

Plenary Short Report

Title of Plenary Session: Conference Opening & Leadership Forum

Panellists:

Opening:

Barry O'Keefe, IACC Chair
Panthep Klanarongran, President of the Thai National Anti-Corruption Commission
Huguette Labelle, Chair, Transparency International
Juree Vichit-Vadakan, Secretary General of TI Thailand
Piripan Salirathavibaga, Thai Minister for Justice

Leadership Forum:

Abhisit Vejjajiva, Prime Minister of Thailand
Haruhiko Kuroda, President, Asian Development Bank
Sri Mulyani Indrawati, Managing Director, World Bank
Hillary Clinton, Secretary of State, US Department of State (via video message)
Zhang Liu, Vice Ministerial Commissioner, Ministry of Supervision, China.
Mechai Viravaidya, Chair, Population and Community Development Association
Salil Shetty, Secretary General, Amnesty International
Pakdee Pothisiri, Commissioner, National Anti-Corruption Commission of Thailand

Moderator:

Kavi Chongkittavorn, journalist

Rapporteur:

Gareth Sweeney, Chief Editor, Global Corruption Report, Transparency International

Summary (300 words)

Opening: The main theme of the opening was the need to restore trust through open discussion, concerted action and results at the current IACC, by drawing on the varied experience of those present, and by emphasising the roles and responsibilities of governments, the private sector and civil society. Emphasis was placed on increased multi-stakeholder initiatives. It was stated that the root causes of corruption must be addressed, and value systems be put in place at the national level, but at the same time international cooperation needed to increase to address transnational corruption. The far-reaching implications of fighting corruption were also highlighted, including the alleviation of poverty and realisation of the Millennium Development Goals.

Leadership Forum: Good laws and policy will not defeat corruption in the face of public indifference. The fight was therefore seen as a moral issue. Civil society and the media were identified as driving forces to awaken public opinion, while the public sector must lead by example. It was nonetheless noted that at no time has there been less trust in elected representatives. The idea of youth preventing corruption and promoting integrity through instilling values was a recurring theme, and was also seen as a principle means of changing public perceptions. The World Bank and Asian Development Bank also claimed that partnerships were crucial, but were questioned over their limited (World Bank: 1%) financial support for civil society. Increases in investigations, prosecutions and follow-up were also seen as important to restoring public trust. Developing countries also needed assistance in combating transnational corruption, and should seek it through UNCAC and other processes.

Summary of presentations (300 words per panellist)

Barry O’Keefe, Chair of the IACC: On behalf of the IACC, he welcomed more than 1000 participants from 135 countries, to the exiting city of Bangkok. Yet the real purpose of the conference is to work, and to devise plans of action to address the scourge of corruption. This is ‘an assembly of action’. Corruption was once believed to grease the wheels of industry, but is now considered, in a word, evil. We have now moved to action and the IACC played its part, best recognised by the adoption of UNCAC. Many are now on the bandwagon, but regrettably are not sincere; the rhetoric is great but the result pitiful, and this leads to a breakdown in trust. That’s why we’re here. There are five streams, 40 workshops, including state capture, organised crime, human trafficking and water. There are so many people and different agendas, but we must collectively determine a clear way forward for action. There is great talent and experience here on wide ranging topics, all relevant to the theme, but the success of the conference depends on what delegates put in. ‘You are enormous reservoirs of wisdom, please share it’.

The IACC should devise specific realistic plans of action so that we can look back and say that was a job well done.

Panthep Klanarongran, Thai National Anti Corruption Commission: Welcomed all. Extended gratitude to the IACC council, TI etc. plus all those who put in so much effort. A great deal has happened since the last meeting in Greece two years ago. This year we come together to find practical solutions to the global challenge, restoring broken trust by restoring trust with governments and private institutions. All will engage in frank debate and exchange on the common challenge. I am certain the positive outcome will provide the global anti-corruption community with a clearer direction and stronger vision to what remains to be done to put an end to corruption. We wish you all a fruitful gathering.

