



INTEGRATING ANTI-CORRUPTION IN CANADIAN FOREIGN POLICY CONFERENCE

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Conference Report

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This report is a summary of commentary made by speakers and audience members during the June 13, 2023 conference ‘Integrating Anti-Corruption in Canadian Foreign Policy.’ The discussion occurred under Chatham House Rules – a speaker may be quoted, but not attributed unless providing permission – to allow for open and frank conversation.

*The opinions contained are solely those of commentators, and – unless explicitly stated otherwise – are not necessarily those of Transparency International Canada, **the Canadian International Council, the Canadian Centre of Excellence for Anti-Corruption (CCEAC), the Konrad-Adenauer-Stiftung Canada, Global Affairs Canada, the Open Society Foundations, or the University of Ottawa Faculty of Law – Common Law Section.***

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1. About

TI Canada is the Canadian Chapter of Transparency International, the world's leading anti-corruption movement. Founded in 1998, we have become the leading civil society voice in Canada to fight corruption.

The Canadian International Council (CIC) is an independent, member-based council established to strengthen Canada's role in international affairs. The CIC's mission is to provide a platform for all Canadians to engage in global affairs. Since 1928, as a non-partisan, charitable organization, the CIC has provided a platform for citizens to help shape Canada's place in the world.

The Canadian Centre of Excellence for Anti-Corruption (CCEAC) strives to encourage exchange and communication of best practices to help prevent, detect and deter ethics, compliance and corruption related risks. The CCEAC works with academic institutions, industry, private and public institutions and other stakeholders to foster collective action in combating corruption by promoting integrity good governance.



2. Summary

On 13 June 2023, **Transparency International Canada (TI Canada)**, the **Canadian International Council (CIC)**, and the **Canadian Centre of Excellence for Anti-Corruption (CCEAC)** co-hosted a conference at the **University of Ottawa** on integrating anti-corruption in Canadian foreign policy.

The day offered a platform for participants from Canadian and foreign governments, civil society, the private sector, and academics to engage in discussion on issues including viewing anti-corruption efforts through Canada's international treaty obligations, Canada's role in a global system of illicit financial flows, the role and impact of the private sector abroad in addressing corruption, and how corruption manifests itself in foreign aid and reconstruction.



Key Takeaways

The conference delivered quality conversations during panels and breaks, creating engagement between participants from different backgrounds, and creating important links for future collaboration.

It was clear that everyone was committed to working together in a collective fashion to move the needle on several important items.

Key thematic takeaways from the conference include:

- **Understanding the implications of corruption**

It was referenced by several speakers that Africa is a net creditor to the world, losing more money to corruption than it receives in international aid every year. This shows how detrimental the impacts of corruption are and speaks to how Canada and must frame its anti-corruption efforts.

- **Connecting the domestic with the international**

Tackling anti-corruption through foreign policy requires coordination across government, such as to implement international treaty commitments and emerging best practices and innovative approaches. It is not only for foreign policy actors. Legislation and enforcement for illicit financial flows especially are important to prevent Canada from being a parking lot for stolen funds from overseas.

- **Working across actors**

Anti-corruption work can often be siloed, but that is not a recipe for success. Officials from different government departments met during the conference and discussed how to collaborate going forward. The recent commitment to create a Canadian Financial Crimes Agency is one example of a concrete opportunity for collaboration.

- **Creative thinking**

A number of speakers remarked that we need to think about corruption and fighting corruption in different ways from the past including not always emphasizing a criminal justice approach. Systems thinking, norms thinking, economic distortion thinking were put forward as were collective action, business integrity, and civil actions.

- **The importance of analysis**

In order to support creative ways of thinking, there was a consensus among speakers, including by top **Global Affairs Canada** officials and others on the need for good analysis. If corruption is a system, you need to understand that system. If resources are limited for Canada, then GAC can work to pool information with other countries, and work with civil society in local communities to gather information.

- **The importance of civil society**

Civil society is a key actor to help drive and sustain change, but increasingly around the world there is shrinking space for civil society groups. They need to be supported, but also have their independence. Even between civil society groups, 'national elite' groups need to work with local groups.

- **The importance of societal resilience and civilian led initiatives**

Ultimately citizens will demand and drive change. When Canada and other countries engage internationally on anti-corruption, we can assist and help stakeholders, but cannot push or lead. Anti-corruption programming needs to be flexible and able to respond to windows of opportunity to support civilian efforts and governments committed to progress on anti-corruption.

- **The need to protect whistleblowers**

Whistleblowers are often the actors that instigate change by revealing corruption. Without them, anti-corruption work becomes far more difficult. Canada and other governments need to protect domestic and foreign whistleblowers.

- **Being accountable to ourselves**

Canada cannot behave as though corruption in foreign policy is an ‘over there’ issue. Canada must hold its own citizens acting abroad to account, halt its facilitation of illicit financial flows, and implement and uphold anti-corruption laws to have any legitimacy when we call on others to do so.

