



2 November 2008

The Athens Agenda: Corruption and sustainable development

Outcome of the 13th International Anti-Corruption Conference

I Prologue

We, more than 1300 people, from 135 countries and from the private, public and non-profit sectors, came together in Athens, Greece from 30 October – 2 November 2008 at the 13th International Anti-Corruption Conference (IACC) under the banner “Global Transparency: fighting corruption for a sustainable Future”.

In the shadow of the Parthenon, we explored how corruption undermines all facets of sustainability: fostering conflict and violence, distorting natural resource exploitation; aggravating climate change and hampering our response to it; and deepening global inequalities.

And in the spirit of ethical inquiry and justice, values that inspired the great thinkers of ancient Greece, we sought through dialogue and exchange to learn from one another and together to forge solutions to the challenge of governance and sustainable development.

We remembered our last gathering at the 12th IACC in Guatemala in 2006, acknowledging that we continue to work towards a world that is fair as well as sustainable. And we commemorated the 25th anniversary of the IACC series, recalling the very first IACC in Washington D.C. in 1983. We also thanked our gracious hosts, the Government and the people of Greece, as well as Transparency International Greece, as our excellent conference organisers.

While recognising the many innovations in anti-corruption practice and tools, and that the greater part of our work consists in implementing and bettering these, we noted from the outset that this conference was ultimately about people and about putting an end to the misery, alienation and instability that corruption breeds.

II Financial crisis

In the final months of 2008, the world has faced a financial and economic crisis unprecedented in recent history. Illuminating a new level of interconnectedness; market failure has moved outwards from the mortgage sector to engulf credit and stock markets, and the global economy more broadly.

Facing a prolonged and painful recession, the gains of emerging economies are already being erased and the economies of the lowest-income countries are being put under further strain. We recognised the central role of transparency and accountability in mitigating the crisis and preventing future failures. And we underscored that the poor are not able to bear the cost of the greed and mismanagement of financial professionals half a world away and that better development - to which the fight against corruption is central - must remain at the top of the global agenda.

At the conference opening, Greek Prime Minister, Kostas Karamalnis, IACC Chair, the Hon. Barry O'Keefe, Transparency International Greece Chair Costas Bakouris and Transparency International Chair Huguette Labelle all spoke of the crisis, and the questions of accountability it raised.

With reference to the theme of the 13th IACC, it was noted that both the financial crisis and the challenge of climate change had the same roots: humanity's unsustainable practices. And participants remained acutely aware that the financial crisis, with the instability and haemorrhaging of wealth it has brought, threatened to impact all facets of the task we had set ourselves, but that our mission remains urgent and critical.

III Peace and security

We were mindful that corruption undermines stability in numerous ways. It keeps states from functioning effectively and from serving their citizens, and promotes an unequal distribution of wealth and opportunities. When basic needs and rights remain unmet because of greed and backdoor dealing, anger and violent reprisals are the bitter harvest.

In plenary session and related workshops we sought to untangle the interwoven mass of deprivation, alienation and violence to arrive at new solutions to counter corruption as a threat to human security.

Corruption, one speaker outlined, enables terrorism; organised crime; state capture; illegal trafficking in arms, drugs and human beings. Corruption in the judiciary deprives citizens of the right to a fair trial and facilitates human rights violations.

Focusing on the nexus between corruption and human rights abuses a speaker noted that placed side-by-side the lists of the ten worst performers on the Corruption Perceptions Index

and the ten greatest human rights offenders would look strikingly similar. We recognised the need for greater cooperation between the anti-corruption and human rights movements. Our discussions highlighted that the human rights framework, including the rights to freedom of expression, freedom of association and freedom of assembly, is currently under-utilised in the fight against corruption. And we noted that an empowered citizen is the best tool we have for fighting corruption. We raised the issue of special considerations for post-conflict areas, noting that war-time leaders often have ties to organised crime. Ineffectual governance paired with endemic corruption de-legitimise of authority and the rule of law.

We heard the heartening example of a local citizen's movement in post-war Guatemala that successfully battled, using non-violent means, embedded narco-trafficking networks through coalition building and awareness-raising. And we learnt that education is essential to the empowerment of youth, as well as adults, by informing them about their rights and the power of civil resistance.

