity thing is quite elastic: it can stretch in whatever direction you want it to stretch. And let me also say that these functional....I mean on the one hand dysfunction in governments is not a question of dysfunctionality only in terms of capacity: it's a dysfunctionality in terms of political will to address these questions. Conversely, let's not assume that human rights violations are the preserve of failed or failing states. We have enough human rights violations happening, even in the so-called functioning or non failed states. I mean, if we take the case of the Roma population of Europe, for example, right now, who are being discriminated across several countries in Europe: let's remember that this is happening in highly capable, highly functional states. So I think it's more a matter of choice rather than the capability of the states.

Now in terms of how we can actually use freedom of expression, freedom of information to make change happen. There I think you have to go back to people's actions, where people get together and organize themselves because even in these places which are called failing states, there are people living there, you know, they belong there, that's their home, so that's where they have to find a way of operating.

So let me just give you one example of what Amnesty has been involved in very recently, and this happens to be in my country, in India, and this an interesting example. It's from Eastern India, from the state of Orissa. Now Magdalena Sepulveda is an expert in extreme poverty so she might be aware of the fact that, in Eastern India, the state of Orissa, the indicators on extreme poverty are comparable to Sub-Saharan Africa, if not worse in some cases. So, it is one of the poorest parts in the whole of the planet, and it is inhabited by indigenous people, the Dongria Kondh tribe in particular are the ones who make up the majority of the population there. Now as you know, indigenous people across the world are the ones with the least voice, they don't have actually the right to participate, the freedom of expression and information which you need. All of these things are denied to these people historically. So in this case the particular corporation is called Vedanta. Vedanta, a bauxite mining company, moved into this area which is the Nyamgiri Hills, and they wanted to mine bauxite there and also wanted to set up a refinery plant etcetera, and there was enough evidence to show that this would lead to massive displacement of people. It would also lead to quite a lot of environmental damage, and all of the downside impacts in terms of the people who live there. Now, according to the Declaration of Indigenous People and all the UN conventions for indigenous people, companies and outsiders or even governments cannot start projects where indigenous people live without free prior informed consent. That's the understanding, according to human rights law. But since people didn't have information on this, and since they didn't really have the freedom to express themselves in a systematic way, this would never have been challenged. But because it was a very interesting, I think, coalition of international bodies like Amnesty but a lot of them, the people themselves are starting to get organized and working with local organizations, but also working with several sensitive individuals, progressive individuals within the government itself, who came together and actually resisted this and this has been going on now for months. But we finally have both the expansion of the mining and the

setting up of the refinery has now been stopped because of the Ministry of Environment's decision that this has to be further investigated. So it has been stopped... So I thought it is good to give as an example of where if people are organized, and if there's a global organization, a coalition of people working together, it can make a difference. And the Vedanta case is very interesting because while Amnesty had some legal capacity to support the process of helping the indigenous people fight for their own rights, but in addition this company was listed on the UK Stock Exchange. So the fact that Amnesty has a strong presence in the UK made a very big difference in pushing the company to meet its obligations on the international stage as well. So I think it's a very good example of bringing these pieces together and from our perspective, you know, denying the right to freedom of information, freedom of expression, the right to participate, effectively means that we have the Rule of the Jungle and no Rule of Law and that's really what makes a big difference. So you can't have a situation where justice is simply on sale to the highest bidder: that's not the way society should function and that's really what we should challenge, and I thought this was probably a good opening case to talk about.

Melinda

In that jungle of course, Magdalena Sepulveda, it is the disadvantaged and the very poor who are disproportionately affected, exploited. Silal Shetty has just been talking about strengthening rights like freedom of expression, like the right to information: India, of course, now has a Freedom of Information Law that it is making a big impact. But can these things really help the very poorest? Don't they require some minimum level of education or even political representation in order to work with them?

Magdalena Sepulveda

Well, indeed it is very important to respect freedom of association, participation, empowerment but actually what the state needs to do is to really take positive measures to ensure that they reach those who are living in poverty. It is not easy to reach them with the policies because generally, and as it was mentioned here, those who are living in poverty, one of the causes and consequences of poverty is they have been suffering from structural discrimination. So they're ethnic minorities, they're indigenous group, the role model that was mentioned in regard to Europe, we meant that we are disproportionately represented among the poor, so in order to reach those who are living in poverty what you need to do is take positive measure that actually has to take into account, for example, the asymmetries of power. You cannot go into a community in which you want to reach the poor if you don't take into account the very specific context of that community, what are the asymmetries of power, because they are also *within* poor communities, there are those who are more powerful than others. Therefore you cannot have, for example, just to give an example, a meeting with women and men... then the women are not going to speak because they are subject to men and you really have to develop policies that take into account asymmetries power, cultural adequacies. So it is crucial to reach them. Why? Because sometimes they don't speak the majority language, they are from minorities, they are from indigenous groups, therefore the State has to take these very positive measures. Many times these measures are more expensive, but it is an investment otherwise you will

not be reaching them and you cannot just develop policies that just tick the box. So, OK, we're going to develop freedom of association but you don't...you don't reach them.

And in this sense I want to link this to the previous discussion in what you mentioned in your opening remarks. In regard...the fact that poverty and inequality, the increasing inequality in which we are living now, within countries and between countries, is an underlying cause of conflict. So if we think about it, for example, of the disappointment and distrust that seems to be everywhere, in every sort of crisis right now. But actually if you looking into those who are living in poverty, they have been the ones disproportionately affected by the crisis...first by the food crisis, then the financial crisis. So in fact since 2006, that the food crisis has been started, more than 180 million people have been falling into poverty and actually the number is quite alarming. Today in the world there are 1.4 billion people living into poverty. Of course, this is a major threat for security, for peace and there is a vicious circle here. If we don't develop, if we don't ...ah... stage another powerful actors, don't start working in poverty reduction or increase work on poverty reduction, on development, actually those who are living in poverty are the fertile ground for going into organized crime. We have seen this in many parts....a young men that is in completely despair because they don't have any other possibility, sometime the gang, or the criminal organization provides them with a way out, provides with a short life but the possibility to live a life in a better situation.

Again, to add on this, development policies are being hindered by corruption. Before, we need to take very comprehensive measures, if our development policies are not reaching the poor because of corruption, and at the same time those living in poverty are creating the conditions to move more people into organized crime. So what we need to do is to create development policies, combat corruption and combat organized crime, taking all these factors into account. And I will not develop this here but I will add that this has to be done from a human rights perspective, in which we take into account the dignity of individuals, their autonomy and their rights.

Melinda Crane

Thank you very much. In terms of the conditions under which such people can and are exploited, Bill Hughes, I would like come back to what Gareth Evens raised at the beginning when he was talking about the link between corruption and conflict. He mentioned both corruption within security and defence forces and corruption in post-conflict situations: how do we tackle those threats?

Bill Hughes

[Microphone problem] ...and Gareth took away most of the aspects I was going to touch on. There are two elements which you, Melinda, picked up on there. One is where there is a very strong law enforcement and defence regime in place, because that's an opportunity for organized crime to infiltrate, embed itself, and once law enforcement, which is very strong in a country, is infiltrated by organized crime, you have the worst possible scenario, which is the law enforcement and security apparatus of the state have access to the use of force, have access to data, have access to the levers

of power within the country, and they can exercise their rights and operate to allow organized crime to operate with impunity .