Opening Remarks

Mr. James Cohen, Executive Director of TI Canada, set the stage for the conference, highlighting the fact that Canada is at a critical moment in addressing corruption. Given the current discussions on foreign interference, money-laundering in Canada, Russia, and sanctions, combined with recent international attention, including the US hosted Summit for Democracy, Canada can no longer wait to address the risks and security issues that corruption poses. But with these risks, comes an opportunity. By seizing the moment, we need to collectively move beyond platitude statements to dealing with realities. Canada must recognize itself as a node in a global corruption system and work with partners, both domestic and international, to truly counter the impacts corruption has on people.



Dr. Norbert Eschborn, Director, Canada Office, Konrad-Adenauer-Stiftung Canada (KAS), echoed Mr. Cohen’s comments, particularly

the fact that corruption is not a phenomenon in isolation. Though many in the West tend to view corruption as an “over there” problem, Dr. Eschborn reminded participants that corruption in the public sector is an everyday phenomenon in certain countries of the Western world and does not even stop at the highest levels of the legislative and executive branches. It is imperative that we accept that corruption is a global problem that affects all countries, regardless of their level of development. In the context of foreign ministries, corruption can have severe consequences for national security, foreign policy, and international relations. When citizens perceive that foreign policy decisions are driven by corruption rather than the national interest, they may lose faith in the government’s ability to govern effectively. As a call to action, he urged Canada to lead the world by example.

The theme of corruption as a global problem was further articulated by **Mr. Marc Tassé**, Chair of the Canadian Centre of Excellence for Anti-Corruption. He made it clear that in an interconnected world, our approach to combating corruption cannot be piecemeal or done in isolation. Everyone has a role to play, but it is by engaging collectively that our impact will be felt.

Keynotes

The opening remarks set the stage for the first keynote speaker, **Ms. Jennifer Loten**, Director General, Bureau for International Crime and Terrorism with Global Affairs Canada (GAC).

Ms. Loten spoke on the important steps that the Government of Canada is taking internationally to help strengthen the anti-corruption architecture and improve coordination and capacity so that criminal actors and enablers do not have a chance to steal and divert public resources, undermine sustainable development, and tear at the social fabric at the expense of stability and the well-being of populations, including women and girls and the most vulnerable.

Canada engages in regional and multilateral fora like the Organisation for Economic Co-operation and Development (OECD), the G20, and Asia-Pacific Economic Cooperation (APEC), as well as multistakeholder partnerships such as the Open Government Partnership. Canada's capacity-building assistance includes supporting countries to strengthen their systems as it pertains to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT). Recognizing that corruption transcends local and transnational boundaries, Ms. Loten highlighted the importance of Canada's own efforts, with 2023 being an important year for the review of the implementation of the three international anti-corruption instruments to which Canada is party – the United Nations Convention Against Corruption (UNCAC), the OECD Anti-Bribery Convention, and the Organization of American States (OAS) Inter-American Convention against Corruption. There is an opportunity to strengthen effective implementation and approaches, and for greater coordination among anti-corruption stakeholders in Canada and internationally, with 2023 also marking the 20th anniversary of UNCAC.

Ms. Jennifer Loten concluded by speaking to the importance of civil society in Canada and in other countries and jurisdictions to help advance important issues such as beneficial ownership transparency and creating the evidence base for informed policy development.

Approaching corruption strategically and thoughtfully was one of the main themes of the keynote presented by **Ms. Abigail Bellows**, Deputy, Policy, USAID Anti-Corruption Task Force, in the United States.

Speaking of the recently released “Dekleptification Guide”, she stressed that fighting corruption needs to take advantage of “windows of opportunity.” Though a window may be open in a country with anti-corruption momentum, things can change quickly, resulting in gradual backsliding that bumps anti-corruption efforts down the priority list. Due to this ebb and flow, progress against corruption is not linear but it happens in leaps where there are moments of elasticity.

International partners need to be agile to respond and amplify existing momentum. Transparent disclosure requirements, strictly independent accountability bodies, and structurally inclusive economic growth policies are key to uprooting entrenched kleptocracy.

Panels

A few major themes emerged from the panel discussions throughout the day, including the need for all stakeholders to act together towards common goals, the need to take into account practical realities on the ground and involving local partners when countering corruption.

Further themes included:

- protecting public finances from exposure to corruption by including supplier contractual obligations;
- moving away from a legal risk analysis system, and
- ending the overreliance on legacy rule of law instruments.
- *It is also important to look inwardly to ensure proper implementation of international commitments while taking inspiration from the international community.*

In short, anti-corruption needs to be integrated early and throughout foreign policy discussions, and not as an afterthought, whether this is in regards to the domestic financial system and illicit financial flows, engaging with the private sector, or when deciding how to spend tax dollars on foreign aid and reconstruction projects.

3. Panel Discussions

Panel 1: The international architecture of anti-corruption - what are the anti-corruption frameworks that Canada works within? How well do they work or not work?

Moderator:

Masud Husain, Senior Fellow at the University of Ottawa / Former Ambassador



(Left to right). Akaash Maharaj, Susan Côté-Freeman, Sabine Nölke and Masud Husain.

