CENTER FOR GLOBAL DEVELOPMENT

Presents

The 2007 Commitment to Development Ideas in Action Award

With
Patrick Alley and Simon Taylor of Global Giving

January 31, 2008

4:00pm-6:00pm

Carnegie Endowment for International Peace
1779 Massachusetts Avenue, N.W.
Washington, D.C.

[TRANSCRIPT PREPARED FROM AUDIO RECORDING]

Nancy Birdsall: Welcome to a ceremony that we take great pride in: the Commitment to Development Award. I'm Nancy Birdsall, the president of the Center for Global Development and I'd like to say just a few words, and then turn it over to the co-founder of the Commitment to Development Award, Moises Naim about which I will also say something in a moment.

The Commitment to Development Award is paired with the Commitment to Development Index, which I hope many of you know, we publish each year which ranks rich countries or the rich world more generally on how they behave toward the poor in the world. So the idea of that index, we have also had the honor, for the last four years, of translating that idea into something that is an award for an individual or an organization and it's in the same spirit. The Commitment to Development Award goes to an individual or an institution that, either in the rich world, or the poor world is making a substantial difference in the attitudes or behavior of the rich world toward the world's poor and the poor world.

I want to say a word very quickly about the last four awardees to give you a sense in case you're new to this event, of what the Commitment to Development Award is about.

Last year, in 2006, the award went to then Congressman Jim Kolbe, whom many of you will know, if you are based here in Washington, as a key congressman in promoting innovation in foreign aid, and in particular, as Chairman of the House Appropriations Sub-committee on Foreign Operations – the person who really pushed through – helped the Bush administration push through the Millennium Challenge account, and now the Millennium Challenge Corporation.

Many of you will have heard, I hope, Jim Kolbe speak in the past and he is absolutely terrific in underlining the problems with the U.S. aid system, which, as you may know, the Center

also worries about and works on the fact that the system is so fragmented and incoherent in many ways.

In 2005, we gave the award to another public official, Gordon Brown. He is now, of course, the head of State, the Prime Minister in the United Kingdom. At the time that he received the award, he was the Chancellor of the Exchequer, or the head of the Treasury. We gave him the award essentially because of his influence which we saw from inside in applying careful economic analysis to the creation of the advance market commitment. If any of you don't know what the advance market commitment is about, please go to our website to learn about it – provided through that economic analysis, of course, key political support in bringing that idea to the GA.

In 2004, the award went to a civil society group, a specific campaign of Oxfam, the Make Trade Fair campaign and that was in the days which, I think – we ought to recover a little more but it was at the time when **** looked like it actually might move along and there was the necessary effort to ensure, in particular, with respect to agriculture, that the needs of the developing countries would be adequately served by the agreement.

In 2003, which was the first year of the Commitment to Development Award, we gave it to a group called the Utstein group, which consisted at the time of four female ministers of finance in Europe who had worked together to bring dedication, vision and leadership to the idea that the foreign aid system should be a better system – a better business, frankly.

So it's very nice to see all of you here today. I think we have an exciting awardee – very exciting awardee right now. What I want to do is introduce my colleague, and I like to think of him as my co-founder, Moises Naim. You all know that he is the editor of *Foreign Policy* magazine, and he has made that magazine into itself an award-winning vehicle for discussion of the ideas and the problems of globalization. Moises is the author of a wonderful book – among some of the books he's written – this is a wonderful one. It's called *Illicit – How*

Smugglers, Traffickers and Copycats are Hijacking the Global Economy. It has relevance for the decision of the committee that decides on the Commitment to Development Award for the decision that we made this year.

Moises, more than that, is an old buddy of mine. In fact, he is the one who brought me to the Carnegie Endowment, where I spent several years, so it's nice to come home. For any of you who are here from the Carnegie Endowment, it's where I got my training in what a think tank is supposed to be doing.

Moises, your turn.

Moises Naim: Thank you, Nancy. Thank you all for being here and for having made the time in your very busy schedules to join us. And thank you, Nancy. This is a partnership that goes back many, many years between Nancy and I and then between our two respective institutions – an institution – the sense of a global development that did not exist even a few years ago on today. It's an obligatory reference in all of the major conversations that the world has about the challenges we confront of poverty and inequality and the challenges and the dilemmas of growth.