Huguette Labelle, Chair, TI: It is wonderful to be in Bangkok at this time, to address one of the greatest plagues of our planet, corruption, to galvanise the global fight, to meet under the banner of restoring trust. The persistence of corruption is a signal that systemic change is needed, and only by bringing together different streams can we craft solutions that match the complexity of the task. Let us use the conference to gather momentum for ratification of the UN Convention against Corruption and momentum that governments meet their pledges, as well as the private sector. Let us remember also that our work is important to those who have the least. Success can lift billions out of poverty and meet the Millennium Development Goals, can ensure that poorest households have access to drinking water.

Thanks to the government and people of Thailand for welcoming us so generously. Let us make the most of the tremendous opportunity to tackle this plague. Only then will trust be restored.

Juree Vichit-Vadakan, TI Thailand Secretary General: We are here to tackle the many forms and faces of corruption, which adapts and transforms. We will not dwell on the harmful effects here with a converted audience. Nonetheless, corruption should not be extricated for the socio-economic context. We must not lose sight of fundamental root causes. Democratic values must be translated into a belief system, and anti-corruption values embedded in the mind and consciousness of all in society. Without social justice, prosperity cannot thrive.

Piripan Salirathavibaga, Minister of Justice: We attach great importance to the ongoing fight, but today globalisation and international business and development have assisted in the fight. An Anti-Corruption Commission has the authority to address all in public sector. The Ministry for Justice is a strategic partner to the Commission in coordinating with all high-ranking officials.

Corruption today exists not just within public sphere, but in international investment.

Corruption is transforming into an international trade and is affecting all nations. Increasing international activities are occurring because of globalisation; corruption is like a form of cancer that spreads and takes the life of a person. With our cooperation this cancer can be combated. This conference will be a huge step of cooperation in overcoming the cancer of corruption.

Prime Minister officially opened the IACC {placing of hands}

Leadership Forum:

Moderator: Kavi Chongkittavorn, journalist

Prime Minister [keynote address]: Thanked all, great honour for him to speak at this world renowned conference series.

Corruption is not unique to any country or region but is a global menace that must be fought on all fronts. Damaged trust from recent financial crisis needs to be restored. Success will be judged not on rhetoric but on 'hard results'. The world community expects practical solutions and we need to send strong messages worldwide. Thailand continues to suffer. Young people tell me they expect to see corruption everywhere, and a shocking number say it is ok. In reality, rampant corruption can exist among economic growth. There is no such thing as good corruption. Must not shy away and open up to frank debate. There had never been a more compelling yet opportune time. We have powerful momentum for change and can bring about genuine solutions to the scourge of corruption, it is a moral fight, we can have the best laws and policies in place, but if people are indifferent then it continues to be an uphill battle.

Turning to the means to address corruption, the truth is it is a daunting task, and nobody can claim victory alone. We need great cooperation with civil society as a main driving force and possible key catalyst with media to realign hearts and minds that corruption is an unacceptable social norm. Public officials must lead by example. Private sector actors are both perpetrators and victims of corruption. There is little incentive to take an anti-corruption stand in corrupt business world. There is greater need than ever for clear business leadership. Strategy draws on the experience of all to combat corruption in public procurement, for example, and there is promising feedback so far, although it is at a nascent stage. The aim is a national collective strategy in public procurement, one of the first in the world.

The Prime Minister hoped that the outcomes of the IACC will stress that international co-operation can help to develop the necessary will to fight corruption. UNCAC is a timely global response. Thailand is working towards ratification, and concrete steps are being taken to align practice with provisions in Thai law. Each society also has to find its own way by devising home grown solutions. 'We have the King to guide us with invaluable principles.' With climate change, the King's philosophy of great relevance: principles of moderation teach us to be conditioned by our needs, and to cut excessive consumption. On this we can build a moral basis for the future.

These are times of heightened uncertainty, yet we must carry forward the message, to fight the deprivation of human rights because of corruption. We must develop zero tolerance to build transparency and accountability. Encouraged by the presence here, and I wish you productive deliberations.

