

June 1, 2005

Annual Report of the Chair and President of Transparency International Canada
Eighth Annual General Meeting

I would like to focus on some key highlights in my 2004 Annual Report. This was a year of change for TI-Canada, spurred on by our new Strategic Plan.

After four and a half years of preparation, we were finally successful in completing Phase I of our Nigeria Project, a conference on "Integrity Pact for the Oil and Gas Sector in Nigeria," May 27-28, in Abuja, Nigeria. Considering the political and economic situation in Nigeria, over the past few years, and the recent successful introduction of the Extractive Industries Transparency Initiative into Nigeria, in February 2004, the timing could not have been better. Transparency In Nigeria (TIN) is our main partner in the Nigeria Project. Our other partners are TI-Norway and the TI Secretariat in Berlin. Financial support for the conference was provided by CIDA, Nexen Inc. and StatOil (a Norwegian oil company active in Nigeria) and was much appreciated. TIN was responsible for the task of organizing the conference and did a fine job particularly in achieving the participation of a wide range of stakeholders from government, civil society and the oil sector.

CIDA played a central role in ensuring the success of the conference. The Ottawa office worked carefully with us to ensure funding flexibility. The Canadian High Commission and the CIDA representatives in Nigeria worked closely with us and with TIN. Their support played a crucial role in conference planning and liaison between and among Nigerian stakeholders and between TI-Canada and TIN. It was encouraging to see that our Canadian representatives in Nigeria are so effective and influential.

The conference was opened by Chief Olusegun Obasanjo-GCFR, President of the Federal Republic of Nigeria. A final plenary session resulted in six resolutions. Various actors in the project participated in follow-up meetings to address further phases of the project, including an Integrity Pact workshop with the Niger Delta Development Commission, the development of a monitoring scheme for the implementation of an Integrity Pact and the creation of an actual Integrity Pact.

Another highlight of 2004 is the Municipal Governance Project of our Municipal Governance Committee, chaired by Board Member John McWilliams. Our 2004 symposium, "Corruption – Is Canada in Trouble," had as a focus municipal government and transparency. Recently, we have received seed money for the Project from the Cities Secretariat of Infrastructure Canada. This has allowed us to research issues of transparency and good governance at the municipal level in Canada and gather the perceptions of experts and key informants with respect to these issues. As a result of our findings, we are building an Advisory Council, made up of prominent municipal experts and authorities, concerning these issues. Bill Norrie – Conflict of Interest Commissioner for Manitoba and former Mayor of Winnipeg, David Mullan – City of Toronto Integrity Commissioner and former Professor of Law, Queen's University, Patrick Moyle - Chief Administrative Officer, Town of Caledon, and former Executive Director, Association of Municipalities of Ontario, and David Crombie – President and CEO, Canadian Urban Institute and former Mayor of Toronto and Member of Parliament, have already agreed to participate in the Advisory Group. The project is working toward a workshop to be held next fall and the possible development of a survey instrument designed to probe perceived levels of integrity in municipal systems of governance.

We have a number of other committees, which have also been particularly active over the past year. Our Membership Committee, chaired by Anita Davis, is working on a Business Advisory Council. Our International Conventions Committee, chaired by Michael Davies, is responsible for monitoring the effectiveness of a number of international anti-corruption conventions: the OECD Convention on Combatting Bribery of Foreign Public Officials, the Inter-American Convention against Corruption and the UN Convention against Corruption. This committee contributed to the TI Progress Report on Enforcement of the OECD Convention and recently submitted a Canadian civil society response to a questionnaire focused on the Inter-American Convention against Corruption. Bob Olivero, a member of the International Conventions Committee and the Chair of our Americas Committee, will be defending the Canadian response to the questionnaire at the review by the OAS Committee of Experts in Washington, D. C., in

September. The Americas Committee is also engaged with other TI National Chapters in North, South and Central America on common interests and projects in the Americas. Our Governance and Nominating Committee, chaired by Tom Goldie, provides guidance to the Board on governance issues and is responsible as well for recommending the nomination of Board members to the Board and through the Board to the membership of TI-Canada at our Annual General Meeting.

For reasons that are not surprising considering recent events in Canada, the media developed a substantial interest on our activities and our views. A number of events in the private sector, and government have put corruption on the agenda here in Canada, the sponsorship controversy being the most recent. The fact that Canada has slipped from 5th to 11th place on TI's Corruption Perceptions Index has also attracted attention and commentary. Over the past year, TI-Canada has been contacted and quoted by newspaper, radio and TV programs in all parts of the country and national CTV and CBC news broadcasts. I have spent a good deal of time with background briefings and have participated on numerous radio talk shows in virtually all regions of the country. Our message is clear: Corruption is a challenge at home and abroad and in all sectors of the economy; nonetheless, Canada has an excellent reputation internationally as a country where bribery and corruption are relatively infrequent.

Events over the past few years, however, have demonstrated a need for vigilance on the part of business, government and civil society. Significant steps have been taken and are being taken in the private and public sectors in Canada to address systemic weaknesses in existing governance systems. One of the important tasks as a chapter of an international anti-corruption coalition will be to monitor reforms that have been put in place here in Canada, at all levels of government and in the private and voluntary sectors. Our Municipal Governance Project is one indication of our commitment to that task.

In closing, I would like to thank CIDA for its ongoing support to TI-Canada, both through its core funding, which allows us to carry out so much of what we do, as well as the funding of our Nigeria Project. Our Charter Members are also to be thanked for their significant financial contribution, as well as their on-going support and assistance. We are also very grateful to the support we receive from the Schulich School of Business, York University for providing on-going office and support staff support for our operations.

Many thanks go to our various committee chairs, the other Board Members who participate on these committees and our National Coordinator, Bronwyn Best, who juggles all the many activities noted above, and more, and keeps the organization moving forward.

Two Board Members, Peter Harris and Michael Davies, are retiring from the TI-Canada Board, this year. Peter Harris has provided necessary legal guidance and services from the date of our incorporation in 1996. He was the Board's first Secretary and participated actively in launching the Chapter. Michael Davies played a key role in garnering early private sector support for the launch of TI-Canada. He wrote our first set of bylaws, was elected our first Vice Chair and has been active over the years as a member of the Governance and Nominating Committee. Michael played a key role in persuading the Canadian Government to ratify the OECD anti-corruption convention and has continued to track its effective implementation from 1999 to the present. He has contributed energy, commitment and a great deal of time to the work of Transparency International. I would like to offer to both Peter and Michael our thanks for their commitment and contribution over the years.

Finally, our members also make an important contribution to our work and our impact. As the range of our activities widens, we anticipate calling on our members not only for financial support but also for their experience and expertise. We will continue to keep in touch with all of you through our newsletters, conferences and our website. We welcome your comments and suggestions and want to thank you for your continued support.

Respectfully submitted,

Wesley Cragg