

BREAKFAST MEETING WITH THE PRIVATE SECTOR in Brussels 15/03/07
“COMMITTING TO THE FIGHT AGAINST CORRUPTION: WORDS INTO PRACTICE”
Highlights and Summary

PRELUDE:

As the Chatham House Rule applies to the content of this discussion we have not named the interveners.

COMMONLY AGREED:

Corruption is detrimental to all stakeholders (public sector, private sector and civil society including multilateral organisations) and to their activities. There is a need to curb corruption inside our own structures but also to make sure that entities working outside of the legal operational frameworks (informal sector) are brought to respect the rules and act responsibly.

Importance of the political will without which no major changes will be brought about on this issue in developing countries.

Crucial need to work together in a commonly agreed framework. The Kimberley process was used as a successful example of proving how change can be created by working together. Why not create a similar initiative against corruption and violations of human rights. Need to engage the different actors including Russia, China, India, ...

Need for combination of top-down and bottom-up (education) initiatives to try and fight corruption.

CONCRETE PROPOSALS:

Media campaigns against corruption (in collaboration with the governments).

Partnership between the Belgian central office for the repression of corruption and their DRC counterpart to strengthen the DRC institution.

Working with neighboring countries that have developed expertise and systems like the African Peer Review Mechanism.

POINTS MADE DURING THE DISCUSSION:

Some points were made concerning the fact that in Katanga (DRC), companies from China, Lebanon, India, Israel, ... are not respecting any rules and trying to get as much out of the mines as fast as possible. African countries don't have the structures to punish illegal operations and we are not giving them the power and/or drive to put them in place (as we have done in the past for other matters and recently with anti-terrorism). A company managed to proceed to the legal requirements of finalising the set up of their operation in DRC without part taking to bribery (took 2 years instead of 2 months had they paid).

It was also mentioned that many countries had a need for a functional central office for combating corruption and that DRC for example had ratified UNCAC (United Nations Convention against Corruption) and that the Belgian central office for the repression of corruption (OCRC) would be interested to help strengthen/establish their DRC counterpart (OCRC had experience in training in Poland for a EU funded programme). The importance of ownership was underlined as a major factor of success.

In answer to this, it was pointed out that such a structure exists in DRC but that there is currently no political will and that it therefore does not work.

Another suggestion made was that all companies should be compelled to affiliate with umbrella organisations such as federations of enterprises (which is virtually compulsory anyway to get statutes approved etc...) that would facilitate the development and affiliation to codes of conduct for example.

The question of the use and results brought about by seminars run in these countries was briefly discussed; World Bank could have a role to play.

Another participant agreed that if the top political level in countries like Angola was not involved in seminars on transparency, the impact was not immediately felt but that there is a trickling effect that should not be ignored and therefore that these seminars are still useful.

BP was commended for their work on enabling EITI principles in Angola but it was also pointed out that no one else was following these principles... "Kimberley taught us that we can create change by working together". The need for completely new fora beyond the workshop routine was underlined.

The view that the elections in DRC create an opportunity to 'sell' anti-corruption to President Kabila who won't have much else to show for in 5 years time when he will run for re-election was put forward. President Kabila could sponsor a major anti-corruption campaign which could yield results and it is a matter which concerns all the population.

The importance of making sure that "illegal" companies are not able to hide behind other companies in the re-organisation of the businesses was underlined.

An answer to that was that these companies needed to be brought into the framework and that as Lebanese companies paid so much in bribes there is no pressure on other companies to do so. Mention was made of the Business Action for Africa initiative (<http://www.businessactionforafrica.org>) which is a spin-off of the Commission for Africa and could be a structure to use in these countries. Business should go ahead and not wait for the World Bank or the governments to move forward but there is an obvious interdependency between the fight against corruption and the overall development.

De Beers explained their commitment **XXX**

Frustration with the UN's group of experts that don't help things move forward was expressed.

The raw material business is a fast evolving trade and there would probably only be results in this type of conference/debate if high-level delegations from the other non-african 'offending' countries like Russia, China and India were present. The African governments feel unfairly targeted.

Another participant argued that if we want to change corruption we need to act bottom-up and therefore through education. The Africans have been transformed by poverty and values such as integrity need to be reinstilled. Anti-Corruption (corruption is bad and change is needed) needs to be marketed just like any other product, the media should be used to put the message across that populations are poor because corrupt practices are not building the nation. The private sector can help.

CEMEX was mentioned as a company financing education on these issues in Mexico.

The idea of the media campaign that could be run by President Kabila with civil society (women and children saying 'we are watching, corruption hurts us') was taken up by another participant. We need to give the governments the power to punish corruptors and the private sector can help with training.