But we also remain aware of weak legal frameworks and limited space for civil society to operate in many countries. We expressed grave concern over the increasing level of threats, intimidation and harassment faced by anti-corruption advocates worldwide. And we made strong progress in our plans to establish a network to mobilise support and protection for anti-corruption advocates in fear of their lives or subject to other threats.

We also discussed the threats to individuals and organisations responsible for carrying out investigations into corruption, especially those which target the politically powerful. We discussed the range of tactics used to stop investigations and the measures that can help protect against this, including the need for these investigatory bodies to have their own statutory basis, for their directors to be selected on the basis of skills and experience and to be appointed for set, multi-year terms, and to have full discretion over decision-making.

We also passed a resolution expressing our deep concern and calling on the Nigerian Government and the global community to take urgent action to guarantee the physical safety of Nuhu Ribadu, former Chair of Nigeria's Economic and Financial Crimes Commission (EFCC), who currently fears potentially fatal reprisals for the investigations he has led.

IV Corruption in the natural resources and energy sectors

Perhaps no single industry illustrates the disastrous waste of potential engendered by corruption than oil and gas extraction. We recognised the tragedy of resource-rich states whose citizens remained mired in poverty. The complexity and the money at stake make the extractive industries uniquely prone to corruption, but also uniquely positioned to drive economic development.

We broadly examined the consequences of corruption in the exploitation of natural resources and considered strategies and partnerships to address these. Plenary speakers called on businesses to do more to keep corruption from undermining human rights in resource-rich states, saying that attitudes to-date had been too passive.

And we recognised the problem of lacking enforcement and disincentives for corrupt behaviour in the industry, needed to ensure transparent and sustainable resource extraction. The critical role of civil society in illustrating the human cost of natural resource corruption was highlighted, and we saw the need for the kind of outrage that has successfully driven past campaigns on other social issues.

We saw evidence of illicit enrichment, in the exorbitant expenditures of the family of Equatorial Guinea's President, including records of a US \$36 million mansion in Malibu, California, and a US \$250,000 credit card receipt for a designer store in Europe – this in an oil-rich country with the world's highest economic growth rate, but where a significant portion of the population still lives on a dollar a day, or less.

Looking specifically at transparency in oil and gas, we discussed the Extractive Industries Transparency Initiative (EITI), recognising the need for greater public awareness of its mission, and acknowledging that other sectors could benefit from the EITI approach.

Colleagues from Eastern Europe and Central Asia presented their regional experience tracking oil and gas revenues, in the specific context of transition. Regional experiences were discussed widely and the importance of region and country-specific measures to counter corruption in the exploitation of natural resources.

We explored how better enforcement and awareness of land and resource rights can help improve the governance of natural resources, but cautioned that special attention must be paid to the rights of marginalised groups such as rural and poor communities.

V Climate change and corruption

In the opening session of the 13th IACC, climate change was referred to as “possibly the greatest governance challenge the world has ever faced”. From carbon credit schemes, to resettlement of displaced populations, to protecting forests and biodiversity, to managing an increasingly strained water supply, vulnerability to corruption threatens to exacerbate environmental problems and undermine our attempts to manage them.

The conference recognised that climate change has the potential to undermine, or reverse, recent gains made in global poverty reduction. As such, those working to limit the impacts of climate change and those working for global transparency share a common goal, that of a sustainable future. While there has been long standing cooperation in other environmental

sectors, such as forestry, fisheries and freshwater, this conference was the first in the IACC series focus explicitly on the issue of climate change.

A series of workshops examined the scope for corruption within both climate change governance systems and revenues flows associated with carbon markets and carbon credits. It was noted that allegations of corruption are already under investigation and that significant corruption risks have been identified in several areas of carbon-related financing, such as authentication of Clean Development Mechanism (CDM) projects.

It was further noted that the Kyoto-based system for combating climate change system is in danger of failure if there is a loss of trust in its efficacy by governments, businesses, financial markets and civil society. Indeed, there are already strong allegations that the Kyoto-based system has been subject to 'policy capture' that has prevented benefits being realised within developing countries; and that short-term considerations of creating an effective market have over-ridden the long-term benefits of a system that both reduces greenhouse gas emissions and alleviates the negative impact of climate change on those most affected by it.