On the other hand, after post-conflict situations what we've seen in parts of the world are where there's very real and lack of the Rule of Law, the infrastructure is badly decimated. There is no Rule of Law and what happens then is that organized crime steps in and becomes, in many instances, the alternative form of government providing its own Rule of Law.

The danger in that part is that access then is either through the resources of that country, which sometimes developed nations forget to exercise concern about organized crime having control of it, because it is in their interests to do so and I'll make no more point on that because as an ex cop I'm not going to get involved in politics. But the other aspect as well is that organized crime uses these countries with a lack of Rule of Law and a lack infrastructure to become safe havens for them to operate in. They become centres where money can be laundered, where activity can be operated from. Melinda made the point earlier on about off-shoring: we will see, in the next few years, the internet capability of the continent of Africa growing enormously. Now that will be fantastic for the development of that continent. It will also offer great opportunities for organized crime because there are countries within Africa which have no infrastructure, are very poor in terms of law enforcement and other activity.

As a cop involved in international law enforcement, both of those scenarios that I've described just now gave me great cause for concern. How does law enforcement, from the UK or anywhere else deal, with countries where either the law enforcement has been infiltrated by organized crime and can't be trusted, or there's no Rule of Law and no law enforcement that you can trust to operate in that country? This is the real point for me to be here which is to try to raise the game in relation to corruption and law enforcement. Organized crime has gone beyond the capability of law enforcement to deal with alone, anywhere in the world. That's quite a strong statement to make, especially from an ex cop: but what it means is that we all have to come together to deal with organized crime because it is exploiting the opportunities out there through corruption and through a lack of Rule of Law in many countries, to create safe havens and to become very strong alternative forms of government. What we always must remember, though, is that there are those who will turn to organized crime to protect them—and you see examples of this in many countries: we saw it recently in Jamaica, where the dons control areas of the country and exercise power: at the end of the day, the real issue is organized crime is not in the business of administering justice for people, only in looking after and perpetuating its own money and status-grabbing opportunities.

Melinda Crane

Thank you very much.

Organized crime facilitates its own operations and conflicts through illicit flows of drugs, arms, people, natural resources. That of course makes customs agencies particularly critical but they're also quite vulnerable. Transparency International rates customs agencies as among the most susceptible to

corruption. Kunio Mikuriya, how do you strengthen customs institutions, particularly in situations like the ones we're talking about where overall governance is weak?

Kunio Mikuriya

Well, corruption in public institution destroys trust of the people in government, which will hamper government from discharging its responsibility, in supporting peace, security and prosperity. We heard about a reduction of poverty, but government and customs has a big a role to play. And because of its visible role at borders, customs is often perceived, as you have just mentioned, as the most vulnerable to corruption. But in reality, its performance strongly reflects the society in which it belongs, hence your question about, well, how to address this issue in countries where governance is weak. Well, customs could be a leading showcase for good governance because of its critical role in facilitating trade, a viable source of poverty reduction in line with the Millennium Development Goals. And also it plays a critical role in protecting society at borders. Well, the fight against corruption has already mentioned but also organized crime that uses illicit trade of drugs, firearms. But organized crime is changing its face very quickly and using other methods and other cases. For example, I see an increasing trend of using fake medicines and counterfeits to get more profit with lower risk. This is something that we have to face with and therefore the World Customs Organization has prioritized integrity as one of the building blocks of Customs in the 21st century strategy. Fortunately, we are observing increasing political awareness and willingness in this direction. Based on the best practices around the world, the WCO recommends three remedies in its Arusha Declaration.

Firstly, moderate and reasonable regulatory framework will avoid creating unlawful motivation for business in seeking evasion of their tax obligation by corrupting officers: for example, excessive high tariff levels and extensive exemption are typical examples of the opposite. Trade liberalization helps this strength for integrity

Secondly, simplification of procedures by using the information technology enhances efficiency and reduces opportunities for unnecessary interface between customs and business. Inefficiency is often the cause of corruption rather than the other way around.

Thirdly, adequate to human resource management is another key. Customs administration is as efficient and professional as its human resources. The recommended measures include providing decent working conditions while adopting merit-based recruitment, performance-based promotion and disciplinary actions. They will give a strong incentive to officers that adhere to integrity with a sense of pride, because losing their job becomes too costly in the economic and social sense.

Those three remedies, especially the latter two, should not be applied piecemeal, while just providing simplified procedures with the computer is not enough, while just improving the working conditions is not enough. This should be done in a comprehensive manner. This requires strong leadership of Customs managers, with the backing of political leaders and, of course, the support of business and civil society helps in garnering in this much-needed political commitment.

Melinda Crane:

Kunio Mikuriya mentioned the need to simplify procedures and use advanced information technologies—(that one does work as we can tell!)—as one of the essential components of this overall strategy. But of course organized crime is also taking advantage of advanced information technology as we heard from Bill Hughes. Ernesto Savona, several people have mentioned it and I'd like to hear in more detail from you: how is organized crime changing its *modus operandi* in ways that are facilitating more corruption and more conflict?

Ernesto Savona

Thanks! Well organized crime, like any other organisation, is changing in space and time and today you find that nobody speaks about Columbians: for example, twenty years ago Columbians were at the center of the problem, whereas today people speak about Mexico: 10,000 people have been killed. And this is what I call the *clamour* of organized crime, which is really very relevant. And once again you do have corruption against law enforcement in Mexico and many other countries. On the other side you have the silence when organized crime is infiltrating a legitimate economy, and corruption comes together with fraud. Why are these things relevant? Because understanding organized crime means finding appropriate remedies: you don't have the same remedies for clamour and silence. Things should be different and as organized crime is adapting to opportunities and risk of law enforcement, you need to re-adapt the risk, to what they perceive as a risk.

You can't use the same therapy for Mexico that you are using for Italian organized crime where it is going to infiltrate into a legitimate economy. You can't use the same thing for Russian organized crime...So you need to have a general view of what is going on, how do they....what is the *modus operandi*? Well it could be between classical and new: for example, it depends if you are looking into opportunities or risks: make an example: Maritime piracy in Somalia is a unique type of organized crime: your fishermen will become internationally known because they have been exploiting commercial rules and the level of law enforcement risk is almost non-existing at all for two reasons: One, you don't have a state...Somalia is a no-state country. Second, the international community does not know who is going to take action because you have a ship with a flag of one, with the owner of another one, and international waters are belonging to others. This is the only case, one of the few cases, where we have one group of people who are capable of exploiting all international regulations, and we still look how these people have been adapting themselves. And once again they are laundering money in countries such as Africa, which is going to be polluted, Kenya and Uganda, by the money coming from there.

So this is what counts as a corruption nexus, between organized crime and corruption. Look what is going on, things are not always equal: how do they change? How do they adapt to opportunities and risks and reshape once again remedies? While you have a gun, you can't address the gun always when the objective is changing from one side to the other, otherwise you always show it to the same gang but the objective is going on in another side. This is the reason why you should be flexible, as

flexible as has been organized crime, i adapting to the environment and I call this one as an environment.