Speakers:

Susan Côté-Freeman, Past-Chair and President, Transparency International Canada

Akaash Maharaj, Ambassador-at-Large, Global Organisation of Parliamentarians Against Corruption

Sabine Nölke, Consultant/Former Ambassador

This panel discussed the fact that while Canada is a party to three major international treaties to combat corruption (the OECD Anti-Bribery Convention, the United Nations Convention Against Corruption, and the Inter-American Convention Against Corruption), there are problems and gaps that remain, particularly in regard to Canada’s implementation of its obligations stemming from those treaties.

Panellists noted that while the existence of the treaties under the OECD, UN, and OAS are monumental achievements in the international system to fight corruption, there remains a lack of consequences for bad actors.

As part of the discussion, it was referenced that less than 2% of foreign assets acquired through illicit means are ever recovered, showing a need for improvement not just on the enforcement side but in identifying the very assets and illicit wealth that people hold.

Where does Canada fit in the international anti-corruption system?

While the general public often does not perceive corruption as a major domestic issue, few people realize the extent to which Canada exports corruption. With an economy largely rooted in high-risk economic sectors such as mining and real estate; corruption can often be traced back to Canadian actors operating abroad. Canada's finger rarely points inward, but when Canadian actors are implicated, we have an outsized responsibility to fix it.

How do we go from a system that treats corruption as an individual act to one that recognizes that it is a complex network of structures?

The international framework has done an excellent job of criminalizing corruption, but the domestic mechanisms to enforce it are lacking.

In fact, dirty money has a way of often being championed by those who purport to be against it. Where foreign investment is concerned, countries often pat themselves on the back for creating wealth, but there is little investigation into the source of this wealth. There is a lack of effective mechanisms to repurpose and seize foreign money.

The panellists offered some thoughtful solutions on the path forward for Canada and the international community:

- Move away from criminal law enforcement as the primary model for response and instead address the economic distortions caused by corruption through civil actions.
 - » Non-conviction based asset forfeiture – this type of civil remedy, based on legislative measures such as unexplained wealth orders, could be implemented in partnership with international agencies such as the United Nations Office on Drugs and Crime

PANEL 1

(UNODC), which can assist States and other actors in tracking assets and finding ways to return them. Global Affairs Canada can consider how to meaningfully advance the conversation internationally with partners committed to strengthening the international anti-corruption architecture.

- Encourage politicians to look behind foreign investment before embracing it as an economic success story.
- Better use of our tools and communicating the benefits of them
 - » Remediation agreements require better guidance and better communication. They can be a very effective tool to encourage and guide businesses toward better corporate behaviour.
- Declare Grand corruption a type of crime against humanity with universal jurisdiction.
 - » It should not be viewed as an expansion of individual corruption but rather as qualitatively different from normal corruption. The likelihood of kleptocrats being brought to justice under domestic law is very low, as they in fact wield the most power.

While panellists were asked about the merits of an International Anti-Corruption Court (IACC), there was general agreement that we should work on implementing and fixing existing frameworks before creating new institutions. The problem is not the instruments we have, but the commitment and investment in ensuring their successful operation.

The audience made it clear that no category of actor can be left out of the discussion. We need to include enabler classes such as lawyers in the fight against money laundering. In addition, horizontal alignment among anti-corruption actors is needed, as success in any measure relies on partners who come together for a result.

Panel 2: Canada in an illicit financial flow system: How does corruption work across borders, and how is Canada a node in the international system of corruption?

Moderator:

Sasha Caldera, Beneficial Ownership Campaign Manager, Publish What You Pay – Canada



(Left to right). Sasha Caldera, Jennifer Quaid, Associate Professor, Garry Clement and Christian Leuprecht.

Speakers:

Garry Clement, President and CEO, Clement Advisory Group

Christian Leuprecht, Class of 1965 Distinguished Professor in Leadership, Royal Military College of Canada

Jennifer Quaid, Associate Professor, Vice-Dean Research, Civil Law Section, Faculty of Law, University of Ottawa

This panel began by examining whether Canada was a destination of choice for dirty money. Panellists spoke about the Canadian public's attitudes towards legitimate business practices and how they have evolved over time such as strategic tax planning and tax optimization. Previously, a lack of a register of beneficial ownership meant Canada's financial system was very opaque. However, there has been significant progress on beneficial ownership transparency, particularly with the introduction of Bill C-42 which will establish a federal publicly accessible beneficial ownership registry.

As with the first panel, panellists noted that the way we communicate about corruption is important. We do not talk about "the fight against securities fraud" but rather about control and regulation. The same

PANEL 2

should be said for corruption. We need to control and regulate it, not simply fight against it.

Panellists also spoke about how we compare to other jurisdictions, namely the U.S. and UK. It is estimated that between 2-5% of global GDP is laundered money, and Canada has been perceived as a potential weak link in the system. Municipalities in particular were identified as being easily manipulated through corruption.

A global financial system means we are always fighting for dollars and investments, making it extremely challenging to say no to illicit finance. Furthermore, we tend to focus only on what is in our jurisdiction and not the entirety of the transnational web of transactions.

The problem is further exacerbated by the ease of moving money across the world. Money flowing into the West also leads a further problem: foreign influence. A panellist speculated that Canada is in a position that removing all the illicit money from the economy could lead to disastrous economic consequences.

