



**DIRECTORATE FOR FINANCIAL, FISCAL AND ENTERPRISE AFFAIRS
COMMITTEE ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES**

Working Group on Bribery in International Business Transactions (CIME)

**INFORMATION MEETING WITH NON-MEMBER ECONOMIES ON OECD
EFFORTS TO COMBAT BRIBERY AND CORRUPTION**

AGENDA

Paris, 5 June 2000

This meeting will take place at the International Energy Agency, 9 rue de la Fédération, 75015 Paris, starting at 9.30 a.m.

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INFORMATION MEETING WITH NON-MEMBER ECONOMIES ON OECD EFFORTS TO COMBAT BRIBERY AND CORRUPTION

BACKGROUND INFORMATION

The OECD has developed several instruments to promote integrity in international business transactions. In the closing decades of the last century, OECD Member countries have come to recognise the full dimensions of the negative economic and political effects of corruption. Developments in all nations provided dramatic evidence of the corrosive impact of corruption and weak governance on investment, economic growth, political stability and the development of market-based economies and democratic political institutions.

As a result, OECD governments have fundamentally changed attitudes towards bribery and corruption. Together, OECD governments developed different undertakings, at the national and international level, to combat bribery in international business transactions and to promote high ethical standards and good governance:

- To protect and promote an open and fair trading system, OECD Members decided in late 1980 to study ways to fight against bribery in international business transactions. The culmination of this work was the adoption, in 1997, of the *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*. The 1997 Bribery Convention was signed by all 29 OECD countries and 5 non-member countries and came into force on 15 February 1999.
- To improve the functioning of government institutions and improve the elements of their national ethics management systems, Members adopted in 1998 the Recommendation on Improving Ethical Conduct in the Public Service. They thereby committed to regularly review policies, procedures, practices and institutions encouraging high standards of conduct and preventing misconduct as well as countering corruption.

OECD countries recognise that as major trading countries they have particular responsibility to address corruption. However, they also are aware that it is essential, in an increasingly interdependent world, that all nations share responsibility for combating bribery. To improve the effectiveness of the international standards, OECD and associated governments therefore seek to share information on anti-corruption initiatives and to co-operate with the widest possible audience.

The Working Group on Bribery in International Business Transactions (the Working Group) is responsible for implementation of the Bribery Convention and related instruments. It decided to organise an information meeting with non-OECD countries having expressed an interest in learning more about OECD actions to combat bribery and corruption and the OECD anti-corruption instruments.

THEMATIC FOCUS

The information meeting will aim at providing a comprehensive overview of the underlying commitments and obligations of the anti-corruption instruments developed under the auspices of the OECD. In particular it will focus on the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the related OECD instruments. Other OECD anti-corruption

activities will also be presented. The meeting should further provide participants an opportunity to engage in a dialogue on the motivations and the means for strengthening co-operation between the OECD members and non-member countries.

STRUCTURE

The information meeting will be structured into four main sessions. Session I will give representatives from non-member countries the opportunity to present actions taken at national and sub-regional levels, possibly in the context of regional and international initiatives, to combat domestic and international corruption and bribery. Three sessions will be dedicated to the instruments developed under the auspices of the OECD to combat bribery and corruption, the work carried out by the Working Group and different means of participating in these initiatives.

Speakers from OECD and non-OECD countries will be invited to make presentations that will be followed by an opportunity for a general discussion. During the general discussion period, participants will be given the opportunity to ask specific questions and discuss in further depth issues of particular interest. Presentations by experts and lead speakers will be limited to 10 and 20 minutes respectively. Interventions from the floor should be brief.

PARTICIPANTS

The meeting will bring together government officials and representatives that have responsibility for implementing or enforcing anti-corruption laws or policies. Representatives from OECD Member countries will be present the work of the Organisation and in particular the activities of the Working Group on Bribery. Officials from the European Commission, the International Monetary Fund, the Organisation for American States, the World Bank and the World Trade Organisation Secretariat will be also invited.

PRACTICAL ARRANGEMENTS

The meeting will be held on 5 June at the International Energy Agency, 9 rue de la Fédération, 75015 Paris. It will start at 9:30 a.m. and end at 6 p.m.