Melinda Crane

Geraldine-Fraser Moleketi, you have fought corruption both at the national and the international level, you've worked in the South African government and in the UN: what, for you, are they most effective remedies that we have at hand and where do we particularly need more and better ones?

Geraldine-Fraser Moleketi

Gosh! I'd hoped you'd have asked me an easier question! Talking about the most effective remedies, I think the reason we're having this 14th global meeting and various other interventions is precisely because we haven't found all the remedies as yet. We don't really have, we've not reached the point where we say and can claim to have fully combated corruption. But, yes, there is one—two--one instrument that's in place: and that's the UN Convention against Corruption. I think that particular instrument allows a huge opportunity globally, because the instrument itself has come about as a result of negotiations that have taken place by Member States involving them and it clearly takes into account what are the broad, global realities that we need to confront in order to make sure that we combat corruption in the interest of ensuring the eradication of poverty, in strengthening democracy and so we can go on. But I think above all, it also takes into account regional realities and it takes into account specific country needs. It looks at the need to ensure that we strengthen institutions nationally. It looks at the whole issue of asset recovery and what needs to be done in that context. And so it goes on.

The United Nations Development Programme as well as the UNODC, we're working together to ensure that we engage in assisting countries and governments to mould their capacities in order to strengthen their ability to combat corruption, but above all to engage in the review mechanism that has been identified in the Convention itself, where there is and will be a peer review between countries to look at how they are failing on combating corruption, and I think that this is a huge instrument that could be quite a successful instrument in ensuring that we are able to reduce corruption and hopefully eradicate it.

And furthermore I want to say that what's very important is that, especially in a forum such as this one by Transparency International where we have civil society involved, is the role of civil society in monitoring progress, under-achievement, towards the attainment of the Convention itself because we know that this review mechanism provides opportunity in which there will be an Executive Summary that is made available publicly. Now that Executive Summary will capture the most important issues that need to be considered by governments, that reflects the achievements as well as the shortcomings; and I think the big issue is to ensure that governments are held accountable to fulfill what they have reflected in a review that they have engaged in.

What we've done as UNDP is we've gone a bit further: we've said, how can we go beyond the minimum? And that is a greater involvement, the greater involvement of civil society. So is there a mechanism? Yes there is one. Is it the best? I think we can make it be what it should be and we need to ensure that all stakeholders are involved to attain this. Thank you.

Melinda Crane

So I've heard so far in terms of remedies, starting from the individual level, empowering individuals, working on individual rights. We've talked about strengthening institutions, such as Customs Agencies. We've talked about the need for working with countries through treaties like the UN Convention against Corruption. I'm wondering why we didn't mention the OECD Anti-Bribery Convention: was that on purpose that you omitted that one?

Geraldine-Fraser Moleketi

Well, we could also talk about the various conventions, the instruments that are in the regional bodies and I think the OECD one is one important one. But I think I was looking at the global convention in terms of this being one that actually brings the world together and has inputs from the various regional instruments that are in place.

Melinda Crane:

Now, I would like to pick up on another suggestion for more international cooperation and coordination as well, which we heard both from Bill Hughes and from Gareth Evans, and ask both of you what *you* think *this* conference could do to that end, to promote the kind of international coordination that could be effective in meeting some of the threats that you talked about. And I'd like to ask Bill Hughes to go first and then Gareth Evans to address the same issue.

Bill Hughes

Thank you... What I was talking about really boils down to this: I'm pushing very hard for countries to have national security strategies that don't just focus on terrorism but also take into account organized crime. Too many countries—and my own is one—is where the two are separated out. We need to think about the threats to countries that come from organized crime and from terrorism, but look at it in the whole. As part of that, what we then will be doing in that strategy, is to start looking at where crime starts from: where it emanates, how it occurs, and it makes nations become part of a global approach in dealing with corruption and organized crime and threats generally. It is important that people in various countries understand why certain action is being taken and I give an example: many people are confused about why countries are operating in Afghanistan, for example, and some of that is because they don't understand that there is a Rule of Law process that's been gone through: it is not simply a military campaign. That's perhaps an example that we can move away from but it's the type of thing I am trying to look for and that's why I see the role between the international anti-corruption conference, the role of people involved in that type of work, and those in law enforcement who are looking for governments to become far more heavily aware of the damage and the threat that

organized crimes poses to them. And I've made the point many times before, and it is made in the paper that is available on the conference website, we are in an exponential growth of global business and that includes the organized crime business: they are also in exponential growth and it is getting bigger and bigger every day. Unless we start to deal with it internationally and in concert, then we will have major problems for the future because it will just grow beyond our capability to deal with. But international anti-corruption organizations lack investigative capabilities in many instances. Law enforcements has those capabilities....this is where the synergy needs to come for the future in order that we can deal with the real impact of serious organized crime on all countries all over the world.

Melinda Crane:

Gareth Evans, you outlined some pretty dire threats...What kind of international synergies do we need to combat them?

Gareth Evans

Well, international cooperation has to go a lot beyond big resounding declarations at conferences like this and big policy instruments that are agreed and outlined. Everything really depends on effective operational cooperation in practice to deliver operational specifics. There's a whole bunch of specifics that we ought to be focusing on on occasions like this and encouraging governments and governmental agencies to implement. Take, for example, in the area of facilitating a conflict and terrorism: that is an important corruption sort of check point that I've mentioned. Much more specific attention to the global supply chain and in particular, as far as conventional weapons are concerned, we've only go on a tiny distance down that track, not withstanding all the efforts that have gone into international conventions in that area so far. Much more effective control is necessary at the weakest points in those global supply chains, especially customs administration which has already been mentioned. Investing real resources in training and capacity-building across the spectrum of law enforcement agencies is absolutely critical. And that all applies also in the context of post-conflict post-crisis peace building. The training of law enforcement personnel, judges, prosecutors has been one of the areas of the most conspicuous, lamentable failure by the European governments concerned in Afghanistan, with consequences we are now seeing. Really it is critical also in that context to think more clearly when we're in post-conflict situations, or negotiating peace treaties, about some of the specific mechanisms mainly to be shoved down the throats of warring parties in a peace settlement context to minimize the opportunities for corruption that will be so inhibiting to peace building. For example, incorporating into formal peace agreements though measures for effective international financial controls being applied inside key agencies; international trust funds to actually administer aid programmes: there are all sorts of issues I know about like local ownership, issues of high principle here. But this is an area where international cooperation really is absolutely critical to get things moving. And even in the area of nuclear non-proliferation and terrorism, security concerns, there're lots of cooperative strategies here of a very specific kind that makes sense: improving very specific controls in sensitive technologies and making it very difficult in practice to overcome those controls. For example, making it necessary now to have a very large conspiracy which can be that

much more easily penetrated by national and international intelligence agencies. Very simple things can assist this, like having international agreements to have multiple key mechanisms for any sensitive facility, having two or three or four peoples' consent required before you can access the technology or the materials concerned. It is all about improving the probability that people will be caught and when they are caught they will be punished and all of that are things that really can be made much more effective with strong international cooperation by the agencies concerned, by the governments concerned, in these situations.

