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Growing threats and restrictions of Civil Society space around the world

The Annual Membership Meeting of Transparency International (TI) gathered in Brasilia on 6 November 2012. TI representatives from over 100 countries expressed deep concern about increasing restrictions introduced by several governments on civil society organisations and noted that judicial and police authorities or other forces, including international cooperation bodies, have also been misused, preventing the disclosure of domestic corruption in violation of United Nations Convention against Corruption commitments.

Restricting the capacity of civil society organisations to operate violates the fundamental human rights of freedom of association and assembly, and curbs the right of free expression. Civil society organisations play an essential role in the fight against corruption as they are best suited to give a voice to the victims.

Transparency International calls on all States to adhere to the core principles and commitments of international conventions, specifically the Declaration on the Protection of Human Rights Defenders. Transparency International also calls on those who are in clear violation of those principles and commitments to roll back restrictions on civil society. Transparency International also urges States to respect the commitments they signed up to under Article 13 of the UNCAC, where States have a commitment to promote the participation of civil society in the prevention of corruption and the fight against it.

The TI movement noted that since 2008, and in spite of the concerns it had then already expressed, a trend has increased to limit the scope, the independence and the sources of funding for civil society organisations in many countries by changing the legal framework regulating them. Additionally, incidents of threats, harassment or violence have become a regular occurrence for many anti-corruption activists around the world. Areas of concern include:

1. barriers to operational activity,
2. barriers to speech and advocacy,
3. barriers to contact and communication,

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4. barriers to freedom of movement,
5. barriers to assembly,
6. barriers to resources, and
7. retaliation against activists.

The Transparency International movement will use all necessary resources to respond to any repressive action against TI Chapters and members. TI underscores its solidarity with all in civil society who face threats and restrictions.

Including Governance and Anti-corruption in the post-2015 Millennium Development Goals framework

Given that a high-level group convened by the United Nations plans to propose post-2015 Millennium Development Goals within two months, Transparency International calls on all governments to integrate governance and anti-corruption in the post-2015 framework for the Millennium Development Goals.

Good governance and anti-corruption are key catalysts for facilitating a country's development and reducing poverty. As seen from Transparency International's analysis and practice, development policies characterised by transparency, accountability, citizen participation and integrity translate into better outcomes in education, health, water and sanitation, among other key development sectors. Yet anti-corruption principles have not been fully recognised within the Millennium Development Goals (MDGs), a globally-endorsed framework to achieve human development priorities by 2015. As the successor framework to the MDGs is being debated by countries and citizens, it is essential to correct this governance gap to ensure sustainable and equitable development progress. It is essential to correct this and mainstream governance and anti-corruption into the MDG agenda to ensure sustainable and equitable development progress.

Specific and time-bound targets on transparency, accountability and integrity must be adopted. At a minimum this would address access to information (e.g. budgets, government revenues, procurement and infrastructure, service delivery and development finance flows), rule of law, and civil society participation.

Building Transparency and Accountability in the Natural Resources Industries

Too often there is a depressing connection between natural resource wealth and corruption. Fighting corruption in the extractive industries has been a key issue for Transparency International since our establishment. Successful management of natural resources (oil, gas, mineral resources, forestry, etc.) requires transparency, and government and company accountability, to citizens and the informed public. We need transparency from exploration, to sale or consumption, until disposal. The Extractive Industries Transparency Initiative (EITI) has shown that progress is possible and that transparency is beneficial to countries as well as to companies.

Transparency International recognises and applauds the major work that many NGOs around the world have pursued in this area, notably the Revenue Watch Institute, Publish What You Pay and Global Witness. TI welcomes the Natural Resource Charter outlining the key principles for governments and societies to best harness the opportunities created by natural resources for development.

The Annual Membership Meeting of Transparency International therefore calls for global action:

- Governments around the world should pass and implement mandatory and consistent legislation and regulation for transparency on a project-by-project and country-by-country basis for natural resource industries.
- Legislation and regulation should go beyond the oil and gas and mineral resource sectors and be extended to forestry and the acquisition of land.
- Governments should adopt open, competitive, and transparent bidding processes for natural resources exploitation, as well as budget and revenue transparency.
- International Accounting Standard Boards are called upon to enact mandatory transparency requirements for natural resource industries to report on a project-by-project and country-by-country basis.