President of Asian Development Bank: Past conferences made significant contributions, why is this important to us? Corruption is a tax on the poor. Poor infrastructure hinders the pace of poverty reduction. Inequality in access to health, education and other productive assets. Both the social and economic cost, and the poor and the vulnerable bear the brunt. For example in the national resources sector, Asia and the Pacific has had great success,

and yet 900 million people live on \$1.25 USD a day or less. And yet greater disparity of wealth, with the two faces of Asia between the shining beacon of hope and the ones left behind. Must embrace inclusive growth so the poorest benefit, and mechanisms must be in place. We work close to address this, e.g. development within Thailand of the Anti-Corruption Commission, and raising public auditing agencies, and the Asian Ombudsman Association to strengthen the capacity of members. We are guided by strict policies of good governance, the rights of indigenous peoples, and the rights of women. We focus on initiatives and systems that focus on prevention. We were the first to adopt policy on government, and in 1998 adopted an anti-corruption policy (comprehensive). With the proper legal, institutional and policy frameworks in place, it can be done. We welcome an increasing focus on partnership at all levels. We must all work for a global governance agenda. We have joined other regional banks in agreement to address wrongdoing and debarring those involved in wrongdoing. Will deepen cooperation among multilateral development banks.

The importance of collective actions cannot be underestimated. Change will only come when the voice for change is louder than the voice of the status quo. We remain a partner in this endeavour.

Sri Mulyani Indrawati, Managing Director, World Bank: This is the only forum of its type. She wished to be controversial by stating that the website presents a bleak picture: one thinks the cup is turned over and broken. We have made the right commitment but yet no result. 'I am not convinced that that is the case. I have seen real progress and would be more optimistic. The cup may be half full but leaking.' Corruption is still intertwined with politics. We are not alone in Indonesia, but no politician can now ignore the issue, and our Commission has made huge progress despite differences.

All have worked hard to out the tools in place. We now have to put these structures to use. The challenges: enforcement. The public do not think about transparency, they think about prosecution. Progress will have the greatest impact when this happens. The World Bank is not a law enforcement agency, but we are committed to this aspect and would like to see faster progress.

Delighted to see the World Bank involved with enforcement streams. We are trying to root it out in our projects, we have to show that it is being used effectively, and we will hold people accountable if they steal from the poor. We saw 58 sanctions in last year. The Siemens case in 2009, and \$100 million they will pay now for. The World Bank has also dropped MacMillan after it was disclosed they offered bribes for contracts.

Plus, need more follow up from national authorities. We have seen rich countries drop investigations as well, or not follow up as they should. Corruption was not invented by the poor. Following up investigations take time, but we would like to see more and more convictions over time. We and you should be monitoring. If you look at the 2010 World Bank report, for the first time we made public where our queries were sent. Look closely at that list, and if you don't see a follow up you should ask why.

Finally, the Stolen Asset Recovery Initiative (STAR) tackles enforcement from another angle. Seven have asked for assistance, and partner countries are making progress. Six have frozen assets, others launched investigation. The real challenge is to increase cases, and need more actions at a national level.

Regarding business, it is about managing cost and a level playing field. Every bribe taken is a bribe paid. While companies may benefit, over time it is a real barrier (e.g. counterfeit drugs, or collapsing buildings). Corruption can kill. So it is encouraging to see there are improvements, statements of commitment to principles, but many lack teeth of enforcement, so we need action.

Other areas of World Bank: my old job as finance minister showed me how much the World Bank has changed in 15 years. Corruption was a word once whispered, but is now central. It remains a work in progress, but with considerable headway.

We need to think more in terms of risk. We work most in the poorest countries, and we need to apply high standards in recognising, assessing and managing risk.

People know that corruption diverts, distorts and deters investment. Solutions can only be home grown, and governments, the private sector and civil society play critical roles. Demand side is now being mainstreamed in our work. We have a lot to learn in this area, what works and when.