Melinda Crane:

Salil Shetty, when we talk about bundling functions, both nationally and internationally, for instance Bill Hughes' former organization, the Serious Organized Crime Agency, bundles organized crime, law enforcement, customs, immigration. Do you worry a little but about such super security agencies potentially infringing more on civil rights?

Salil Shetty

From Amnesty International's point of view, we fully respect the fact that states have to.....they have a duty to protect their citizens and to make sure that the public interest is taken of. But there is no doubt that since 9-11, the balance on this war and terror has tipped very much to the security side and it has distorted the protection of basic human rights or for people. I mean, you also have this shrouded in secrecy... a lot of things are now considered secret which were in the past were not.....so there's no doubt that if you ask a lot of people in some parts of the world they might suggest that George Bush should be categorized as some kind of a terrorist. That's not uncommon to hear on the streets of many parts of the world but that doesn't make him one just because somebody says so. And so that should be equally true the other way round and so you can't have a situation where one very powerful government could make an allegation that doesn't have to be justified because that's now shrouded in secrecy, because everything is an official security and public security issue.

Now, the odd thing is that many of these laws which are shrouded in secrecy are normally enacted as special power acts with very narrow limits, but over a period of time they keep broadening and they stay on much longer than what they were supposed to be for. So what we have are extraordinary renditions and forced disappearances, secret detention centres, all of this which are now slowly coming to light, bit by bit, because we didn't have the power to call for this information because it is all official secrets. Now the Wikileaks example was a most dramatic when they came out in both Afghanistan and Iraq and you had tens of thousands of documents out there. And Amnesty International actually took issue with Wikileaks because we thought that, particularly in the case of Afghanistan, it put at risk innocent civilians who are also sources for that information.

Now, oddly enough the governments that were in question--the U.S. government etc--have jumped on that part of what we are saying, Amnesty International saying that you are putting people at risk, but they're not actually acting on the fact that we're saying that there's a lot of facts out there which you need to be accountable for, which you need to take action against. So, you know, there's very selective use of what is security and what is justice.

And I just want to give you one example of the case of Mahel Alral who's a dual Syrian-Canadian citizen. Now Alral was detained by the U.S. government by the request of the Canadian government, at JFK Airport in New York. And he was detained for two weeks and then sent off to Syria. And we have credible accounts that...this resulted in him being tortured in Syria. Now, when he went back to Canada, the Commission of Inquiry cleared Alral, saying that, you know, there was no real case against him. In June, 2010, the US Supreme Court then declined to hear his case. So he cannot seek any damages now because on the violations of the principle of non XXXXX (Latin?), which means that you cannot send anybody back when you know fully well that the person is likely to be tortured. So and why is this not...why are we not getting any explanations on this? Because it's all again built around the sole secrecy thing. There's no remedy when there's secrecy. So freedom of information thing and the public security thing has to be very carefully balanced, otherwise you could end up with a lack of accountability and injustice and arbitrary use of power. And we cannot allow powerful governments to use state security to justify....sometimes not just one corruption but reinforcing corruption of weaker states. So this is a concern which I want to share with you as well.

Geraldine Fraser Moleketi

Sorry, I want to come in on an earlier point that I think Gareth made on the issue of capacity-building and the importance thereof and say I couldn't agree more and that's clearly something that's been worked on from both the point of multi-lateral organizations, and in some countries it's a bilateral thing and all this complete agreement. What I want to take up in is at the point you made about shoving down the throats of warring parties the whole issue of, well, whatever needs to be put in place to combat corruption... not only corruption you were quite specific. Now we've actually done a study of five post-conflict countries at the UNDP. The study is called 'A Study on Corruption in Post-Conflict Situations: Learning from the Past'. The interesting thing is you may not need to do too much shoving, because in instances of all countries....conflict, post-conflict countries and I would even argue other development environments....the citizens want to ensure that there are mechanisms in place to deal with corruption. And if you look, for example, at a country like the DRC, and we had someone from the DRC speaking, I think it was actually someone who's working on the whole anti-corruption mechanism: in the vicinity of court, they actually put in place what was called the anti-corruption observatory; so it's not, in instance, the absence of mechanisms or including those aspects either in a draft constitution or some legal framework, its moving between what's captured in the instruments, whether the constitutional, legal instruments, and ensuring that in application you see the change, you know? And I also think we shouldn't just see it as shoving down the throats from outside internationally: we've got to ensure that it's got national ownership because success of much of what needs to be done, especially in terms of peace, security and development, has to be owned by

citizens as well. And I think this is where the collaboration between international and national is so important.

Gareth Evans:

Could I just respond to that by saying that, I think it's absolutely right that that's the sentiment at large in the community level down below, if you like: but it's not always the sentiment that's evident among leaders when you are trying to put together post-conflict settlements.

I wish to God, for example, that people had been enlightened, like Ellen Johnson Sirleaf was in Liberia, accepting—didn't have to be shoved down her throat—she accepted as part of the wash up of the peace process there for there to be an international monitoring oversight financial presence within the income gathering side of the government in a way that added tremendously to the capacity of that government to resist opportunities for corruption which would have otherwise be spectacularly there; and compare and contrast that with, for example, the peace settlement in the DRC, in the Congo, which whatever might have been put together at various local levels, and whatever might have been much more in sympathy with the mood of the public at large, we know very well that the new leadership there resisted anything like that kind of financial mechanism within their own post-conflict environment with results that we are still wrestling with. So I mean “shoving down your throats” is a robust terminology which I would avoid in my previous diplomatic career but now, as a non-government organization sort of a person, I think I can be a bit more robust about this...But the truth of the matter is that we do have to think hard, as an international.... the key members of the key international organizations, about what are the anti-corruption strategies, specifically operational strategies that actually work, and put a lot more pressure on resistant governments to accept those strategies, mechanisms than we've tended to in the past. because of concerns about local buying and so on, It is a balance as always, but corruption, governance, is the critical issue in so many of these country situations, so I think we just have to be a bit more tough-minded about it.

Melinda Crane:

I'd like to talk a little bit about money laundering which, of course, is a crucial vehicle for organized crime in formatting corruption and conflict: the G-20 is meeting this week...it will again be paying lip service at least to stricter financial market regulation. Ernesto Savona, do we have a kind of instruments and mechanisms that we need in this area to cut back on and hinder money laundering?

Ernesto Savona

I think we have, and we need to address something to the G20 which is not only the world of international cooperation because anytime this word comes to my mind I immediately ask: for what? And the risk that we run is that we repeat international cooperation as a word, as a routine word, without feeling, with a new content. Money laundering is really something relevant...if you reshape the meaning of money laundering...and I can make you an example... we need a lot of things: new regulations, confiscation of assets, OECD, non-cooperative countries...eliminating dream off-shore

countries. Why not starting the re-discussing, for example, tax harmonization? XXX in Europe, and in Europe we have 27 countries with different tax regimes, and instead of laundering the money outside, we can launder it in Europe.