Participants are invited to present themselves for registration between 8:30 and 9:00 am.

The working languages are English and French, with simultaneous interpretation.

Participants should receive documentation in advance of the meeting. Documents submitted by speakers or participants will be reproduced by the OECD Secretariat.

DOCUMENTATION

Documents prepared by the OECD Secretariat or submitted by participating countries include :

DAFFE/IME/BR/WD(2000)24/REV1	Agenda
DAFFE/IME/BR/WD(99)30/REV2	Information Note – Participation in the OECD Working Group on Bribery in International Business Transactions and the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
DAFFE/IME/BR/WD(2000)25	Proposal for an Anti-Corruption Declaration (Note by the Secretariat)
DAFFE/IME/BR/WD(2000)26	Public Trust: Ethics Measures in OECD Countries
DAFFE/IME/BR/WD(2000)27	Prevention of Corruption in the Republic of Croatia
DAFFE/IME/BR/WD(2000)28	Fight Against Bribery and Corruption in the Republic of Latvia
DAFFE/IME/BR/WD(2000)29	Information on Prevention of Corruption in Romania
Not yet available electronically	Prevention of Corruption in Slovenia

Programme

Chairman, Professor Mark PIETH

MORNING SESSION

9:30 - 9:50

Opening remarks

Mr. Seiichi KONDO, Deputy Secretary-General, OECD

Mr. Rainer GEIGER, Deputy Director for Fiscal, Financial and Enterprise Affairs, OECD

Session I

International Efforts to Combat Bribery and Corruption

9:50 - 10:10

A. OECD Actions: Main Elements

Professor Mark PIETH (Switzerland), Chairman of the OECD Working Group on Bribery

10:10 - 10:50

B. Globalising Anti-Corruption Efforts: The Interests of Non-Members

Presentations by:

- *Ms. Elvira MONTANES*, Adviser to the Presidential Program Against Corruption, Presidency of the Republic of Colombia
- *Mr. Sipho MDHLULI*, Investigating Director (Corruption), Office of the National Director Of Public Prosecutions, South Africa
- *Mr. Alexandre SHEVCHENKO*, Head of Division, International Organizations of Economic Cooperation Department, Ministry of Foreign Affairs, Russia
- *Mr. Ian McWALTERS*, Deputy Principal Government Counsel, Prosecution Section, Department of Justice, Hong-Kong, China

10:50 - 11:30

General Discussion

11:30 - 11:50

Coffee break

Session II

11:50 - 12:10

The OECD Working Group on Bribery in International Business Transactions: Overview of activities

Professor Giorgio SACERDOTI (Italy), Vice-Chairman of the OECD Working Group on Bribery

12:10 - 13:00

General Discussion

13:00- 15:00

Lunch

AFTERNOON SESSION

Session III

15:00 - 16:00 ***Procedure and criteria for participating in the Convention and the Working Group***

Mr. Tom DELARE (United States), Chairman of the ad hoc OECD Group on Accession

Session IV

16:00 - 17:00 ***Co-operating in anti-corruption initiatives***

Speaker to be announced

17:00 - 18:00 ***Conclusions and Follow-up***

General Discussion

Concluding Remarks by the Chairman

ANNOTATIONS

Session I. International Efforts to Combat Bribery and Corruption

A. OECD Actions: Main Elements

This session will focus on the benefits governments derive from implementation of national and international actions against corruption. The OECD's position in the vanguard of international organisations active against corruption has been confirmed by the adoption and entry into force of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the related Recommendations*. The presentation will highlight the various initiatives that OECD Member countries have taken to address corruption from both the "demand" and the "supply" side.

A special emphasis will be placed on the Bribery Convention and the broad interdisciplinary approach of the related recommendations. The crucial role of the criminalisation of bribery of foreign public officials as well as of other aspects such as denying tax deductibility for such bribes, improving transparency by raising standards for bookkeeping and auditing, and providing for additional sanctions in the area of public procurement, will be explained. The OECD also promotes the development of an effective framework for increasing public integrity and standards of conduct on the part of public officials. The presentation will provide information on the most recent activities of the Public Management Committee which is due to submit soon a report on the implementation of the OECD Recommendation on Improving Ethical Conduct in the Public Service.