And so, if Carnegie played a role in training Nancy in how to run a think tank, at least certainly, was very small, and she and her able colleagues did bring to the table amazing creativity.

Yes, we sort of invented this award a few years back, and the idea, as Nancy explained, was to highlight the work of extraordinary individuals and extraordinary institutions. Each year we think it's easy and it's going to become easier and each year it gets more complicated; we have more candidates. We have more choices and there is a boom in the world in the quantity and variety of organizations and individuals that are changing the world in a very positive way.

So, each year, the judges are confronted with… picking the winner is easy; deciding who deserves it to also, and is not going to get it is the hard part. And that's what we are

confronted every year, and the people that join us in doing that deserves a great recognition – the judges that accompany Nancy and I in picking the winner. Let me mention them and recognize their time, commitment, decency, dedication to this task.

Eveline Herfkens, the Executive Coordinator of the United Nations Millennium Development Goals Campaign;

Ngozi Okonjo-Iweala, the Managing Director of the World Bank and former Nigerian Minister of Finance and also of Foreign Affairs;

Sebastian Mallaby, a former columnist for the Washington Post and author, and now the director for the Center for Geoeconomic Studies at the Council on Foreign Relations; and,

Kevin Watkins, the director of the U.N. Human Development Report.

Again, thank you all four of you for having helped Nancy and I in this very challenging but fascinating task.

This year, the award goes to Global Witness, the winner of the 2007 Commitment to Development Award.

When it was proposed, I may have to confess that I kicked myself for not having been – I should have proposed it because as Nancy said, I was able to write a book, in part, by plagiarizing the work of and I used their research extensively and then when somebody else actually proposed them, I said, "Huh, why didn't I think of that?"

And one of the criteria we used… we'd like to think that we managed to think the organizations or individuals to get the award, is that they stand more than what they actually do. They stand for more – that they epitomize trends that are important and that transcend their specific mission, regardless of how wide and broad and important that mission is.

Global Witness was a perfect example of this. If there's anything that we have learned in these final years of the last century and initial decade of this century, it's how the demand for resources is booming. The world is growing – China, India, Asia is booming – and the demand for everything, from wood to diamonds to oil, to all kinds of resources – and natural resources is growing very, very quickly.

That demand is very often supplied by very fragile countries - very weak countries in Africa, for example. And we are almost daily confronted with news in our daily newspapers that show that that marriage between supply and demand is not as happy as we had expected it to be. That very often, a country that has what the world wants badly, and for what the world is really willing to pay dearly for, is not a path to prosperity but to poverty. It's not the path to peace, but to war; it's not the path for a more benevolent environment for human beings, but for all sorts of horrible misdeeds.

That paradox has been with us for a long time, but it has become more acute, more profound and more visible, I think, for all of us.

That intersection between conflicts, between resources, corruption, globalization and the need to do something about it is what places Global Witness at the center of it all, and illustrates potent global trends that need to be highlighted – that need to be identified and discussed.

The good news is that Global Witness also epitomizes another very good trend of our times, and that trend is that you don't need to be a very large or a very wealthy organization to change the world. Three of them, a few years ago – "them," and I would say who "them" is – three individuals decided that they were not going to take it anymore and they were going to change the world. And working out of their homes with not much in terms of resources or help managed to change the world in fantastic ways that are inspiring; that are examples and models for all of us to keep in mind, and hopefully emulate.

For example, the first research and the first effort is that they decided that there was something very wrong going on with timber sales in Cambodia. And they went there and they discovered that it was the Khmer Rouge that was deeply involved and it was a very dangerous and a very powerful set of players. Then, there is an interview with our awardees, and one of them said, "Let's take it on," and it is the Khmer Rouge, and they managed to do it successfully and boldly.

A groundbreaking Global Witness report in 1998 moved to another part of the world, and showed how rebels in Angola were financing a deadly civil war by selling diamonds. By now, thanks to Leonardo diCaprio, everybody knows what conflict diamonds are, and even what the strange multi-lateral work called a Kimberley Process is.

