



**FIFTH SUMMIT OF THE AMERICAS, APRIL 2009.
Transparency International's recommendations to
Civil Society Hemispheric Forum "Securing our Citizen's Future by Promoting
Human Prosperity, Energy Security and Environmental Sustainability"
Miami, May 1-2, 2008**

Introduction

Transparency International (TI) is the leading global non-governmental organisation devoted to combating corruption. The organisation works at national and international levels and seeks to build alliances with governments, the private sector, civil society and international agencies aimed at achieving systematic reforms to enhance the levels of transparency, accountability and integrity within countries.

To this end, TI has worked closely with the Organisation of American States (OAS) and has actively participated in its General Assembly and Summit meetings since 1994 by engaging in discussions and submitting proposals and recommendations, many of which have been included in the Resolutions and Declarations of those meetings.

TI shares the objectives in the Concept Paper of the Fifth Summit of the Americas of accelerating the momentum of economic growth, building stronger democratic systems and combating the persistent and pervasive problems of poverty, hunger, exclusion and inequality, objectives which have always been at the heart of the Summit process.

To meet the challenges facing the Hemisphere, the Fifth Summit must adopt proposals to increase transparency and accountability and advance the fight against corruption. Such proposals must aim at contributing to reducing inequality, closing the gap between rich and poor, promoting social cohesion and inclusion, as well as strengthening democracy and promoting human rights in keeping with the Summit's theme: *Securing Our Citizens' Future by Promoting Human Prosperity, Energy Security and Environmental Sustainability*.

Experience the world over has shown that corruption contributes significantly to continuing high poverty levels, hinders poverty reduction even in countries experiencing economic growth and is an obstacle to the preservation of fundamental human rights. The Concept Paper shows that the Fifth Summit is prepared to tackle the suffering of the 96 million citizens of the Hemisphere who live in extreme poverty. In so doing, the link between poverty and corruption cannot and must not be overlooked.

TI's Working Paper: Poverty and Corruption, notes that *'the year 2007 marked a milestone in the fight against poverty and corruption. It represented the midway point on the road to meeting the United Nations Millennium Development Goals (MDGs), the ambitious global pledge to end extreme poverty by 2015. It also signalled that ten years had passed since the anticorruption movement had signed the Lima Declaration, promising to address poverty as part of their efforts. However, actual accomplishments have fallen short of expected progress. In practice, donors and governments still treat poverty and corruption as separate — rather than integral — components of the same strategy. The continued lack of policy integration has undermined efforts to fight both poverty and corruption. Poverty continues to plague more than a half of the world's citizens, with nearly three billion people living on less than two dollars a day. Data on the MDGs show the current development trend is not keeping pace with earlier projections. Bottlenecks have developed in certain regions and key countries, creating sizable challenges to meeting the 2015 timeline'*.

TI notes that the four previous Summits have placed great importance on transparency, accountability and anti-corruption issues and that those issues have been reflected in the Summits' mandates. However, because implementation has lagged behind commitments, TI urges the Fifth Summit to produce a comprehensive Plan of Action as a roadmap to help States translate the Summit's mandates into action. In order to assist in that exercise, TI has developed and offers the following proposals and strategies that are capable of national and trans-national implementation aimed at benefitting the citizens of all countries of the Hemisphere.

Proposals

TI hopes that its proposals, which are listed under the four themes addressed in the Concept Paper, would receive careful consideration and be included in the Summit's Declaration of Commitment and in any Plan of Action.

I. Human development and poverty reduction, including health, nutrition, education and violent crime.

All TI's proposals under the different thematic headings, if implemented, would impact positively on hemispheric human development and poverty reduction, including health, nutrition, education and crime.

TI notes that the Concept Paper states that, in order to build on past achievements, *'the challenge now is to bring national and hemispheric institutions into a framework of cooperation and collaboration'*. There is also a call for closer collaboration between civil society organisations in the Hemisphere to foster, through cultural exchanges, better mutual understanding, more social participation and increased economic opportunities.

TI believes that the existence of language barriers in the Hemisphere is one of the factors that has slowed the growth of hemispheric cooperation and collaboration that the Fifth Summit sees as essential.

1.1 **TI proposes** that research be undertaken aimed at finding innovative ways to use electronic and other means to more easily teach languages to all age groups and thereby reduce the existing negative effects of the language barrier on the integration processes in the Hemisphere.

2. Economic growth and competitiveness.

It is well established that there is a direct link between economic growth and competitiveness. Conversely, there is also a direct link between lack of economic growth and corruption. TI's annual Corruption Perception Index confirms that the countries that are perceived as being most corrupt are at the lowest end of the economic development scale. That is so because corruption constitutes a major obstacle to foreign and local investment thereby adversely affecting economic development and the positive effects that such development could have on infrastructure improvements, consumption and job creation.

