

FOR IMMEDIATE RELEASE

G8 leaders must ensure success of global recovery efforts

L'Aquila, Italy / Berlin, 7 July 2009 -As the world struggles to recover from the economic downturn, Transparency International (TI) called on the Group of Eight (G8) leaders meeting in Italy this week to take urgent action to ensure that global economic recovery efforts are not undermined by fraud and corruption.

In its third annual [G8 Progress Report](#) issued today, TI declared G8 performance on key anti-corruption commitments inadequate, a particularly worrisome situation given the risk of corruption in the ongoing rapid disbursement of massive global financial flows intended for economic recovery.

A significant amount of the more than US\$ 5 trillion anticipated for the recovery will fund 'big ticket' infrastructure projects and direct budget support. Given the vulnerability to corruption in such projects, the G8 must constrain companies headquartered in their countries from using bribes to secure contracts and demand fiscal transparency from governments receiving assistance. This means fully implementing existing anti-bribery commitments such as the OECD Anti-Bribery Convention and the UN Convention against Corruption, which still direly lack enforcement.

The G20 commitment of more than US\$ 250 billion for export credit agencies and multilateral development banks as well as the pressure to disburse funds quickly in order to restore trade flows must be accompanied by sufficient safeguards against the increased risk of corruption and fraud.

The G8 has pledged to protect financial markets from criminal abuse, including bribery and corruption. This past June, G8 finance ministers acknowledged that a failure of integrity, propriety and transparency contributed to the crisis. They further recognised that existing commitments to address this failure have suffered from insufficient political commitment. It is time for the G8 back up such public acknowledgements by setting specific benchmarks and timetables for future action. The G20 Action Plan supported by periodic reports on specific progress provides an excellent example of the kind of action needed from the G8.

The G8's existing reports on anti-corruption actions, the *G8 Accountability Report: Implementation Review of G8 Anti-Corruption Commitments*, falls short in providing consistent, specific information on the way forward. Future reports should address this deficiency and include independent civil society assessments.

As the private sector begins to engage with governments as part of stimulus efforts, G8 countries will need to take the lead in fully enforcing the landmark OECD Anti-Bribery Convention, which promised to stem foreign bribery as a factor in international business and development. Only Germany and the United States are vigorously enforcing their anti-bribery laws. Canada, France, Japan and the United Kingdom have yet to take sufficient action to deter

illicit payments. Russia is also not implementing its anti-bribery commitments under the UN Convention against Corruption and the Council of Europe Criminal Law Convention on Corruption while Germany, Italy and Japan have not yet ratified the UN Convention.

###

Transparency International is the civil society organisation leading the fight against corruption

Note to editors:

[TI's 2009 G8 Progress Report assesses G8 implementation of existing instruments to combat corruption.](#)

[TI's report on the OECD Anti-Bribery Convention](#)

[TI statement on G20 Action plan and transparency](#)

Media contacts:

L'Aquila, Italy:

André Doren
Tel.: +49 176 101 92058

Berlin

Tel: +49 30 34 38 20662 / +49 30 34 38 20 19
Email: press@transparency.org