Well, none of that awareness; none of that knowledge; none of that action would have been possible without our awardees initially deciding that they were not going to take it anymore and that they were going to expose what happens when, again, globalization and resource exploitation and corruption intersect to create mayhem, poverty and devastation.

Elsewhere, Global Witness' hard-hitting investigation have had major and direct impact by… they got, they were managed and were crucial in creating the timber sanctions put in place in Charles Taylor's Liberia in 2003. And the precedent-setting arrest and conviction of arms trafficker Guus Kouwenhouven in the Netherlands in 2006. They did not stop there; they operate and have done their work in Burma, in the Democratic Republic of Congo, in Indonesia, in the Caspian States.

In all of these countries, Global Witness' investigation, factual readers and very savvy in terms of how to communicate their results to the world, have managed to create positive change – the kind of positive change that we designed this award to recognize.

It is then, with immense pride, and real motivation – and I don't even know what other words to use – to say that it gives to the

Center for Global Development and *Foreign Policy* magazine, great honor in recognizing an organization that deserves to be honored.

Let me stop here, and then continue with a very brief showing, or showing of a very brief film about the work of organization that is going to convey what they do and how they do it much better than could I ever possibly try to do, and then I will continue the conversation. Please.

[video presentation]

Charmian Gooch, Simon Taylor and Patrick Alley are the three founding members of this wonderful organization. Please join me in giving them a round of applause, and let me invite Patrick to say a few words to all of us.

Patrick Alley: Thank you. I'm not sure I know what to say, really, after all of that. I didn't know you plagiarized our work and so if it was a copyright lawyer… see you afterwards.

Seriously, I 'd like to say, obviously, this is a great honor for Global Witness and I want to thank very much the Center for Global Development and *Foreign Policy* magazine. We don't crave recognition, particularly, but it's very nice to get it and we were once nominated for Nobel Peace Prize. I hope they count it as hard as Moises describes to you. I would ignore **** makes deserving, but nevertheless an unsuccessful entry.

And rather scary, rather a perfunctory "thank you" that I say so it was deserving, we were given 10 to 15 minutes to speak, so you'll have to bear with me. I shall try and be quick.

I don't want to dwell too much on our past achievements. Some of them being mentioned here; some of them have been mentioned by Moises, but I think I will mention some. I'll be failing in my duty if I didn't do that.

We have come a long way since Simon, Charmian, and myself, back in 1992 in a series of meetings in pubs in North London,

came up with the idea of Global Witness. In those early days, when we worked on each other's front rooms; had no money; shook cans outside underground stations to try and make a few quid to pay for the international phone calls, not to be recommended, I hasten to add.

And those early forays onto the Thai-Cambodia border pretending to be timber buyers from Europe, not knowing the first thing about timber, and not really knowing where the Khmer Rouge were, either. We discovered **** they were behind us in a **** length of time. It would have been disturbing.

I would like – I never wanted to thank people on these things – but I really would like to say that since those days we've been blessed with working with some of the best people anyone could ever meet. Our staff, some of whom work in the harshest environments in the world, some of them… you've been looking at on that movie… Our staff who work so hard to raise funds to keep us going, which is completely central to what we do and an integral part of what we do. Our staff in the finance and support of Global Witness to keep the whole engine running; to keep the whole thing going along tracks. Without all of these people collectively, we would be nothing. We are nothing but those people.

I want to thank our colleagues in civil society across the world, based in the countries we work in, whose skill and dedication to their countries and sheer bravery in situations that we can actually go home, except when they arrests in Angola which happens occasionally, but apart from that we can go home. They had to stick it out and face legal and physical harassment.

Our colleagues in international NGOs – I can see some friends here – with whom we work and collaborate on various issues, again sort of the collective mix is what keeps it all going;

Our funders, obviously, without our funders, we could do nothing. I can't mention them all, but I will mention some. Novib, the Dutch version of Oxfam, who were our first funder.

The Roddicks, who were our second funder and I particularly like to remember Anita here;

George Soros, Saranayr and Merill Sofner of the Open Society Institute. The Rallsings and all of those small foundations and invidividuals who are essential to our success.