2.1 **TI proposes** that States implement concrete anti-corruption strategies aimed at reducing corruption generally and eliminating it where possible in both the public and private sectors. The private sector targets should include trans-national corporations and national large, medium and small enterprises. Included should be strategies to curb bribery, money laundering etc. and to increase the levels of internal controls and external oversight and audit of the financial activities of the State. TI recommends putting into practice, in the short-term, measures that will promote compliance with the 40 Recommendations of the Financial Action Task Force (FATF) which provides a complete set of counter-measures against money laundering covering the criminal justice system and law enforcement, the financial system and its regulation, and international co-operation.

3. Energy security and sustainable development, including climate change and natural disasters.

The Summit's Concept Paper describes the many '*pressing energy-related challenges*' facing the hemisphere and the need for '*effective regional cooperation for addressing energy security*'.

TI urges the Summit to not lose sight of the fact that one of the fundamental problems found in many countries rich in energy resources is the challenge of ensuring that citizens enjoy maximum benefit from the income derived from those resources. This problem, now known as *the Resource Curse and the Dutch Disease*, must not be allowed to take root in the Hemisphere.

3.1 **TI proposes** that qualifying States that have not yet done so should join the Extractive Industries Transparency Initiative (EITI) and become fully compliant as soon as possible.

4. Democracy, good governance and the promotion of human rights.

Proposals for action by OAS and the Summit Implementation Review Group (SIRG):

The Summit process has made many advances in recent years, one of which has been the introduction of more civil society participation in discussions on the hemispheric agenda, an initiative deemed important by TI. Nevertheless, the evolution of the process and the nature of the challenges faced by the Hemisphere call for civil society participation to be strengthened, as well as the means identified through which this objective will be achieved.

TI proposes to the OAS and the SIRG the following:

4.1. Create standards, rules of procedure and timetables that are appropriate and well publicized for the active participation of civil society in developing, debating and setting the agenda and plans of action of the Summits.

4.2. Ensure timely access to documentation and information necessary for participating in the Summit process.

4.3. Create standing mechanisms to assess compliance with the commitments undertaken at Summits and recognize and consider the opinions and information provided by civil society organisations as indispensable sources of feedback.

4.4. Encourage multilateral and development banks to include, as one of their strategies for assisting countries, support for States Parties in implementing the commitments undertaken in the Anti-corruption Conventions, as well as the recommendations made by the OAS Committee of Experts of MESICIC and the active involvement of civil society in the follow-up process. Encourage lending agencies and donors to apply sanctions against States as a means of ensuring their compliance.

Proposals for action by States:

The OAS plays a pivotal role in the development and promotion of proposals and the assessment of the implementation of the Summit's mandates and action plans. The OAS proposals are geared primarily towards governments because they are the primary agents responsible for putting into practice the commitments made at the Summits. In this connection, **TI proposes** the following action by States as may be necessary:

Anti-corruption conventions

4.5 States should adopt all measures necessary, as the case may be, for signing and ratifying, ratifying or acceding to the various anti-corruption treaties, without further delay.

4.6 The Inter-American Convention against Corruption(IACC) should be ratified by Barbados.

4.7 States of Antigua and Barbuda, Dominica, Haiti, St. Kitts & Nevis and St. Lucia should become parties to the IACC follow-up Mechanism MESICIC

4.8 States should fully comply with the IACC and, in this connection, should implement the recommendations made by MESICIC and involve civil society organisations in this task, particularly by:

--acknowledging the right of civil society organisations to participate in and be involved actively and formally in MESICIC and specifically at the sessions of the Committee of Experts

--respecting the spirit and letter of the Convention in the area of transparency by establishing as a principle the dissemination of MESICIC documents, particularly the responses of countries to the Committee of Experts and the country reports issued by the Committee of Experts.

4.9 The United Nations Convention against Corruption (UNCAC), should be ratified by Venezuela, Haiti and Barbados and acceded to by Belize, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines and Suriname.

4.10 States should fully comply with the UNCAC and answer the checklist.

4.11 States should promote the adoption at the next Conference of States Parties in Qatar in 2009 of a review mechanism to ensure UNCAC compliance and commit to the peer review pilot review programme.

Political parties regulation

4.12 States so should revisit their existing arrangements and legislation for the regulation of political parties and their funding and campaign finance and introduce reforms, as necessary, to comply with best practice so as to ensure that the people get democratically elected and deserving governments.

Judicial independence

4.13 States should strengthen the Judiciary, give judges security of tenure and provide all resources necessary to ensure the Judiciary's independence from the Executive and its freedom from manipulation from all sources. The Judiciary, in turn, should have greater standards of accountability. Also, steps should be taken to curb and eliminate where possible corruption in the Judiciary.