Changing the possibility of Canada being a hub for money laundering requires changing how people think and behave towards corruption. We cannot criticize the political class if we continue with the status quo. Proper accountability and disclosure are required in this space. Any lack of consistency in reporting obligations creates large gaps.

The audience weighed in with pointed questions including about access to information laws and the fact that if we cannot get the information we are asking for, how can we further shine a light on transparency? Panellists tended to agree but pointed to the need for civil society organizations to continue to pressure for increased transparency and think of creative ways to communicate about the inseparability of transparency and anti-corruption.

An overriding theme from this panel was reminiscent of other themes

throughout the day: a traditional criminal law approach that relies on prosecutions and courts cannot be our only answer. We need to look at alternatives such as civil forfeiture, intelligence sharing from our financial intelligence agency, and ensuring that various entities work together in a harmonized fashion to discover and deal with illicit financial flows within Canada.

Panel 3: Canadian private sector abroad - What are corruption risks for Canadian companies abroad as the cause of and victims of corruption. What tools does Canada use to address both perspectives?

Moderator:

Noah Arshinoff, President, ACT International



(Left to right). Noah Arshinoff, Kady Séguin, Justin Taylor, Louis-Martin Richer and Pat Poitvin.

Speakers:

Pat Poitevin, Executive Director, Canadian Centre of Excellence for Anti-Corruption

Kady Seguin, Research and Policy Director, IMPACT

Justin Taylor, Senior Advisor, Business Integrity, FinDev Canada

Louis-Martin Richer, Lawyer and former Chief Ethics and Compliance Officer, WSP Canada

This panel discussed the private sector’s role in addressing corruption risks, including actions that entities can take when facing extortion and working with investigative authorities.

Companies may approach anti-corruption risks from a variety of perspectives, from “these are other risks, no one will enforce it”, to “we will go above and beyond and require integrity standards up and down the supply chain.” But companies also face a continuum in terms of corruption, from paying bribes to obtain business to being extorted to gain access to a market. We need to look at corruption risks very practically, not theoretically. Companies all face different sets of challenges depending on their profile, market, industry sector, etc.

When operating abroad, we expect Canadian companies to abide by Canadian law, but what if you are a local company forced into a corrupt

system? This is where larger companies have influence by dictating the conditions for being part of the supply chain and requiring integrity standards. Companies that invest large sums in certain markets may, in fact, underestimate their ability to influence ethical business practices.

There is an additional level of complexity when it comes to small and mid-size companies, especially as their focus can often be on getting the next contract and showing results. There is a cost-benefit analysis that is done, and that is where SMEs can find themselves in trouble.

The discussion then turned to examining what, if any, policy tools or levers could be used by the government to incentivize business integrity. Ethics declarations, or box ticking exercises, were seen as being of little value. However, demonstrating ethical behaviour could mean access to additional services and, therefore, more business. Certification programs, monitorships, and contractual obligations could be very useful, especially when contracting with public entities. Civil society organizations should be leveraged to play a monitoring role and ensuring that companies are operating with integrity.

Panellists debated whether a strict focus on relying on criminal prosecutions worked as an effective deterrent. One alternative put forth included focusing on illegality clauses such as “prohibited practices,” similar to what multilateral development banks use in contracts. Suppliers are then contractually obliged to adhere to integrity provisions or face being removed from the list of approved suppliers. This can have a tremendous business and reputational impact. It can be an excellent deterrent factor without requiring meeting the high threshold for prosecution.

An approach mentioned by one of the panellists was the role that some financial and risk service providers can play in helping to implement better controls. Insurance Companies, when offering Director and Officer Insurance, could make better governance and corruption risk management a condition of coverage.

PANEL 3

Within companies, one panellist suggested that we need to move away from the temptation to “lawyer up” when things go awry. Within large companies, there needs to be space carved out for conversation. Companies need to be able to have avenues to self-report and assist authorities with remediation efforts. One panellist expressed their dislike for rules or incentives that create a race to be first in line to report on corruption because it creates an environment based on distrust. Rather, the quality of information, cooperation, and engagement should be what matters, not simply who was first.

The distinction was also made between large multinationals and small-to-midsize companies. One panellist mentioned that the lack of awareness of the risk of exposure to corruption faced by SMEs is a critical issue. Where a lack of enforcement minimizes the impact of deterrence, efforts should be focused on prevention and narratives that emphasize the business and legal case and benefits for anti-corruption measures to protect the company.

In conclusion, the panel left us with a few parting thoughts:

Businesses need to be able to discuss ethical business practices amongst themselves and with credit agencies openly without it being labelled legal advice.

Civil society is a trusted communicator and can monitor the private sector. Civil society can also play a role in shining a light on corruption which should not rely on individuals to risk everything to be the heroes to expose corruption.

We should encourage standards for borrowers and investors and apply them up and down the supply chain.

Government and NGOs need to leverage their power to interact thoughtfully and realistically with the private sector to promote business integrity.

Panel 4: Canadian aid and reconstruction – How can Canada integrate anti-corruption into foreign aid and reconstruction projects from a policy and practice perspective?