B. Globalising Anti-Corruption Efforts: The Interests of Non-Members

In the last decade or so, OECD Member countries have come to better appreciate the global dimensions of corruption. That is why international standards on fighting corruption cannot be applied by OECD alone. Non-OECD members are taking a very active role in fighting bribery and corruption domestically, and increasingly, at the international level as well. They have been engaging with other countries to raise awareness of international anti-corruption efforts, and to share information concerning best practices and successful anti-corruption programmes. The presentation will focus on recent national initiatives, highlighting the lessons learned from implementing an anti-corruption strategy.

In this session, participants will have an opportunity to more fully explore anti-corruption programmes in non-member countries. Participants may wish to exchange views on the usefulness of the instruments developed under the auspices of the OECD and whether these are applicable in their national context or region. In the general discussion, participants will be able to present their specific situations or offer insights into their own, national experiences. The instruments on bribery in international business transactions (the 1997 Bribery Convention and Recommendations) and on ethics will be important points of references during the discussion.

* In 1994 OECD countries agreed on an initial *Recommendation on Bribery in International Business Transactions*. Subsequently, in May 1996, they adopted a *Recommendation on the Tax Deductibility of Bribes to Foreign Public Officials*. In May 1997, a revised *Recommendation on Combating Bribery in International Business Transactions* was adopted.

Session II. The OECD Working Group on Bribery in International Business Transactions activities: Overview of activities

The lead speaker for this session will present the activities of the Working Group on Bribery in International Business Transactions. The main focus will be on how the Group ensures the effectiveness of the Bribery Convention and the recommendations, with special attention on the monitoring of the effective implementation and surveillance of the instruments. The Group's work concerning other issues relating to corruption, such as the solicitation of bribes, the role of offshore financial centres in bribery transactions, and bribery in the private sector, will also be explained.

The Group's interface with other OECD bodies will be highlighted, including the Committee for Fiscal Affairs, the Development Assistance Committee, the Public Management Service, as well as with business organisations and representatives of the private sector, civil society, and international organisations to build partnerships and ensure the full involvement of major stakeholders.

Session III. Procedure and criteria for participating in the Convention and the Working Group

Ministers of participating states have declared on different occasions their intention to seek to secure the accession of the broadest range of non-OECD countries to the Convention. The Convention (Art.13) and the related commentaries (para.37) specify that the Convention is open to non-members which become full participants in the OECD Working Group on Bribery in International Business Transactions and that participation by non-members is to be encouraged.

Governments of a non-member country interested in associating themselves to the OECD anti-corruption effort must be willing and able to fully meet all obligations and commitments inherent in joining the Working Group and in acceding to the Convention. The willingness of a country to join the Working Group and accede to the Convention should be based on a complete understanding of those obligations and commitments.

The presentation will describe the procedures and criteria for joining the Working Group and the Convention, based on the information note, "Membership in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions", which has been sent to participants. It is not expected that all countries committed to fighting corruption will join the Convention or the Working Group. Accession may also not be appropriate in all cases. Nevertheless, there might be a shared desire to further intensify actions to improve links and co-operation in the fight against corruption such as regional seminars or workshops, participation in regional networks or other anti-corruption arrangements.

Session IV. Co-operating in anti-corruption initiatives

Non-members may wish to associate themselves with these actions as a way to send a strong and clear signal to all trading partners that the country is determined to take action against bribery in international business transactions, to foster a better climate for international investment, or to build a strong alliance with other governments eager to achieve honest government. This session should explore ideas on the best ways of promoting anti-corruption initiatives in non-member countries and the benefits to be gained from association with international efforts. The discussion should also focus on how to achieve that the largest possible number of countries implement and execute effective anti-corruption strategies. The discussion may culminate with the elaboration of a concrete proposal or an international anti-corruption declaration.

Conclusions and Follow-up

The Chairman will summarise the discussions and participants should identify and make specific recommendations for concrete follow-up.