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- Stock exchanges and their regulators worldwide must demand mandatory transparency standards on a project-by-project and country-by-country basis.
- Companies should actively support these transparency proposals, and not lobby for their dilution.
- Investors should ensure that companies they invest in operate to the highest standards of transparency, and do not oppose or lobby against new transparency regulation.
- Civil society should build capacity, develop expertise and engage with governments and companies around initiatives such as EITI. Countries and companies around the world are called to sign up to EITI and implement the EITI standards.
- TI supports a holistic approach to extractive industry development, as reflected in the Natural Resources Charter and the Africa Mining Vision.

Transparency International welcomes the exemplary legislation enacted in the United States, section 1504 of the Dodd-Frank Act, and the corresponding regulations passed by the Securities and Exchanges Commission (SEC). Transparency International also welcomes the amendments to the Transparency and Accounting Directives by the European Commission recently endorsed by the European Parliament's Legal Affairs Committee. The European member states are called on to support these amendments.

The enrichment of corrupt kleptocrats at the expense of their populations must end. This can only happen if individual governments do not obstruct fair competition for natural resources. We need both: binding rules for transparency of payments wherever possible and voluntary initiatives such as EITI.

Establishing a Working Group on Individual Membership

The Transparency International annual meeting calls for the establishment of a Task Force to review the nomination procedures, in light of their contributions, the voting status and functions of Individual Members. The Task Force should consist of representatives of national chapters of all regions and individual members and provide a report with recommendations for timely considerations before the 2013 Annual Membership Meeting.

Enhancing the Integrity of the Financial Sector

Recent major international financial scandals underscore the failure of the financial services industry to change its risk governance and management and its core business culture following the 2008 crisis. Transparency International calls for:

Institutional Transparency: Financial institutions must go beyond the current regulatory framework and make comprehensive public disclosures relating to their policies, processes, organisational structure and risk exposures. They must also be clear on the values which drive their conduct and the contributions they make to society. It should be clear that this applies to every country in which they operate. Such disclosures would allow citizens and investors to properly monitor their behaviour and to hold them accountable.

Anti-money laundering standards: Recent scandals have demonstrated that the lax application of basic anti-money laundering standards has permitted unhindered laundering of the proceeds of corruption. Know-your-customer principles must be rigorously applied to determine the beneficial owner of funds and that these funds are from a legitimate source. Transparency International welcomes legislation which makes it easier for governments to determine the true beneficiaries of funds, such as the draft US Incorporation Transparency and Law Enforcement Assistance Act. Transparency International reiterates its recommendation regarding the presumption that financial transactions involving politically exposed persons (“PEPs”) are suspicious. Furthermore, to facilitate and promote all these processes, we appeal for more effective mutual legal assistance.

Market transparency: The transparency and oversight of key benchmarks, rates and processes – such as LIBOR - which underpin the operation of global financial markets and directly impact on the lives of billions worldwide must be reviewed by regulators with a view to ensuring the integrity of those markets.

Resolution on Afghanistan

As the transitional process is scheduled to end with the election announced for April 2014 the need to tackle the grave, rampant and growing corruption in Afghanistan can no longer be avoided. Corruption is a great burden on the daily life of Afghans who have already suffered decades of armed conflict. Surveys suggest that one Afghan in seven paid a bribe in 2010 and the average bribe is equal to one third of the average salary.

Although international donors met to discuss Afghanistan this last July in Tokyo, the substantial changes promised to laws, policy and practices in the country are yet to follow. Most importantly, the international community itself needs to lead by example in aggressively pursuing corruption and abuse in international and military spending.

The 2012 Annual Membership Meeting of Transparency International expresses grave concern over the lack of substantial progress made in tackling corruption. The meeting calls on the Afghan government to demonstrate its political will and leadership by translating its commitment into action. A comprehensive and immediate reform of laws and institutions are critical to laying the foundations for an accountable and transparency society.

The Meeting calls on the international community, having pledged US\$16 billion in civilian aid, to move beyond business as usual and work with the government and civil society with a sense of urgency:

- Financial flows must be transparent with greater vetting of the resulting contract
- The international community should produce an annual assessment of the total funds flowing into Afghanistan, including revenue from the drugs trade. Sub contracting that is a source of corruption and abuse should be eliminated. All contracts should be fully disclosed
- The Kabul Bank crisis was a test case for the Afghan government. Scandalously little progress has been made in punishing those who committed the violations that led to the bank's collapse
- Afghanistan is going to hold elections in 2014. It is urgent and necessary that all measures are taken to ensure that the high level fraud of the 2009 elections are not repeated and that elections will happen on transparent lines based on best practice, including strict limits on total expenditure. It will be essential for the Electoral Complaints Commission to discharge its functions with transparency and integrity.

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The AMM calls on the Board to initiate a more detailed outline of the above key steps which can be addressed both to the government of Afghanistan and the international community by the end of the year.