Second, why don't we speak about illegal enrichment? It is a really a better word? To say that when somebody has been....is too rich and we don't know where this money is coming from, we can start investigating him. It's against Amnesty International right? Why not? Why not starting and using, I am sorry to say, IT technology for exploiting organized crime? Why should we tolerate? Organized crime is using IT technology for exploiting us, we are not using this technology for exploiting organized crime through IT technology we can know a lot of things, saving the civil rights, of course, because I fully agree that investigating the illegal enrichment means being a little pervasive in the privacy rights, but we can have a shield for doing that. But this will help harmonizing tax regimes and looking to who is taking money and, for corruption, this is really a very tough measures. Why countries are not using it? I'm sorry, this conference should make a step forward, say that illegal enrichment, independent of whether it is coming from crime, from corruption, from tax evasion, from tax fraud or something else is illegal, and you should show to the people where your money is coming from in order for you to buy your Ferrari or Porsche. And if you have a money which is legal then buy your Ferrari or Porsche. But this will help a lot of countries to minimize the risk of corruption. We do have this list of income coming from officials, from politicians. Make this list, implement this regulation, and fill this empty word of international cooperation by putting action. I feel that if you have this word without new action, the international cooperation world will be illegitimate. So.....you need to do something else.

Melinda Crane:

Normally we would throw your rhetorical question to a politician on the panel and the only person who could fulfill that role would be Gareth Evans. So....why don't countries use that mechanism? It's there, says Ernesto Savono. Why don't we use it?

Gareth Evans

Well, countries have got to be cajoled, have got to be persuaded and sometimes they've just got to be bludgeoned into submission on these sorts of issues and I think we have to recognize the reality of the scale of the problem that's out there and use the many, many mechanisms that are available to us. I had a very interesting lunch with Sri Mulyani at the World Bank today at which we were talking about the particular mechanism of disbarring companies from eligible status for World Bank contracts or, indeed, for the multilateral development bank agencies generally, and the way the practice is growing of cross disbarment, so a country that's got itself into trouble in one such situation can find itself in trouble right around the world. And there's been a sort of reluctance in the past, for a whole variety of legal and political reasons, to be tough on these multiple strategies that are available to us. So I think if we take seriously the problem, we've got to take seriously some of the solutions and that does mean naming and shaming the countries that are not doing what they could and should be doing to match with their domestic legislation and the law enforcement....their international rhetoric.

Bill Hughes:

Just to add a little bit of support to what Ernesto said and Gareth said just then, there's another fact to which people are perhaps blind to at the moment. And that is what we are seeing from alternative business under organized crime that people are mixing the two: both licit and illicit. And you're seeing the references made now to counterfeit drugs. These are major factories that are normally producing other things....there are people mixing the two, the two financial situations come together. For the future, and as a cop I would never believe in making it easy for lawyers anyway, but this is going to get even more difficult for lawyers to argue on a narrow definition of where the crime actually occurred and where did you get hold of the money. Looking at illegal enrichment is a better way of dealing with this issue because you need to go back to square one on this, so I support what Ernesto and Gareth were saying.

Ernesto Savona:

Why they don't do that? This is really cheap....Less XXX... you can guarantee , why they don't do? At least a few countries do

Melinda Crane:

We will make sure that this recommendation is one of those that comes out of the summary of this session.

Salil Shetty

I don't think there's such a big mystery as to why they don't do it, because they're all in the same boat. I mean it's the politicians who are getting the money from the exact same places which you see illegal enrichment. I can think of a few cases in Italy as I speak. I don't believe that there is such great mystery as to why they don't do it....It is not in their interests to do it... They just don't. That's why people who don't have a direct stake in this will have to raise it. You can't be the judge, jury and executioner, because you're not going to cut the branch on which you are sitting.

Melinda Crane:

Geraldine-Fraser Moleketi, do you want to add....?

Geraldine-Fraser Moleketi

Yes and mind you I'm not coming as a dissenting view, much as I'm also from a politician, like Gareth from this one. I think I would like to agree completely with what has been raised because in essence

we also talking about what could arguably be referred to as the misappropriation of public power. And how you deal with it? How do you recapture? But we must bear in mind that it is not only the politicians who do this. It's also very much in the private sector and I think that's why you say let's use the measures that are in place. And just going back to what are the instruments you can use and the points that have been raised about using Constitutions and otherwise, we heard the passionate input from Kenya, earlier this morning, where there was someone who said, you know, in Kenya it's quite a challenge, as the Constitution allows the opportunity, and civil society is actually engaging and mobilizing around that Constitution in order to ensure the very follow-up and ensuring the enactment of measures that will make the things, the tools that are there, applicable, make it happen. I mean, we need to ensure that people are able to draw on those instruments, so that Gareth doesn't need to bludgeon people to death in the process.

Melinda Crane:

Which of course brings us back to the question of empowerment and mobilization. Kunio Mikuriya, I'd like to talk a little bit more about capacity-building which was of course one of the remedies that were mentioned, and come back to Customs and ask about....we've also discussed about transparency, the other side of that is, of course, accountability. Within Customs Agencies ,working in capacity-building, how do you try to strengthen accountability mechanisms? What are the best practices that you've seen?

Kunio Mikuriya:

OK. Earlier I recommended three remedies, and the Global Customs Committee through the WCO has developed a tool to help countries implement a better strategy for more transparency and accountability inside the organization administration. And one concrete example that I can mention, especially in the use of technology, is that of Cameroon—it is in Western Central Africa—this country has embarked on comprehensive customs reform in 2007.

The first step is to introduce automated system, automated Korean system. This is only the first stage. The second step has been done earlier this year by using this technology, information technology, to trace the individual customs officers records, how long that clearance procedure has taken, or what is their performance for revenue collection and through their records, through analysis of their records, it is the easy to find if those customs officers are performing well or cheating. And based on that....of course, prior to that there were awareness raising sessions and concluding contracts, performance contracts, with individual officers at frontline ,and if the frontline customs officer meets the requirement and performance then he will be recognized formally and promotion, potential promotion, is there. And if the customs officer is found cheating then he or she will be removed from that office. So that combination of efficiency in using technology and combined with performance measurement of each

officer should be recommendable practice. And the WCO has to share this information with other Western Central African customs administrations, and some of them are very much interested and currently we are helping another country to implement that strategy....but, of course, adapting that strategy in its own environment. Because each country has different configuration, therefore we need flexibility in that sense.

Another example I can share is that, well.....what is important is that customs business partnership, because one thing was mentioned about global supplies security, but Customs can't really open up all container boxes and inspect if it is safe or not. So what we need is to identify trustworthy business, and ask business to do security work on their own supply chain, and in that manner customs can considerably reduce security risk because "it takes two to tango"... whether...if there's a customs officer who is corrupt, then there is somebody who corrupted the officer. And in the same manner if business improves its compliance, then customs can have a trust. So based on that customs-business partnership, we are recommending that customs should change its mentality to see business as potential wrongdoers, to do more based on trust...they can be your alliance, you partners. So this is the area that we recommend and we try to share this best practice by disseminating ideas through our publication, the website etc....well..... I have several copies if you are interested....and in this manner we try to have that best practice implemented in their own environment and with an ownership approach in each country.

Melinda Crane:

Setting up a system such as you described and training individual officers is surely critical. But I wonder, in the end, if the most important thing isn't the macroeconomic framework that works. Magdalena Sepulveda, in the training that you've done and the individual work with individuals, to what extent can inculcating norms really change anything if economic disincentives are strong?