And I would also like to single out Adam Fullerton, sitting there in the third row, who, when we all used to work for the organization, he created the environment investigation agency. We went to see him one evening and **** came up with the idea of Global Witness and I thought I'd be sacked for moonlighting, and he gave me a hundred quid, instead, which was one of those things. It was a lot of money at that time.

And finally, many of those people represented here, some from governments, international financial institutions, the United Nations, et cetera, who patiently listen to what we say. I'd even like to thank the ones who don't because they make life interesting.

A few of our achievements, again, I won't dwell because it's being mentioned, but we did play a large role in closing down the Thai Khmer Rouge timber trade and the Khmer Rouge defecting to the government side shortly afterwards for continuing to expose the corruption in Cambodia by the Cambodian elite, which has been dealt a blow by the Legislational view of the U.S. Foreign Appropriations Act, which is enabling the U.S. to impose a visa ban on the Cambodian officials named in our reports. So, thank you, America.

The issue of conflict diamonds has been covered; the issue of resource revenue transparency; the oil and mining industries. We were co-founders of Publish What You Pay Coalition with Save the Children from **** and others which led to the creation of the Extractive Industries Transparency Initiative, EITI. We did highlight those links between Charles Taylor's timber trade and funding of the RUF rebels in Sierra Leone.

And steadily but slowly, we're pushing the issue of conflict resources in general up the international agenda.

But as I said before, we're only as good as what we do next. More destruction of really crucial point. The revenue flows from the North to the South that are paying for natural resources of ours. In African around 250 billion dollars a year is going, compared to the $49 billion – I think it is – from foreign aid. And the $32 billion from their agricultural sales. So enough money to create wealth and alleviate poverty to bring them out of poverty in Africa.

So why isn't it working? It was because these resource-rich countries are very often badly run; very often have dictatorships, or democracies in name only, ridden with corruption and human rights abuses, and very often conflict. The results cause as it's often called…

In addition that, the world's forests are disappearing as fast ever they were, while the international community, with a few notable exceptions, utterly fails to grasp the issue.

The international community, broadly, is very, very hot on rhetoric, and far less hot on action. Some examples would be Cambodia with billions of dollars of foreign aid have been **** over the last few years; over the last decade, but no real effort to control the corruption that's going on there, with the exception of that U.S. act that I just mentioned.

And similarly, in countries like DRC, where pre-election we alerted the donor community to the tremendous corruption going on, and the awarding of concessions, and mining, and forestry and the smuggling of natural resources and the … not to rock the boat. There's another action coming right for the election and we can do something and the elections come and gone, and the interest is still low.

So, what will we do next? Well, EITI exists, which is great, but it's not the panacea to the problems of resource governance. We need to work beyond EITI to make sure that revenues from

natural resources go to where they should be going to actually get the money to the people in those countries concerned, and to look at issues like the awarding of concessions – how they're awarded; how transparent is that process?

The issue of conflict resources is an issue now that's well known to the United Nations in the last couple of years where people talk about conflict resources and if you ask the policy maker what they mean by that, they don't actually know. Some of them assume it's a rebel group; some of them assume it's a government; the GIO thinks that's an illegal trade. No one actually really has an agreement on what it is.

Looking back at the Liberian issue, from the time that we and others began to identify the role of timber in the Liberian conflict, it took two years for U.N. sanctions to be put in place – two years in which God knows how many people died and how much property was destroyed.

So we need to get a trigger, a definition, a package of mechanisms at the U.N, which can make sure the international response to future conflicts is fast.

I was quoted in the video – they plagiarized me. We need to tackle the global financial system, which is responsible for laundering the illegal profits as some of the operations we look at. And every dollar that goes through resource back loan or corrupt deal or illegal arms deal, is going through the international banking system, which as we've seen from various countries lately, has a problem managing itself, let alone managing these issues. So we badly need to get mechanisms to deal with this.

An issue of ending impunity – too often the perpetrators, whether they be individuals, or governments, or companies, some of the issues we look at get away with it. How many arms traffickers are brought to book? We've heard about one, but not many. How many politicians and heads of states and high political functionaries are prosecuted for state looting? Very, very few. How are prevented from buying property in

America or banking assets in London? Well not **** and not Obiang, and that's for sure.