Law enforcement

4.14 States should strengthen law enforcement agencies to ensure that alleged wrongdoers are investigated and prosecuted with full observance of the Rule of Law. The performance of law enforcement agencies should be closely monitored by independent bodies to curb and where possible eliminate corruption and human rights abuses.

Public Service

4.15 States should strengthen the Public Service to ensure improved delivery of services to citizens. States that have not yet done so should introduce Whistle Blower Protection legislation to shield Public Servants from victimisation for exposing corruption.

Information access

4.16 States that have not yet done so should introduce or strengthen Freedom of Information legislation and facilitate easy access to information by citizens.

Private Sector

4.17 States should promote, through public policy and competent bodies, the incorporation of the fight against corruption into corporate social responsibility initiatives.

4.18 States should promote self-regulation practices in the private sector aimed at the development of corporate social responsibility, corporate good governance and organisational ethics, among large, medium and small enterprises.

4.19 States should strengthen labour administrations and jurisdictions by implementing policies, mechanisms and standards for transparency and combating corrupt practices, particularly in the case of public institutions devoted to labour and social protection. States should promote increased levels of independence, transparency and integrity of industrial courts.

4.20 States should promote social dialogue and establish the mechanisms to ensure civil society participation, as well as the freedom, safety and dignity of those who represent societal organisations. States should promote a culture of national consultation between governments and the governed.

4.21 States should promote the strengthening of civil society by increasing its participation in public affairs and encouraging the permanence of such participation as a standard State policy. Such a policy should be developed on the basis of appropriate and transparent legal and financial frameworks, an active promotion of civil society involvement and democratic mechanisms that are inclusive and non-discriminatory. Civil society organisations should be assisted with capacity building and training.

Proposals for hemispheric action:

Central to the Fifth Summit's Concept Paper is the recognition of the need for greater hemispheric cooperation in order to meet the region's challenges and to achieve the Summit's goals.

TI proposes that studies be done with a view to adopting or adapting for use in selected regions in the Hemisphere, where appropriate, the Declaration of Guatemala for a Corruption Free Region which was signed in Guatemala City in November 2006 by eight (8) Central American Presidents and official representatives. The Declaration reaffirmed *'their will to act effectively and decisively and to reach concrete outcomes in the fight against corruption in the Central American Region by 2010'*.

The Declaration emphasised *'the need for accountability mechanisms in public institutions, the effective and transparent management of social programmes and funds, political and electoral financing controls, the promotion of ethics in the private sector, the prevention and control of conflicts of interest in the public and private sectors, co-operation in the prosecution of transnational corruption and the need to foster reforms for transparent, strong and effective civil services'*. The Declaration also promotes the strengthening of citizens' access to public information.

This mechanism is a work in progress and not yet perfect but it addresses and provides strategies for tackling many of the issues and challenges that are of concern to the Fifth Summit.

Conclusion

TI identifies with and has views on all of the general and specific concerns mentioned in the Summit's Concept Paper as obstacles to further accelerated development in the Hemisphere. However, for the purpose of this Civil Society Hemispheric Forum, TI has limited itself to the foregoing comments and proposals only.

In conclusion, TI cautions stakeholders that a failure by the Fifth Summit to recognize the direct link between corruption and the important issues raised in the Concept Paper would mean that the proposed strategies outlined therein, while good in themselves, are unlikely to succeed fully because current and future corrupt practices at hemispheric and State levels would be left unchecked. It must be noted that, in addition to poverty reduction, unchecked corruption also works against the achievement of citizens' legitimate expectations for better education, healthcare, nutrition, housing, decent work, peace and prosperity among other basic entitlements.

Therefore, there is need for all stakeholders to recognize that corruption in the hemisphere (both home-grown and imported through trade and aid) will be a major stumbling block to achieving the Fifth Summit's goals. The need to fight corruption must be stated in clear terms in the Summit's Declaration of Commitment and the Plan of Action must identify strategies that can be applied within and across borders in the hemisphere aimed at reducing national and trans-national corruption generally and eradicating it where possible.

TI is pleased to have the opportunity to join with the leaders of the democratic nations of the Hemisphere to consider the most important issues facing the region and to advance collective solutions in pursuit of a higher quality of life for all citizens. It is in this context that TI offers its proposals to this Forum for discussion and urges States to accept the final proposals adopted as part of the process for joint development of the hemispheric agenda by the public sector, the private sector and civil society. TI notes with satisfaction the Concept Paper's emphasis on the implementation of the Summit's mandates and the results-oriented approach to monitoring outcomes. Civil society organisations must stand ready to play their part in order to ensure the achievement of this objective.

Finally, TI urges all States to recognize and to accept the decisions of the Fifth Summit for the betterment of the lives of the citizens of the countries of the Hemisphere as being genuine commitments to be honoured fully and for which they will be held accountable.

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