Magdalena Sepulveda

Well I think that the adoption of law and legislation at the domestic level, or international level—let's say the ratification of UN Convention against Corruption—in itself it's not sufficient...let's put it...it's just a first step. It is important to have the right institutional legal framework, but it is important to move much beyond that and start implementing and in this sense, and listening to all the remedies that have been discussed here, I think that one key element that has to be added is that we need holistic and comprehensive measures. Sometimes when I do country visits in order to discuss issues of human rights and poverty in a country, I found that most of national or domestic institutions and ministries working in complete isolation from one another. And so you have the anti-corruption commission, the human rights institution, you have development agencies, you have law enforcement agencies and they work in complete isolation, when the complexities of the issues require a holistic approach. So everybody has its niche....I'm not suggesting that law enforcement agencies should become development agencies but they have to take into account the issue of development,

developmental policy. Taking an example...taking the example that Ernesto mentioned in regard to Mexico. Mexico is a very good example of when you take law enforcement measures without taking development measures at the same time. The border...the north border of Mexico in XXXXX is one of the most dangerous cities in the world. I mean, now it is not sufficient to combat criminal crime there.... you just need to provide the people from there, and now everywhere in Mexico, with the possibility to develop. It's not....I think that it's not a coincidence that Mexico is one of the most unequal countries in Latin America and in the world. And the fact that in recent years Mexico has gone back....they have more poverty than in the past....and it's a country where the number one man in the fortune less than Mr. Slim is there and the ten percent of the richest person in Mexico are international richest group and Mexico is a quite populated country so we are talking about a big number of people. So it is important to provide all the measures that were said, but also looking at the issue of development, looking at the issue of poverty, looking at the issue of rule of law and human right: they are all interlinked and we need to look at it from a different perspective. I applaud, for example, the fact that Transparency International now is taking into account the issue of poverty and development of course it is crucial. But this has to be replicated at the domestic level, at the government institution, at the intergovernmental organizations that should start looking at the issue from all different angles.

Melinda Crane:

Geraldine-Fraser Moleketi,, before I turn this over to audience questions I'd like to give the last word to you. Are anti-poverty strategy by far the highest priority in terms of fighting corruption?

Geraldine-Fraser Moleketi

I think absolutely and I couldn't agree more. There is a need for holistic approach to how this should be tackled nationally, regionally, internationally. And having said that I would actually like to say that the UNDP which, with its development mandate, obviously looks at the whole area of democratic governance, within the area of democratic governance and looking at democratic governance in human development we have, amongst the issues that we deal with, we have the XXXXXX of participation, we deal with the whole issue of buiding institutions, both from a supply and demand side, and we also look at the international principles.

Having said that, on the anti-corruption XXX, our focus was once one that looked at anti-corruption that fairly narrowly in terms of building institutions etc. But we clearly, with the realization of the very issues which you raised, we took an approach that said we've got to be more holistic and comprehensive as we tackle this issue. And as a result we moved towards a result that reinforces all the relevance of our programming, but more so looking at both systematic and institutional reform, and xxx we deal with the supply side of the governance and we also look at strengthening media, civil society, increasing the demand of anti-corruption programming and so on. But it's the point to raise....it is not just restricted to that....because we get those components that deal with public admin

reform, look at institution-building, look at local government, decentralization, along with colleagues that work in the area of access to justice and Rule of Law and say our intervention has got to be comprehensive because say, if we do it in a very lineal, silo approach, this sort of mirrors what we see in country....it doesn't take forward what we need to do to overcome these challenges. And we need to come together as agencies globally as we take this forwards. Thanks

Melinda Crane:

Thank you very much. I'd like to go to the audience now. If you have a question..you see microphones in the hall....I see somebody here...yes....Please tell us to whom the question is addressed and the shorter you questions, the more people we can get in.

1st Questioner

[Unclear...followed by Moderator's comment: Could you speak directly into the microphone, please? We are not hearing you.] I'm Kamal Hossain, former special rapportuer...UN special rapportuer on Afghanistan and one of the founders of Transparency International. Now, you might want to address it to the whole panel as this is a unique opportunity to get a group like you have on the stage together. And the problem I want to put to the panel is the title of this session is "Corruption, peace and security". The subtitle could be "The challenge of Reconstructing Afghanistan", because, where the whole thing is founded, it is just about twelve months ago that President Obama spoke at West Point saying we have got to do it differently....it's not military.... we need a civilian surge and what is has come from our panelist from South Africa, UNDP, holistic....coordinate....Gareth Evans....international coordinated effort. Who is to do it? That's my question from the panel, if you were to send a message to the Secretary General and some consolation to President Obama that this is how we think it can be done, the process....you have all the recommendations...the UNDP reports....you have all the recommendations, crisis group also has things to say on Afghanistan....Who has to put it together and begin some kind of meaningful implementation? This is what has been sorely lacking. [Vice] President Biden when he was chairman of the Foreign Relations Committee, addressed an audience saying Afghanistan squandered an opportunities. Now, you know, one year has gone by since President Obama put this as a challenge. We don't want to go into 2011 having to say another opportunity squandered. So may the panel tell us how or what processes they would see, through which what they recommending could actually be translated into meaningful action.

Melinda Crane:

I see two panelists microphones in hand..... Salil Shetty....Gareth Evans.

Salil Shetty:

I'm sure Gareth will give a much wiser and better integrated response but let me give you my perspective on it because I do feel that some of the conversations which we are having here are slightly at cross purposes because we are talking about two different things. We talk about governments and we talk about the people of the country. Now, there's an assumption that the government represents the people of the country and that, unfortunately, is not always the case, when, of course, on the one hand you have countries where there is no election, no pretention of any kind of democratic representation; and there are others where there might be the motion of election....there might be a free and fair election...but that doesn't necessarily mean that the people who get elected necessarily represent the will of the people in the first instance; and that once they are in power they continue to represent the will of the people. So this is a big confusion we have in all conversations, so I think Geraldine is talking about the citizens need to have a voice, and Gareth is saying that the governments don't listen to citizens and governments cannot always be XXXX and in the context of this Afghanistan question as well. So there's a kind of a grand corruption...we had the President Karzai stood up and said, yes.... we get bags of cash from Iran...what's the problem? I mean, in fact I told Bush this in Camp David that when I get the bag of cash that's how the Office of the President operates and its normal practice....it's not just XXXXX giving us bags of cash...Bush, the American administration, gives us bags of cash.... That makes it standard practice. But if you ask poor people in Afghanistan who are living, on a daily basis, from threats of violence, from no water no food no electricity, they don't particularly care about the grand corruption....they care about the day to day corruption in their life....if they want to get something and can't get it. And in that instance, particularly, it has to be tracked at the local level, people have to be organized, what is it that they are supposed to be getting, what are they getting, what is the access to justice and remedy if they don't get what they are supposed to be getting . So the issue of getting the right to information as to what services and goods are supposed to be reaching people and what is the remedy and support for them to access to justice is, I think, we very practical stuff we need to have in place.