And how many companies who actually profit from the trade and corrupt deals or conflict resources actually bear the cost of the results of their actions? There are multinational timber companies like DLH or Danza who bought timber from Taylor's Liberia until the last possible minute before sanctions were imposed.

But who picks up the cost for putting that country back together? Not them. They are now in the Democratic Republic of Congo with an FSC certificate looking squeaky clean. So we can proactively go after and get cases brought against people who are perpetrating these issues.

And finally, the forest issue. We're working on lots of things but I can't do them all here. We believe that the paradigm of industrial scale logging in the world's tropical forest is a failed paradigm. It's exacerbated property that's resulted in massive ecological destruction, diversion of revenue, and has brought so many bad impacts on countries like Cambodia, or Indonesia, or Cameroon, or Democratic Republic of Congo a lot – Liberia, or I could go on.

Funny thing – if there's anything to go by – we know this paradigm doesn't work. The international mindset needs to change on this issue and we can concentrate our efforts on that **** optimistic side – forests have never been as much in the news over the last decade as they are right now. We have a real chance to do something on that.

The optimistic note of all of this is that I think we're a long way from where we were when we started back in 1993, in the sense that we have the Kimberley Process; we have the EITI, the issues of minerals, timber, diamonds, et cetera being part of the problem, part of the solution – these issues are way up the international **** and they weren't, they're getting a lot of international attention where they weren't. So we need to keep that momentum going and preferably to speed it up.

Finally, I hope that in ten years Global Witness will still be as good or even better than it is now, and maybe still get the other award, not the desire, but a main incentive… and I'm sure… I would like to thank you all for coming here. I recognize many faces. I'm sure we'll be knocking on your doors over the next ten years to keep these issues going. And, yes, thank you, thanks very much.

[picture taking]

Nancy Birdsall: So we have a few moments for questions and discussion and I'd like to start us all by reading something that struck me very much in the interview with Simon that's on our website.

It struck me as a good lesson since we're on think tank row for think tanks because there was a question asked to Simon, "How does an organization like Global Witness keep its edge?"

I'm assuming that many people here are… we have civil society advocates here and we have policy junkies, let's say. So what Simon answered is the following:

"We constantly worry about it and we constantly question ourselves on it. All we are is an organization of our people," which Patrick said very nicely in accepting the award. "Most of what we have is intellectual capital combined with a real anger about some of the injustices in the world. If we felt we had lost that edge, we would probably stop. I continue to be surprised by the fact that we continue to have great successes. Every year seems to be better than the last." Well, I think that that is what you should say when in ten years you get the Nobel Prize.

Let's open it up and see if people have questions or comments. Please introduce yourself.

Speaker: My name is Adam **** from the **** Investigation Agency.

Nancy Birdsall: You were present at the creation, sort of.

Speaker: Yes, and my colleagues used to work with us which we're greatly proud and everything they've done since. I wonder if you have considered looking at all of the small arms trade, much of the corruption around resources and all the revenue winds up, of course, going into small arms and having looked at a little bit over time this whole kind of end-user certificate system seems to be completely fraudulent paper trail where there's no accountability as to how all of these arms are deployed, but of course, hundreds of thousands of people every year lose their lives in small arm conflicts. Is that something that's come on your radar at all?

Patrick Alley: I'm not quite sure how to answer that. I think in brief, it has, but I think more from the point of view of we encounter it in the places we go to, so you just come across dodgy deals and a lot of the people who arranged the financing that drive the extraction processes that we've been interested in are also the same people who arranged the arms deals.

So, it has come across the radar to that extent. We haven't really sat down yet and thought, "Hmm, wouldn't it be interesting to go after it, the way which that trade takes place?" I think you make a very good point. I'm not sure what else to add at the moment, but I think we should certainly think about it.

Speaker: Sounds good.

Patrick Alley: We should add, we're actually cowards and we don't really like people with guns, so it's like…

Nancy Birdsall: Frank? And then, I see someone back there who wants to comment on that issue, perhaps, but go ahead, Frank.