Offer a chance to help us, bring us practical solutions to solve some of the problems, not only in prevention but in enforcement.

147 of 184 states have now ratified the UNCAC, which is a truly global commitment. The Doha agreement work started and already. UNCAC to OECD to G20 must be followed by action. Hope you come to Washington DC for the World Bank's integrity initiative. Only by working across boundaries can we successfully address corruption. I am confident we can push the agenda forward.

Hillary Clinton: I have personally met those that suffer directly from corruption at the hands of their own governments. When it affects political systems it shakes faith. We know the fight is not easy but your work makes a difference, whether through promoting social media, or supporting prosecutions. The US is a partner in this fight, as one of the first states to be reviewed under UNCAC, plus through developments of standards in OPAC and the G20, we support just and honest government.

Thank you for your commitment to this just and important cause.

Questions to the Prime Minister: Cameroon Global Young Anti Corruption Network. The IACC offers a unique opportunity to put forward the issues of young people as we suffer the consequences of especially political corruption. What efforts has the PM made to include young people? How do you bring them to the table? And to Transparency International, what are the processes we are using and platforms we will use when we leave the conference?

Prime Minister: I had spoken earlier about instilling the right values, and it is easier among youth, and we want young people to learn the right values of transparency and democracy, not just in the classroom but in broader society. Young people can now create their own networks also, so this is a good opportunity.

Zhang Liu, Vice Ministerial Commissioner, Ministry of Supervision, China: We attach great importance for the prosperity of the nation. Since reform of the last 30 years, there have been effective measures, including the development of a market economy and the rule of law, and a shift away for confrontational approaches in dealing with corruption to emphasis of prevention. Looking at both the presence of corruption and the root causes, education and eliminating at the source, anti-corruption institutions, and power control and supervision mechanisms, better training of officials, and the promotion of ethical culture in schools. Plus, tighter control of official powers, including statements on ethical conduct, inquiries and audits. 15000 cases of bribery have been dealt with, addressing a cost of 3,9 bill Yuan. In international cooperation, corruption is a common challenge faced by all.

Salil Shetty, Amnesty International Secretary General: He wishes to locate the discussion in the wider context of changes in our lifetimes, or four changes with fundamental internal contradictions: massive increases in wealth and progress in development, yet big increase in inequality and environmental destruction and corporate irresponsibility (primarily western

transnational corporations); reduction in conflicts, but increase in insecurity (women and those in urban slums); explosion in media, but no corresponding increase in accountability and justice; increase in electoral democracy, but shocking decreases in trust in elected leaders and in institutions of governance

What does this mean? The war on terror has seen targeting of ordinary people. Plus significant economic meltdown and the emergence of China and the BRICs have broken down the traditional governance model. This creates uncertainty and also enormous opportunities.

Amnesty International is here talking about corruption as it undermines human rights, and we need it to overcome corruption. It is the only way: rule of law and a local peoples' movement to hold government to account. Freedom of information and expression are fundamental elements to realising this.

Mechai Viravaidya, Chair, Population and Community Development Association: I am here as an owner of Thailand, along with 60 million, and we all need to participate and help. Have been observer and participant in the anti-corruption struggle for the last 40 years. In the 1960s I thought things were improving, yet time has proven me wrong.

We are losing the battle in my part of the world – problems are getting worse and more frightening, despite improved infrastructure to address corruption. People are becoming more sophisticated. There is corruption at all levels. Politicians, cheating students. It is disheartening for many, yet it means that we have not been sufficient.

Alternatives: philanthropy, getting people to learn about giving, and they are thus less inclined to be greedy, avaricious or corrupt. We are trying this with local government, business and NGOs. We are getting youth involved.

We ask urban children to give books and toys so they can be passed down the line to rural children who do good work to receive them for two weeks. There is also the 'joy of doing public good' programme, with the support of Bill Gates, where schoolchildren teach what to do about corruption. Also, get high schools students to study corruption locally and what can be done about it.