Gareth Evans:

We'd be here all afternoon if we try to solve Afghanistan but a few quick points. One, we blew it very badly at the outset, not least because there was far too little attention to the need for international coordination, and, in particular, under UN governance. I think the light footprint approach which was adopted was catastrophic in retrospect, not least because it led to the absence of any kind of holistic approach, because all those things that feed into good governance were capable of being much more readily put in place than now. The job that needed to be done was ,of course, institution-strengthening the army, the police, the whole set of institutions relating to the Rule of Law.....all that was done catastrophically badly and we are now where we are. And how we get out of it is something we would need to have a lot of long debates about. It's pretty obvious the that military option was proving counterproductive.....there's got to be a quick withdrawal of that...and do the best we possibly can as an international community with what we now have to empower the institutions that are out there, and the capacity to work and to create an environment which we, while maintaining maximum

support as an international community, minimize the kind of heavy-handed intrusion that's there at the moment.

My own institutional solution for Afghanistan, to the extent that there is any one that could make more difference than anything else, is probably too late now to apply, but it would be to go for a parliamentary system rather than the presidential one. Investing all that executive authority in a president was hopelessly misconceived in a country as hopelessly divided as Pakistan [sic] was. We've seen with the election of parliament..there's been some magnificent individuals, particularly magnificent woman, who have come up as a result. It is a way, institutionally, of balancing out different ethnicities and regional demands and tensions, and forcing the kinds of cooperative solution internally which is manifestly not happening at the moment, where power is centralized, is corrupt, is being misused. But getting from where we are here now, to where we need to be is an absolute nightmare and I don't have any instant coffee solutions, I'm afraid .

Melinda Crane:

I know that Bill Hughes probably has some thoughts too but I'm going to go on to some of our other questioners and ask anybody who is interested in some thoughts on corruption in the defence and security forces and in the problems of post-conflict corruption, please do read Bill's paper....it's on the website of the conference. Over here we have several people so I'll take the first lady

2nd Questioner:

Yes.. My name is Abiela Mackima from xxx University in Rotterdam

I think one thing that comes out in a lot of the comments that had been made, seems to be the reliance that we seem to have on what I would call the compromised state. International corruption, by definition, reduces the capacity of states to govern responsibly and so on. I find it disturbing that we are still looking to these same states as the primary actors in strategies to overcome these problems and I wonder isn't it...is it possible to look beyond the state and look for strategies that enable the citizens that are actually, in many circumstances, held hostage by these compromised states, access to some international system of justice. And I ask this because, while we might not have control of the decaying institutions that exist in many of these compromised states, we do have access and some element of control to their assets, which tend to be haemorrhaged away into industrialized Western states. So really I would say that whatever there are assets, there is access to justice by an individual who can bring the claim along those lines. So that's my question... Shouldn't we move beyond criminal state-centred strategies, to strategies that enable the individual to have direct access to some form of international justice.

Melinda Crane:

I'm going to throw that right over to Ms. Moleketi.

Geraldine-Fraser Moleketi

I think this is a very challenging question and the first thing I'd want to raise...and I think the point that we trying to make here is not that we are depending on these, as you refer to as criminal states....*compromised* states....sorry about the criminal....the *compromised* states. It's actually, I think, a word that we haven't used and that is accountability. We need to ensure that there is greater accountability...accountability at the national level, regionally and globally.

Now, in this situation of a fragile state, that's clearly a difficult situation, I think it would also be difficult for us to try and suggest that we create an alternative centre of power in a country to government. What we need to do is ensure.....and I'm not calling for regime change here.... but we must ensure that you have accountable government, that you have a government that's not what's Salil Shetty says we are proposing either. Because we need to ensure that, through a process of elections, people are actually able to ensure that they have the government required... so maybe I'm wanting a Utopia, but I think we need to ensure that we have that in place.

Having said that, that there is a need to use, as you say, the current mechanisms and measures to hold those governments who are unaccountable to account, both to the people in-country but also to international and global structures and that we need to make happen. On the issue of misappropriation....where funds have gone offshore and all...that does indeed need to come back and there are instances where we have seen the repatriation, but we also need to ensure that it goes into development programmes and where it should go. And maybe it sounds a bit abstract, but I do want to say that we can't look at alternate centres of power but must make ensure greater involvement of all stakeholders, with a clear and active civil society. But a legal frameworks will facilitate that and I think that's the point that came up earlier...ensure that there is Rule of Law, ensure that there is greater accountability, let all arms....all Well, let me say we need functioning parliament that will show and show accountability, we need an independent judiciary, because at the moment there's absence of trust in judiciary, and the security of forces. We need a sound government that will be delivering in the interest of people and strong community....community that can interface and interact and hold government accountable.

Melinda Crane:

Thank you...We have a lot of questioners so I'm going to go row by row...

3rd Questioner

Thank you. My name is Martino Como, Chairman of TI Uganda, I want to direct my question to Gareth Evans...I hope I've got your name correctly.... You mentioned nuclear proliferation and I think you need to define the meaning or the context further in respect to Sub-Sahara Africa, because our nuclear proliferation is, actually, malaria, which WHO says it now kills people at 300 per hour in Sub-Saharan Africa. And then, of course, you also mention a lot about security. Security when we talk about security, I think, the definition also you need to broaden it. Are you also considering food security because also I think that is also the reason for killing people in Sub-Saharan Africa, not the one you are talking about. And lastly, you mention involvement of all parties in securing security,

especially in fragile states. I give an example of Somalia: what do you say about countries who are able, but as business as usual, they only escort their sheep along their Suez Canal, and the Gulf of Aden, and they are not bothered about what is beyond the coastline.... they have left it for Uganda and Burundi to parcel it. Thank you.

Melinda Crane:

We're going to bundle our questions so I'm going to go to this row now, the lady in the front

4th Questioner:

Marie-Claude Qulumbayou , [Interpretation] I belong to the prosecution services and I'm in charge of fight against corruption and good governance for the Democratic Republic of Congo. The MC asked a question...a question which has to do with embezzlement and misappropriation and we would like the experience of the Democratic Republic of Congo to be taken into account here. Congo takes into account the recommendations of the UNEC and SADEC, to which we belong, into account. We have changed our national legislation, and misappropriation and embezzlement may entail a sentence of up to 15 years of imprisonment and if somebody is suspected with embezzlement or misappropriation, the person may be prosecuted and an investigation may be launched. But the onus of proof have been inverted in my country and it's [not] the person who is suspected with embezzlement who is supposed to show that it was not misappropriation but the person who inherited these goods these assets, for example. So we've changed the onus of proof and it's the person who is suspected who has to prove where the goods come from. So this is food for thought.

I would like to talk about security and corruption now. We have two major actors, as far as corruption is concerned: who are corrupted and people who are corrupt. As far as Transparency International is concerned, we have a whole list of highly-corrupted countries. We listened to you before, and you mentioned a group of white collar criminals who settle in a number of countries.... in conflicts...engulfed in conflicts, for example. Now, don't you think we could work differently and identify those groups, or organizations, who go to those countries? Don't you think that, on one hand we could identify corrupted people but also people who corrupt, so we could blame and shame and name everyone in order to fight against corruption on both accounts? Thank you.

Melinda Crane:

I'm going to take one moreshort one please....If you can keep it short then we can bundle the three and attempt to address them

5th Questioner:

My name is Admiral Surasak Sri Arun, a senator from Thailand. My question will be very short. But I will address it a little bit. Well, to fight the corruption within each own country is very difficult....it depends on many factors, and it needs many of the mechanisms to solve this problem. But to fight exporting of the corruption from one country to another country is another problem. It's not an issue

on this conference, so my question is: does the international anti-corruption agency has observe this problem? If you do so, do you have any policies or measures to solve this problem? Is my question clear and short enough? Thank you.