Moderator:

Colleen Duggan, Senior Strategist, International Development Research Centre



(Left to right). Sayed Ikram Afzali, Susan Pond, Colleen Duggan, Cheyanne Church, Besa Global. (Missing in the picture): Samuel Kaninda.

Speakers:

Sayed Ikram Afzali, Executive Director, Integrity Watch Afghanistan

Cheyanne Church, Executive Director, Besa Global

Samuel Kaninda, Regional Advisor, Transparency International

Susan Pond, Senior BMO Fellow, School of Public Policy and International Affairs, Glendon College, York University

In the opening remarks for this panel, Colleen Duggan mentioned that the number one issue in economic development is corruption. It does not matter how much money we pour into the system; we always lose some of it to corruption. As such, anti-corruption needs to be central to discussions on foreign aid and development financing.

As corruption does most harm to the intended beneficiaries of development financing, it is affecting society's most vulnerable: women, children, and those living below the poverty line. Taking Africa as an example, the continent loses more to corruption every year than it receives from international aid. Funds do not reach the intended beneficiaries due to opaque systems and people in power not being accountable.

PANEL 4

Afghanistan was highlighted as an example where corruption has had detrimental impacts. A panellist gave the example of the Canadian Armed Forces and their presence in the region of Kandahar. The region was under the rule of a warlord known for extortion, corruption, human trafficking, etc. Ignoring corruption for security reasons ultimately proved very costly, as when corrupt actors were given free reign, it ultimately led to the collapse of the state. The lesson was that throwing money at a country will not solve its problems. You need a systemic approach that understands power dynamics and relationships between local actors and international organizations to counter corruption.

Another panellist then provided an overview of how social norms affect the grasp corruption has on society. Classic anti-corruption approaches are premised on rule of law initiatives, but these do not respond to the operating system where social norms rule. They are premised on a theory of change that requires an individual to jump into action to address corruption. But it is rare for someone to deviate from a pervasive system of corruption that requires their participation or face being ostracized from society.

Panellists pointed to the fact that money flowing into Ukraine as part of its reconstruction will be greater than the Marshall Plan, a sum that will naturally attract many bad actors. To ensure the integrity of any financing initiatives, Canada should develop country profiles that address the corruption risks confronting both Canada and the beneficiary country. Ethical governance should be a requirement from the beginning and cannot be treated as an add-on. Good practices must also be able to stand up to pressure from an operational environment that may see them as a roadblock.

Overall, ensuring money is not lost to corruption through foreign aid requires political leadership, thoughtful engagement with local communities to supervise projects, and a recognition of the social norms that drive corruption in different places. Local communities have been shown to be very capable of supervising and monitoring projects.

Empowering people allows them to hold the companies implementing projects accountable.

The panellists agreed that you do not need to tell people in corrupt places how bad corruption is. They already know it. As Samuel Kaninda pointed out, when the average person has to pay bribes to access basic services such as getting IDs and passports, they are aware of the problem. What we need to do is take action so that this awareness translates into actual socio-economic change and people, not just those in positions of power, see the economic benefits of their labour.

Panellists highlighted that Canada could use a systems approach in its fight against corruption in delivering international aid, especially in fragile or conflict-affected contexts. This approach considers how policies and practices interact with positive and negative factors. A systems approach holistically integrates both top-down (elite-driven) and bottom-up (civil society) strategies. It recognizes that change is a gradual process involving multiple strategies, actors, and incremental progress. By embracing a systems approach, Canada may be able to gain a deeper understanding of the complexities of corruption and implement more effective and sustainable anti-corruption measures.

4. Calls to Action

The conference provided exceptional dialogue, but it also shone a light on things that all participants at the conference should do.

As such, TI Canada recommends the following action items to build off the momentum that was generated from the conference:

1. The Canadian Government establish a whole of Government Anti-Corruption foreign policy Working Group that draws on expertise from civil society, academics, and other experts,
2. Global Affairs Canada create an anti-corruption policy that takes a whole of government approach, recognizing domestic factors and their impact on foreign policy, including our implementation of international commitments,
3. TI Canada holds a similar conference next year, with an aim to developing concrete policy proposals and working networks.
4. Stakeholders establish an Anti-Corruption Advisory Group made up of participants from various government departments as well as civil society, academics and independents. This collective action approach would bring stakeholders together 2-3 times per year to discuss updates in practice areas, priorities, collaboration items, information sharing, and other important topics.

ANNEX A - MR. COHEN

Opening Remarks by Mr. James Cohen, Executive Director, Transparency International Canada

Ladies and gentlemen, honourable members of parliament, and ambassador, thank you all for joining us today for the 'Integrating Anti-Corruption in Canadian Foreign Policy' Conference.

My name is James Cohen, and I am the Executive Director of Transparency International Canada (TI Canada).

TI Canada is delighted to act as a cohost of the conference along with the **Canadian Centre of Excellence for Anti-Corruption** and the **Canadian International Council**.