Frank Vogl: I'll sit down so I don't block people behind me. My name is Frank Vogl and congratulations. I'm a founder and the last of the founders of Transparency International – still on its Board – and a comment on questions. First of all, a comment.

I don't think you've realized the degree to which you've influenced Transparency International. The work you do is a real inspiration to many of us in TI and a stimulus to us when we lose our edge. And I think you, more than anybody else, support together public understanding of the relationship between corruption and human rights abuse, which is something in different ways which we in TI have still fallen short on. So I think it's enormous work. You deserve this prize.

My question is this: We have increasingly, in Transparency International, in the last few years, become more and more worried about protecting and supporting the colleagues we have in many countries. Unfortunately, it's a growing number of countries, we probably think it's about 40 of the 80 countries where we now have national chapters. We have people who are constantly in danger of being imprisoned or worse. What is your approach to this? How do you try to protect the people who work with you in very dangerous places and given your work, who must be constantly under threat?

Patrick Alley: We both probably have a few things to say. For me, it's an ever-present problem and we've encountered quite a few examples over the last few years. In fact, really right from the beginning of this kind of problem. Sometimes, I almost feel it's escalating, particularly with the advancement of things like EITI.

For me, the real struggles of making EITI more than just a sort of ****-all process is the central **** that role that civil society is supposed to play. And that means countries to come forward to be validated and who are accepted on this list as performing in the function of doing EITI, must only be on that list on the basis that they stop beating up civil society.

I think the great quid pro quo that goes out from the EITI is if you get that properly done, if the integrity of EITI is properly protected, and civil society is really looked after in that context, then it opens up all sorts of other opportunities for other issues

that go way out beyond just the mineral extraction, whatever has to be that.

So it's a really serious problem. I think it manifests itself almost in the worst cases. We see impacts on people in those countries, and then we see the rest of the participants, not necessarily, although in some cases to a country pulling that way to address the problem. And that's a big problem.

I have to start to that on an optimistic side. I think the Publish What You Pay coalition of… are there I think 350 NGOs now? They're supposed to be amazingly effective being a voice for people who get in trouble and the recent issue of Gabon when various NGOs were suspended and Publish What You Pay got into action and that decision was reversed. We've held that to **** in Republic of Congo, for example, and Publish What You Pay has been incredibly useful for that.

I'd add, though, that one of the major threats I think all NGOs face, whether it's in Africa or elsewhere, or certainly in the U.K., is the chilling effect of litigation which is becoming an increasingly used tool by various oligarchs, bad companies, or whatever, because a company or an individual with a lot of money, even if they're wrong about an issue, can break an NGO. In some countries, they can bring criminal defamation cases which is jailable offense.

I think that there needs to be… we're already working on this a little bit… there needs to be some kind of coalition of NGOs who work to get the legal system to be more sympathetic to the journalistic rights of civil society organizations. But also, I think, funders – and I know a **** thing to a degree – needs to create a fund or funds that can be drawn down to help people when they get into trouble. Because as someone gets into trouble, you got to start shelling out a lot of money. And it's got to come from somewhere; it's got to come from somewhere very, very fast.

Nancy Birdsall: That's very interesting, and just a quick comment on that. I think it may be necessary to assume that in many of the

settings where this is a problem, even if the country leadership wants to do better, that by definition, almost, it doesn't have the capacity to do better. So it's not as though it's only… there has to be the kind of global witness approach, either through EITI, or through a fund, which I think goes to the heart of why this award is meaningful and why those of us in Washington have to think more about the things that you have next on your agenda, and how to be helpful, and what else ought to be on the agenda.

Now, there is someone… yes, in the blue shirt, who…

Speaker: Hi, my name is Simon Billenness. I am with the AFL-CIO office investment and also in the boards of Amnesty International USA and the U.S. Campaign for Burma. I remember having a very lively discussion with Simon about putting shareholder pressure on the oil companies in Angola that went on way **** the deadline, had to be dragged away back when you were in that old office in Islington.