As such, the conference recommends that anti-corruption mechanisms are built into both the governance and implementation procedures of any future Kyoto-based system, and calls on the environmental and anti-corruption communities to work together more actively to ensure this outcome.

The conference recognises that climate change is more than an environmental issue. It is an issue of social justice and is increasingly recognised as such. Limiting the impacts of climate change, through both mitigation and adaptation activities, will require a substantial transfer of funds, in the region of US \$100 - \$200 billion annually, from rich countries to poor. This funding may be delivered through both direct public funding or through market-based mechanisms.

There are significant and growing risks of corruption in all stages of this process, in the raising of capital, in the governance mechanisms for the funds and in delivery on the ground. It is critical that corruption does not undermine the effectiveness, or the public support, for action on climate change. It is likely that many of the characteristics of climate financing will be similar to financing for international development and as such there are relevant lessons that have already been learnt. However, the conference also recognised several unique aspects and sensitivities to climate finance, which require specific attention when seeking to put anti-corruption measures in place.

We explored the link between corruption, illegal logging and climate change, noting that effective enforcement is impossible in the face of rampant corruption. But we sought to distinguish corruption from illegal logging per se in order to address the underlying governance issues in their full complexity.

The conference therefore recognises that there are convincing arguments to develop an active partnership between those holding expertise and capacity for anti-corruption and those with expertise and experience in planning the global response to climate change.

VI Sustainable globalisation

Trade, travel and communications have brought the world closer together. Whether it is the far-reaching effects of industrial activity on climate change, the domino effect of the global financial crisis or markets that increasingly know no borders, globalisation is a reality. Increasingly, corruption too is globalised so that only a global response will be adequate.

In light of a recent WWF report projecting that we will need the equivalent of two earths to support ourselves by the middle of the 21st century, we explored how corruption undermines sustainable development, in environmental, social and economic terms, and how corruption itself is among the least sustainable practices.

We examined the health of emerging global governance solutions involving governments, such as the UN Convention against Corruption (UNCAC) and the OECD Anti-Bribery Convention, and more effective development assistance; intergovernmental organisations, such as the World Bank or African Union; and civil society, including the diverse advocacy work of the anti-corruption movement. And we considered the role of new technologies, in particular, new methods of communication and the crucial role of the media.

We highlighted the UNCAC as the most promising instrument we have to set common standards in our countries and to pursue cross-border issues. But we expressed concern that without an effective review mechanism, UNCAC will fail to tackle corruption on-the-ground with devastating consequences for peace, security and sustainable development. And we highlighted the importance of a holistic approach to technical assistance to promote more effective implementation of the Convention.

We called on governments to adopt a transparent and participatory review mechanism at the next Conference of the States Parties in Doha in 2009, noting the invitation of the Government of Qatar for civil society to participate in the Conference. We also made our own commitment to working in coalition over the next twelve months, to conduct national and regional advocacy campaigns in order to galvanise the political will for ratification in those countries still to do so, as well as the adoption of a review mechanism.

On the OECD Anti-bribery Convention, we addressed the continuing fall-out from the United Kingdom Government's decision to terminate the investigation into BAE and the Al Yamamah arms deal with Saudi Arabia. We discussed the latest critical report of the OECD Working Group, which highlighted the failure of the UK to have enacted an adequate bribery law nearly a decade after the Convention came into force.

And we heard that the OECD Working Group had called for the investigation to reopened, should there be a reduction in the level of alleged threat that had led to the investigation being discontinued. We recognised the challenge posed to the integrity and credibility of the Convention by these events. And we acknowledged our collective failure in the UK's continued lack of compliance with the Convention. We heard that there was new commitment and optimism that the OECD Working Group and the UK would work together to address deficiencies and we expressed our resolve to support this process wherever possible.

We focussed on the challenge of asset recovery using the provisions of the UNCAC, recognising that freedom of information is an essential ingredient for success and a powerful tool for civil society. We have seen, in Switzerland, civil society coalitions with groups in Angola and Nigeria, for instance, that have effectively petitioned for the return of stolen assets. Although we remain mindful of the risks that returned assets can be subject to and call for transparency criteria in the process. And we stressed the need for banks to do more to ensure that they communicate and enforce policies of not working with corrupt individuals.