I would also like to thank our supporters of this conference, **The Konrad-Adenauer-Stiftung Canada**, **Global Affairs Canada**, the **Open Society Foundations**, and the **University of Ottawa Faculty of Law Common Law Section**.

Before proceeding any further, I would like to acknowledge that we are on the unceded, unsurrendered Territory of the Anishinaabe Algonquin Nation, whose presence here reaches back to time immemorial.

We are at a critical moment for addressing corruption. This moment is based both on risk and opportunity.

From a risk perspective, much of the world is beginning to come to terms with the underlying threat that corruption contributes to our shared existential threats of conflict, inequality, and environmental degradation.

From a security perspective, we have seen corruption either be the cause of violent uprisings such as the Arab Spring, or the cause of security collapses like we have seen in Afghanistan and Mali.

Of course, last year, Russia's illegal invasion of Ukraine forced the West to acknowledge corruption as a security threat when the raft of sanctions against Russian oligarchs proved exceptionally difficult to enforce. This is because kleptocrats around the world have been using the opaque welcome mat of Western economies for years to hide their stolen funds. In Canada, the problems of our opaque economy were laid bare during the Cullen Commission in British Columbia, which looked into the 'Vancouver Model' of money laundering that has connected illicit funds in China to criminal organisations in Canada.

The security threat of corruption can be even more stealthy in the form of foreign interference. In Europe, we have seen the Azerbaijan laundromat case, and the recent Qatargate scandal of Members of the European Parliament being caught with bags of money to say nice things about the recent World Cup host. And of course, now Canada is in the midst of national debates about the extent of foreign interference by China and other nations.

Many of these security threats involve stolen public funds, the form of corruption we are all most familiar with.

As Canada provides foreign aid in an effort to help alleviate global income inequality, we must think not just about giving money but also about stopping the theft of those funds. A 2013 "High Level Panel on Illicit Financial Flow from Africa" report assessed that Africa is a net creditor to the world, losing, conservatively, \$50–\$60 billion a year.

The Panama Papers and subsequent leaks have been laying bare how stolen money is moving around the world, showing that yes, of course, the kleptocrats are a problem, but so is their international network of well-paid enablers such as lawyers, accountants, financiers, and increasingly public relations firms.

And then, finally, there is our collectively largest shared existential crisis: climate change. We cannot ignore the impact corruption has on the environment, like illegal logging, fishing, wildlife trafficking, and waste dumping.

With these risks, we have to look at the opportunities we are facing to take the fight against corruption seriously.

Stirs of leadership from the US government are highly welcome between the recent Summits for Democracy as well as the new USAID “Dekleptification Guide.”

Last year, Canada was the scene of quiet, high-level thinking around addressing grand corruption. There was **the Canadian International Council** and the **Konrad-Adenauer-Stiftung Canada’s** program **Renewing Our Democratic Alliance**, which featured a paper by TI Canada on anti-corruption. As well, as part of its commitment to the Summit for Democracy, the Canadian Government held consultations on grand corruption that led to a High-Level Panel on the topic in the Netherlands.

If we are to seize the moment, though, we need to enhance our thinking about how to address corruption. We need to move beyond statements like ‘corruption is a cancer’, realizing that in some areas it is in fact the system set up by elites and operating exactly as they want it to. And if corruption is the intended operating system in a country, we also need to get out of the mindset that all citizens like it, as opposed to most of them being stuck in it and feeling powerless to change it. And we must also recognize and become comfortable with addressing corruption as a political issue. Technical approaches are not sufficient.

We also need to look at corruption from a global systems perspective, where domestic facing anti-corruption actors are working with global counterparts.

As part of this, Canada needs to recognize itself as a node in that system, both passively and sometimes not so passively, allowing illicit financial flows to be parked here, while some of our citizens commit corruption overseas.

It is for these reasons—corruption as an underlying cause of problems

ANNEX A - MR. COHEN

and corruption as a global system—that TI Canada, in our CIC-KAS paper, emphasized that anti-corruption needs to be mainstreamed across foreign policy.

This all leads us to the point of this conference today. We do not want participants to walk away overwhelmed but rather invigorated, not just with new thinking and potential solutions, but also with new alliances. This is why it is important to have this conference in person. Please network, meet each other, exchange cards and LinkedIn profiles, and set up meetings to keep advancing the thinking you have been exposed to here today.

We have an opportunity, and we cannot afford to squander it.

Thank you.

ANNEX B - DR. ESCHBORN

Opening Remarks by Dr. Norbert Eschborn, Director, Canada office, Konrad-Adenauer-Stiftung Canada

It is a great pleasure for me to welcome you all today, also on behalf of the **Konrad-Adenauer Foundation**. I would like to thank our partners, the **Canadian International Council (CIC)** and **Transparency International (TI) Canada**, for organizing this conference, which brings together highly experienced and distinguished speakers.

Corruption is a problem that we actually tend to think of as being more prevalent in the so-called developing world. I myself have spent almost half of my 26 years at KAS in such countries and have been confronted with corruption on a daily basis.