Melinda Crane:

Explain to us one more time

5th Questioner:

I repeat, to fight the corruption within each own country is very difficult...This afternoon many of the panelists have explained the idea how to do it. OK? It depends on the strong government, the political will, including the XXX of the people within the nation. But to fight exporting of corruption from one country to another country is another problem....it's not an issue in this conference, but on the podium this morning you have mentioned something about organized crimes, about the money laundering and etc. OK? Most of the developing countries are able to make any weapons to do the piracy in the Somalia area, or anywhere else in the world. So is my question clear enough?

Melinda Crane:

Yes...and I would submit that it is at the heart of everything we are talking about at this conference for the entire three days that we are here. But now I am going to pass on some of these questions, perhaps, first of all, to Gareth Evans and perhaps Ernest Savona....And on the question of Congolese law, including illegal enrichment and

Gareth Evans:

The point made to me by the Ugandan colleague was, I think, an excellent: the traditional preoccupation was state security, whether in the context of nuclear weapons or anything else, is only a very small part of the security story. The human security issue is absolutely critical and goes to the heart of what we are talking about in many other sessions at this conference, in particular food security, health security, all those other kinds of issues which it's critical that governments address....and I hope that he doesn't think that by doing what I was asked to do, focusing on specific problems that affect states as a whole and societies as a whole, he didn't think that I or any of my colleagues were being insensitive from the very good point that he was making.

On the particular question on Somalia, that's another nightmare. That's not a failed state, that's a phantom state situation at the moment and recreating it out of the circumstances that now exist is going to be very difficult. A long, long history again of international mistakes... going in and then coming out again in the 80s....in the 90s....in the way we did rather. Then some of the people who have been supportive there, some of the invasions or armies that have taken place, so they've all been misconceived...misdirected. And starting to fix that problem now and is an absolute nightmare and it's one in which the international community remains disengaged when it should be very, very engaged indeed.

On the larger question that was made by our Thai colleague, and I think also the Congo interlocutor, of course it is the case that we, the Western governments, in the United States, the Americas, Europe, Australia and elsewhere, have a huge responsibility ourselves to legislate effectively in respect of our own behaviour...Not the behaviour of others but our own behaviours, our own companies. The sum XXX, of course, aided very much by Transparency International over many years now to strengthen that legislation and make it uniform across the world. But there's a hell of a lot more that needs to be done in this respect to make that legislation both comprehensive, universal and effective in practice, because far too often again there's lip service being paid to the constraints on domestic companies which they are all too readily able to evade, and it's critical the normative pressure on countries to do the right thing in the north and be maintained in conferences like this in statements emerging from them.

Ernesto Savona

And the question about citizens beyond the state...it's a wonderful dream. Remember 1998 we had an international criminal court and we were narrowing the area of crimes which could be punished, and we know there is still a lot of difficulty in prosecuting genocides and other crimes. I can imagine how it will be impossible to prosecute corruption beyond the state.....I'm sorry but the world has become organized by state...and this is something which is reality....the dream is a wonderful. But about corruption....I said we can deal with international and local corruption but once again we needed to fill this word and when I spoke about illegal enrichment, we need to go there, where the wealth is, to make it less convenient for the people who are risky to be corrupted. This is reality. The only thing we can do, and I think we need to insist to put this issue in the agenda of the countries and the international organization. Still, is not there.

Salil Shetty:

Just to respond very quickly to the Ugandan friend again, that one way of looking at which one is more important and how countries prioritize this.... we been looking at Burma for the last two or three days, because we had the election within courts in Burma last two, three days. Now Burma is very interesting because they spend approximately 40 percent of their national budget on defence and between one to two percent on social services and health and education. So it gives you a clear sense as to what is the relative weightage between public security, national security and human security. By and large when we say national security it does mean the security of those who are in power and big businesses, because they have big investments they have to protect it. The majority of the people don't have a voice, and their security we'll do whatever we can because we have some money left over.....

Melinda Crane:

Thank you very much, I could take a very, very, very short question here and a very, very short one here, bundle them and we'll have about thirty seconds for answers. If your question isn't short we won't be able to manage it.

6th Questioner

Jeremy Gavan, I'm from Transparency International I want to go back to Gareth Evans' initial remarks and ask whether he would go and delve deeper into the causal link between conflict and corruption, simply because it is essential. If we go on being lazy and not making that really quite simple diagnosis, we will go on applying precisely the wrong remedies which we have been doing so long in relation to conflict. The fact of the matter is that conflict destroys, it certainly destroys functional and physical institutions...but it is most damaging, and the biggest casualty of conflict are societal values. And unless we spend time to make space for the society to re-knit those values together again, we simply will allow the conflict to go on. If we invest in the institutions we are investing in the very things that created and facilitated the corruption and the conflict in the first place. All the men on the panel have talked about institutions and power bases. Only the women...they've also talked about this....but only the women who've actually talked about allowing the grassroots up space to relive again.

Melinda Crane:

OK..now, very, very short....

7th Questioner:

Yes I would like to take straight up on that point. Dulcie Smart, I'm from New Zealand, I work as a freelance journalist in Germany. We've heard about wars, we've heard about organized crime, we've heard about terrorism. In the public perception, at least, these are male activities. So, surely a long-term strategy is empowering women. Now before you say this is too simplistic....

Melinda Crane:

I'm going to cut you off right there and put this to the panel....Magdalena Sepulveda, Geraldine-Fraser-Moleketi....

Magdalena Sepulveda

Well, I will continue on your question and I think it is true, empowering women is one of the best strategies. Women, as I mentioned before, they are not only disproportionately affected by poverty but they are, of course, also disproportionately affected by the impact of corruption; and in order to achieve development, empowering women would be the best way to do so.

Geraldine-Fraser-Moleketi

I simply want to say I completely agree. We've talked about conflict disproportionately affecting marginalized communities, women, children and so on, indigenous peoples and so on. In terms of empowerment of women is quite critical and the empowerment should mean full participation, not as recipients but as active actors in ensuring that they find solutions for the problem...solutions to the conflicts and sustainable solutions for peace. And there have been instances, examples of countries where they've done so. And we can reflect on countries....Burundi, South Africa, DOC and we must

ensure greater involvement of women there...Afghanistan we can do a lot better in Afghanistan and so it goes on.

Salil Shetty:

Can I just say that it is very unfair that only the women are agreeing with this....I violently agree with it as well....

Melinda Crane:

Thank you...very nice last words...I think Gareth Evans, we're going to let the first question stand as a statement and leave it at that....I see a lot of waving going on and we do need to get this room ready for our next event. And I'd just like to say thank you to all of our panelists for their very, very interesting contributions...Thanks you to all of you...and the audience for your questions...and for our attention. It's been a very enriching discussion, I think, for all of us. Thank you also to our organizers and now please get ready for a visit from a very high-ranking member and I'll let Emma Masterson [sic] tell us more about that....

[hand over to MCs}

Disclaimer:

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