But I'd like to focus on something that comes up again and again in these issues, and that's where all the financial system because you've done a very good job of tracking flows of timber, of trade, of gems and the like. But it seems like all of the money from these transactions goes to the international financial system. So what kind of work and initiatives with other groups are you doing to start to track these financial flows and get a grip on that side of this bad business?

Simon Taylor: We are in the process at the moment of looking at the financial sector for a number of very obvious reasons, like development of financial institutions in moving money out in huge quantities where its parent gets a part from **** in front of obvious locations. I'm thinking particularly of things like Griggs and you can't get much more unsettled than parking $750 million one mile from the White House, but nevertheless, they did it and they didn't even seem to blink. The crime was big enough along with some other aspects to be on the **** parking of his money there… but the crime was big enough to kill the bank, and yet the money then disappeared. Very often

things like sovereignty get **** to place. We are in the process of looking at that.

I'd say one other thing as well. We're also interested in the principle of asset tracing, and very often in the processes we've looked at EITI in particular. People have certainly in the early days talked about "where's the incentive for someone like **** to display." And the answer is there isn't one. And I think there never is going to be one in places where you have **** practically its primary purpose by that state is to asset strip their own gain.

And so, I think, in certain circumstances, it's more interesting to look at disincentives and I think a nice disincentive might be the example Patrick mentioned earlier around the visa bans. There's not much point having a house in Long Beach if you can't visit it. I would **** what a shame that's going to be the case with some people this year with a bit of luck.

We'd like to see assets frozen. There's opportunities we think we would build through **** next year and see what we can get out of it on that side of things. But beyond that, we have some research on the way to look for assets for certain despots and we think we might be able to do something on that. I wouldn't say more on that at this stage.

Nancy Birdsall: Do you have some interaction or do you have a view about the quite new initiatives still on stolen asset recovery program? That's the Ingosi… it's the Ingosi **** where the World Bank is involved and others.

Speaker: I don't have a personal example really to delve into at the moment. Sorry that's a stake ****

Nancy Birdsall: But it might be…

Speaker: It's something that we'd ****

Nancy Birdsall: Right, right. You could keep their feet to the fire, for example, because…

Speaker: yes, I think we're probably there.

Nancy Birdsall: I mean, I think the intentions are all very good, but it would probably be a positive thing to have a third party helping them meet the high standards they've set.

Dennis de Tray: I'm Dennis de Tray from the Center for Global Development. I wanted to follow up on this conversation. This is a conversation about how to deal with ill-gotten gains that are laundered and hidden in the system. But there was an example in the movie that I'm curious as to whether you're thinking about and that's Turkmenistan. They also have squirreled away billions of dollars that wasn't rightfully his and Deutche Bank managed it. Everybody knew it, and they've known it for years.

If we can't do something about that, I wonder… this is open, blatant, obvious, and we've known. And as far as I can tell, nothing has happened. My questions are is that part of the conversation? Is Global Witness trying to bring pressure on the system to find at least that much more embarrassing than the Germans seem to find it?

Patrick Alley: Something has happened. Deutche Bank sponsored the Global Compact and annual meeting last year, which I think, shows the irony of these things that you can get a lot of good publicity and sign up to a few things and do nothing. I think it's remarkable, that particular example - $3 billion worth and the **** that **** at Deutche Bank. The bank, when you write to them, writes back, saying, "Well, you know, this is confidential client's information… blah, blah, blah."

This is why we're launching a campaign this year on this very subject, because it's obviously unacceptable that assets that had been stolen from states can be parked somewhere else. It happens in Germany; it certainly happens in the U.K.; it certainly happens and has happened here – and in France.

So, yes, this is essential. We have to change that right now but the system is simply not there to do it.

Simon Taylor: Just to add… there were further other bits of correspondence there, particularly with, I think it's **** that regulates it and they approached Deutche Bank, and so they've started to get pressure and one of the things we wanted Global Compact to do was to basically chop them off, because **** banking **** $3 billion consistent with the Global Compact's tenth principle.

Nancy Birdsall: This is the U.N…

Speaker: Global Compact, yes.

Nancy Birdsall: Where any bank or corporate can sign up to certain principles.