The best example for me was the traffic policeman who controlled the traffic at the intersection near my house. He was the undisputed king of this small district and enjoyed the respect of the residents. On holidays, they brought him rich gifts, be it food, alcoholic beverages, or even envelopes with small sums of money, which they left at his post and which he accepted with obvious pride. My question to the locals as to whether this was not bribery was brusquely rejected back then and would be today. “We will need his help eventually, if not now, then in the future. Why shouldn’t we express our gratitude to him before then?” was the reaction. I encountered this kind of “pre-emptive gratitude” many times later in my work in such countries.

But in particular, we in the West must not become arrogant and lose sight of our own situation. Corruption in the public sector is an everyday phenomenon in certain countries of the Western world and does not even stop at the highest levels of the legislative and executive branches. We must, therefore, accept that corruption is a global problem that

affects all countries, regardless of their level of development. It erodes public trust in government, undermines the rule of law, and stifles economic growth. In the context of foreign ministries, corruption can have severe consequences for national security, foreign policy, and international relations. Corruption in foreign ministries might lead to the distortion of foreign policy and, in the long term, detrimental decisions to a country's strategic objectives. This can damage relationships with other countries and weaken the country's international standing. Another consequence is the erosion of public trust in government. When citizens perceive that foreign policy decisions are driven by corruption rather than the national interest, they may lose faith in the government's ability to govern effectively.

Therefore, the topic of today's conference is timely. Canada can lead the world by example here, as in other areas. I would therefore like to see this important topic discussed today not only in earnest but also with the firm will of those who can bring it about, to arrive at concrete results that will feed into the overall concept and design of Canada's foreign policy and produce measurable results.

Once again, I thank CIC and TI Canada for organizing this important activity. I wish us all exciting panels and showcaseable results at the end.

ANNEX C - MR. TASSÉ

Opening Remarks, Mr. Marc Tassé, Chair of the Canadian Centre of Excellence for Anti-Corruption

Good morning, ladies and gentlemen, esteemed guests, and respected colleagues.

I am thrilled to welcome you to this crucial conference on anti-corruption.

My name is Marc Tassé, and I am the Chair of the **Canadian Centre of Excellence for Anti-Corruption**.

Before we delve into the core of our discussions, I want to acknowledge the unyielding commitment of our host organization. The **Canadian Centre of Excellence for Anti-Corruption** is a testament to the notion that progress, in any form, begins with the unwavering pursuit of integrity and transparency.

Corruption, an adversary we've gathered here to combat, threatens our social fabric, undermines trust in institutions, stifles economic growth, and jeopardizes our future. This shared understanding fuels our determination to take it head-on, harnessing collective wisdom, resources, and tools.

As we find ourselves in an increasingly interconnected world, the challenge is also to understand that corruption is not an isolated, regional issue. It is a global problem, transcending geographical borders and socio-cultural differences. It is a complex web, woven into the fabric of both developed and developing societies.

Therefore, our approach towards combating corruption cannot be piecemeal or isolated. It requires a global, concerted, and sustained effort, and this conference is a testament to that. We are not just nations

represented here; we are a global community standing united against corruption.

Today, we have an extraordinary line-up of speakers and panellists who have shown a tireless dedication to the anti-corruption cause. They bring to the table diverse perspectives, experiences, and innovative ideas. It is through this diversity and richness of thought that we will explore and, hopefully, advance strategies to fight corruption effectively.

In this context, it is essential to remember that every single one of us has a role to play. Whether we are in government or civil society, in academia or the private sector, we all can contribute to the prevention, detection, and eradication of corruption. Our collective action, grounded in a shared commitment to honesty, integrity, and transparency, will be the most effective tool against the dark forces of corruption.

As we engage in our discussions, let's challenge ourselves to think critically and innovatively. Let's commit to turning the insights and ideas generated here into actionable steps. Together, we can foster an environment of fairness, trust, and integrity, shaping a world where corruption finds no room to thrive.

Thank you for being here today. I look forward to productive, meaningful discussions and the many valuable insights and commitments that are sure to emerge.

Let's have a fruitful conference.

ANNEX D - MS. LOTEN

Keynote, Ms. Jennifer Loten, Director General, Bureau for International Crime and Counter Terrorism, Global Affairs Canada

Allow me to begin by congratulating **Transparency International Canada**, the **Canadian Centre of Excellence in Anti-Corruption**, the **Canadian International Council**, and other partners for convening this important conference.

It is a pleasure to be with you today to offer a few opening thoughts.

My name is Jennifer Loten. I am the Director General of the Bureau for International Crime and Counter-Terrorism at **Global Affairs Canada**. The Bureau shapes and implements Canada's foreign policy approach to international crime and terrorism.

This includes anti-corruption and the international instruments, multilateral cooperation, and capacity building tools needed to support states and societies worldwide.

Combating corruption has become increasingly prominent as a foreign policy issue, and effective international cooperation in this area is a significant line of effort in upholding the rules-based international order.

When democratic values and institutions are weakened by corrupt practices, public trust and confidence in governments ability to deliver for communities are also undermined.

Indeed, corruption undermines progress towards achieving the Sustainable Development Goals (SDGs), representing substantial losses and affecting the poorest and most vulnerable the most. SDG #16 includes combating corruption, alongside the rule of law and

promoting human rights, as fundamental to peace, justice, and strong institutions.