Proposed anti-corruption board games, and a museum of corruption with a 'hall of shame'? Bring in the NGOs, citizens and the youth. Continue to do these things but this is still not enough.

Pakdee Pothisiri, Commissioner, National Anti-Corruption Commission of Thailand: NACC has short and long term strategies: the principle of immunity creates a society without ethics and integrity. We wish to awaken the dormant conscious across all sectors to inculcate culture of transparency and accountability. Corruption in public procurement cost 100 billion baht each year. We need a level playing field. The NACC is developing a risk management plan and strategy to manage. Auditors then monitor. It will then have a post-implementation phase to measure integrity levels.

International money laundering and illicit trade are making the challenge more difficult. Transnational crime and corruption cannot be tackled in isolation. It is daunting to developing nations. They should seek international assistance (through UNCAC and OECD conventions) and can benefit through partnerships. Thailand has always played a good international role.

The IACC is where we strengthen collective efforts. Successful outcomes will come from rich exchange of ideas.

Moderator: identified the role of youth, and 'what is the cure' as recurrent points which came up. And opened to the floor for very brief questions in remaining ten minutes.

Frank Vogel from Washington to World Bank and Asian Development Bank. I am familiar with articles of agreement, and consistency in stressing civil society as frontline of fighting corruption in developing countries. So why do you give less than 1% of your funds to supporting civil society in fighting corruption.

TI Bangladesh: to World Bank, it is inspiring that the World Bank is transformed, and I put the challenge that it needs to be better communicated, as it is still seen as the root problem and not the solution in many countries. If the glass is half full, as is the view expressed, is this the view of the World Bank or the view of Ms Indrawati personally? For example, will it stop funding of projects in Bangladesh because of corruption in the county: 'Don't chop off the head because of the headache'

Homer Moyer: to Zhang Liu. There is a growing perception that Chinese companies, including state companies, pay bribes abroad. Do you enforce laws for companies abroad and will it be publicised?

Response:

World Bank: can assure you that the support is there. It is not just a question of money, but working with governments and all stakeholders. It is really at the ownership of government and stakeholders.

My view has to be the same view as the World Bank, as I would not have joined otherwise.

As part of the management all of you should feel that we can do good things and I will do that. We are trying to be consistent that governance and anti-corruption are our core values.

Asian Development Bank: We provide technical assistance, and work with civil society groups in developing countries. So although main recipients are developing country governments, we collaborate with civil society and NGOs and this will only increase in coming years.

Zhang Liu: Firmly objects to any inappropriate financial activities within China and overseas and this is firm. We have investigated and identified many cases and we recently also issued measures and documents to impose more stringent measures and we will achieve new results.

Salil Shetty: We need a bottom up approach as, for example, in the unregulated flows of arms, those governments who complain are often behind the flows, so you need civil society to root this out.

Moderator: I like idea of a museum of corruption!

Mechai Viravaidya: Need to look more at the prevention side, get kids to seek out inappropriate behavior and you will get results. We own the house, and the government only rents it for 4 years.

Moderator: 'Focus on youth, work from the ground up, promote transparency and we have to kick butts.'

Recommendations, follow-up Actions (200 words narrative form)

Recommendations from the opening ceremony included:

Corruption should not be extricated for the socio-economic context. The root causes of corruption must be addressed, and value systems be put in place at the national level.

At the same time, international cooperation needed to increase to address transnational corruption.

Recommendations from the leaders forum included:

The fight against corruption needs to be seen as a moral issue.

Civil society and the media must be driving forces to awaken public opinion, while the public sector must lead by example.

Enforcement and follow up to investigations need to be strengthened, and civil society should better monitor the follow-up to investigation of corruption activities.

Values of transparency and democracy should be instilled in youth, not just in the classroom, but in broader society.

Developing countries should seek international assistance through multilateral processes in order to tackle transnational crime and corruption.

Multilateral development banks should match their rhetoric for supporting the role of civil society by increasing their financial support to above the current 1% of their support budget.

Highlights (200 words please include interesting quotes)

SEE SUMMARY ABOVE