We acknowledged the corrosive effects of political corruption, identifying it as the greatest threat to democratic governance in the 21st century and identified disclosure and civil society oversight as a vital counter-measure.

Together with business, civil society and government representatives we took stock of anti-corruption components of Corporate Social Responsibility programmes, reinforcing the importance of the UN Global Compact and collective voluntary action by companies seeking to change their environment. The Business Principles for Countering Bribery, EITI and the World Economic Forum's PACI Principles provide instructive examples of this approach. And we underscored the responsibility of companies to ensure anti-corruption measures all along the supply chain along with the need for independent assurance of corporate compliance programmes.

We continued our explorations for limiting corruption's impact on the effectiveness of development assistance, discussing the responsibility of institutions such as the World Bank to ensure transparency and good governance in their own operations, as well as better disclosure by both donors and recipients to allow civil society, investigators and journalists to follow the money.

And we noted that development assistance is especially vulnerable in a time of economic downturn and that corruption is often used as pretence for "giving up" on aid. Therefore we bear a responsibility to show that corruption does not negate the case for aid, but rather can strengthen it when it is designed to reinforce better governance.

Recalling our work at the 12th IACC in Guatemala in 2006, we revisited the Guatemala Declaration, agreeing that we need to improve monitoring of country commitments and continue facilitating meetings between national governments, and with civil society, in the Central American and Caribbean Region.

Participants at the Youth Integrity workshop agreed on a call to the IACC to continue broaden its engagement with young people for future Conferences and urged the anti-corruption movement to support strongly anti-corruption education and youth-initiated projects around the world.

And in an act of closure, we noted that the growing divide between those benefiting from globalisation and those being left behind brings us back to the questions of peace and security we explored on the first day of the 13th IACC.

VII Our conclusions

As the 13th IACC drew to a close in Athens, we reflected on our four days of exchange and deliberation. And from our many specific findings we drew some larger conclusions to guide our work and thinking in the coming years.

We concluded that inter-disciplinary cooperation needs to be a priority for the anti-corruption movement, noting the lag in fully acknowledging and modelling the linkages between corruption and climate change, and corruption and human rights. We will strive to integrate our work more closely and to use the frameworks of both the human rights and environmental movements as a guide for our work.

We recognised the long-term importance to our work of the UNCAC as the global, comprehensive anti-corruption framework for preventing and combating corruption, and recognised the need to begin work today to galvanise political will for ratification and the review mechanism.

We acknowledged the need for better resource governance: from drinking water, to oil and gas, to timber. And we recognised that an informed, empowered citizen is the most powerful tool against corruption.

From many quarters we heard a call for greater civil society engagement on issues ranging from asset recovery to political finance. We therefore called on governments to ensure the space and the freedom for civil society to operate, and on civil society to bolster its own governance.

And we noted that the financial crisis bears opportunities for the anti-corruption movement, in terms of a closer focus on corporate governance and financial regulation, particularly on a global scale. But that it also poses threats as companies seek to cut costs and governments scale back development assistance, further burdening the poorest countries. We resolved to do our utmost to keep the financial crisis from undermining progress made in the fight against corruption.

VIII Epilogue

Our many discussions on a common sustainable future, returned time and again to the human cost of corruption and other unsustainable practices. Despite a globalisation that has made us more dependent on each other, deep fissures remain, with communities fencing themselves off along political, ethnic, religious and socio-economic lines, with persistent marginalisation of women and other minorities.

If we, the anti-corruption movement, are to remain relevant and effective, we must recognise diversity, the role of power structures and mechanisms of exclusion. We must strive to reach and mobilise people from all quarters, and from all age groups. This means we must continue to innovate in how we communicate our message, what channels and what approaches we use.

We affirmed our conviction that corruption harms all people and ultimately all communities, but that the poorest bear the greatest burden. They are also hit hardest by climate change and unsustainable practices. Their sustainable livelihoods should be our first priority, and this begins by seeking to give them a stronger voice than they have had.

We conclude the 13th International Anti-Corruption Conference in Athens, Greece, in full recognition that, on a global scale, our fates are intimately linked. And we committed ourselves fervently to fighting corruption in order to guarantee our common sustainable future, so that we can hand coming generations a cleaner, healthier and fairer world than the one we inherited.