Canada's Feminist International Assistance Policy includes support for gender-informed efforts that mitigate the disproportionate effects of corruption on access to education and health services for women and girls in sub-Saharan Africa. This includes a partnership with Transparency International to advance these efforts over the next four years.

We are aware of how corruption can transcend local and transnational boundaries, becoming a "dark underbelly" of globalization when criminal networks and enablers are able to hide the proceeds of crime and corrupt practices like bribes through money laundering. This distorts markets, diverts resources, and reduces public revenues to the detriment of populations.

Canada and the international community are seized with combating corruption and its multifaceted societal, economic, and geostrategic impacts. We are concerned about the correlations with democratic decline and the worrying rise of authoritarianism. Russia's illegal and unjustified invasion of Ukraine has put a spotlight on kleptocracy, but the threats from corrupt authoritarian regimes to domestic and international stability are long-standing.

Recognizing its seriousness and scope, the Government of Canada is taking important international steps on anti-corruption.

At the *Summit for Democracy in December 2021*, Prime Minister Trudeau announced that Canada would convene a High-Level Roundtable to examine effective ways to strengthen and reinforce the international anti-corruption architecture. In November 2022, Canada partnered with Ecuador and the Netherlands to hold the *High-Level Roundtable on Anti-Corruption* in The Hague. The outcomes of this event confirmed that there is limited support for creating new institutions, like an International Anti-Corruption Court (IACC), at this time, although

there is a shared commitment to reinforce the existing international architecture.

In light of limited support for an IACC, Canada is advancing a strategically responsive approach internationally to effectively gain space during the early years of this divisive objective.

As we develop space on this initiative, we will also continue to support a range of international anti-corruption efforts to strengthen existing instruments alongside new and innovative solutions.

Under the auspices of the OECD, G20, and APEC, Canada contributes to the development of integrity frameworks for public governance and to promoting best practices and international standards that strengthen international cooperation in fighting corruption.

Canada continues to be an active member of the Open Government Partnership (OGP), the leading multilateral organization bringing together governments and civil society advocates to promote transparent, participatory, and accountable governance. Last September, Canada's "5th National Action Plan on Open Government" was launched following public consultation, and it includes fiscal, financial, and corporate transparency objectives. We also support the OGP multi-donor trust fund, which has helped partners abroad achieve their objectives, such as Nigeria becoming the first African country to collect beneficial ownership data in line with Open Government's data standard.

Other examples include Ukraine, where Canada's international assistance has helped to deliver practical guidance and resources for anti-corruption efforts, and Haiti, where we are strengthening the capacity there to investigate, prosecute, and adjudicate cases of corruption and economic crime.

Canada's capacity-building assistance supports individual countries in investigating crimes that will ultimately strengthen Anti-Money

Laundering and Countering the Financing of Terrorism across the board, preventing criminal and malign actors from exploiting the weakest links.

Domestically, the Government of Canada has undertaken a number of initiatives, including recent commitments to implement a public and searchable registry of beneficial ownership information, to create a new financial crimes agency, and to bolster the enforcement apparatus to support more prosecutions of financial crimes and their predicate offences. Because we know there is more that can be done, the government has launched a new public consultation designed to solicit views on how we can better strengthen our Anti-Money Laundering and Anti-Terrorist Financing regime.

These are but a few examples of what the Government of Canada is doing, and we look forward to pursuing new opportunities to partner on best practices, such as potential future opportunities under Canada's new Indo-Pacific Strategy and through the establishment of our beneficial ownership registry and a Canadian Financial Crimes Agency.

We look forward to learning from others and value platforms such as today's discussion.

So let me conclude by noting that 2023 is an important year for Canada. We are undergoing reviews of the implementation of the three international anti-corruption instruments to which Canada is party: the UN Convention against Corruption (UNCAC), the OECD Anti-Bribery Convention, and the OAS Inter-American Convention against Corruption. These reviews are important tools for States Parties to identify options for strengthening the effective implementation of their treaty obligations. We look forward to the outcomes of the reviews and to the best practices and lessons that may emerge.

While 2023 is an important year for Canada, it is also an important year for the international anti-corruption community. 2023 marks the 20th anniversary of the United Nations Convention Against Corruption, and Canada is committed to ensuring that UNCAC continues to make

a meaningful contribution, having supported through our programming assistance the UNCAC review process.

We recognize that the challenges of our time are many and that we need to remain active and make the most of our partnerships and platforms for multilateral cooperation.

Transparency International is a valued and active partner across a number of multilateral and multi-stakeholder anti-corruption and transparency initiatives, whether led by the G20, the OECD, APEC, or under the auspices of the United Nations Convention Against Corruption. I personally had the pleasure of participating last year in the 'Restoring Our Democratic Alliance' (RODA) initiative.

I know how important civil society has been in Canada and internationally to advance important issues such as beneficial ownership transparency and to create the evidence base for informed policy development.

Canada will continue to invest in our partnerships and relationships, domestic and international, in order to contribute meaningfully and practically to combating corruption.

Congratulations for convening this timely and important discussion.



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