Speaker: Yes, there's a list of principles and the tenth one is essentially, we're signing up to two things to address corruption. So banking **** money obviously doesn't fit in there so what's their star member doing still on the list, and when we complained, formally complained, the answer was, "Well, we don't have the staff or the materials available to look into this properly." So nothing's going to happen.

But that… we have to accept that de facto means that the U.N. offers, is not blue logo, as a sort of stamp as endorsement essentially saying these member companies are doing these things. We are endorsing them and giving them credibility for it. I think that's something sensible.

So there are many facets to this beyond the immediate regulation and I think our work's going to have to involve a large dose of embarrassment and watch this ****.

Nancy Birdsall: Very good.

Speaker: Jim **** from the Senate Foreign Relations Committee and I also like to congratulate Global Witness for getting this award.

They've worked with the committee quite a bit in recent years and we've found them to be excellent partners.

I just like to ask… you mentioned embarrassment and the other traditional means that used to kind of enforce the standards. New players on the scene, particularly China and Russia, which both have vetoes on the U.N. Security Council and don't seem to be as susceptible to embarrassment and other traditional means. I wonder… I'm sure you've reflected on this… What approaches do you think will be successful? Have you found any success in bringing them into the umbrella of behavior that other countries…

Patrick Alley: It's called the elephant in the room, I think, isn't it? I should have mentioned work on China when I was talking earlier. Obviously, like many NGOs, we have to work on the impact of the "brics" as they are called the "brics" nations.

I was at a meeting in Berlin last year and one of our colleagues from Liberia was there, and he said, "We don't care who has our resources, as long as those resources bring the benefits that are equally divided, and equitably applied in our country."

So, in one sense, you should look at it… okay, we're all after the resources in Africa and elsewhere, and there should be some common standards. But we also know that the biggest player right now, I think, certainly is China and we don't have an easy answer to that. Other than saying my own personal experience is that this is far from saying that we're getting somewhere.

But I was talking to one of the Chinese members of the Security Council Mission in New York, talking about this issue of conflict resources. They said alarm bells are ringing in Beijing… this was at the time when there was a lot of press going on about Sudan.

There are two things that struck me in that conversation. One of which is that there was a conversation because we thought the Chinese diplomats for years and very often is a one-sided thing. Secondly, as we came out with some intelligence like

that… so I think they're not immovable as we think they are, but that said, they got an awful long way to move.

We can try and engage with China and work with other NGOs and organizations that are trying to engage with China. And I think, **** one potential way forward is if we can galvanize civil society in affected countries, for example in Africa, who already on a piecemeal basis are sometimes demonstration against the effects of Chinese investment.

If we could help civil society in Africa, rather what we can help is if they themselves could generate enough of a voice and so that China heard the voice of the people – that sounds a bit corny – but China too easily… I don't know this usually will apply where the countries hides behind this rhetoric of we have this falsely **** interference with the government, so that's okay.

If they could hear from people, actually now it's more like, "Hey, you know what, you know, we are a democratic government; we can't vote; we haven't got this right and that right," then it's going to become embarrassing, it's just one of the voice who...

Speaker: That as China has also abandoned, I mean, I want to see how far they go. I'm sure at the moment, there are lots of issues they were abandoned too long, but I have heard… in **** coming out to **** state and we developed sort of an exposé of who the companies were and so on and you may say that's pre-Olympics, you know, the genocide Olympics or whatever someone was… I think Sebastian was telling me yesterday this catchword for it. There's obviously lot of tension around that, and maybe that's the movement. But nevertheless, they did it, and in some respects we could say they've done more to stop illegal logging coming out of Burma than Europeans have done.

Also, I'd say we shouldn't forget that we got a place like Angola or it doesn't take too many years ago, and you'll find actually that it was the Western oil companies who are absolutely part of the problem. It wasn't just that they weren't

transparent, you know, there were companies there shipping arms through invisible subsidiaries that don't exist on the books. What's an oil company shipping arms down to a major conflict? I mean it's just…

So, China gets a lot of bad press and sometimes deservedly, but we're not often a lot better is what I'm driving there.

Nancy Birdsall: Right. Lawrence, you're going to be next, I just was acknowledging… I see you…

Lawrence MacDonald: I'm Lawrence MacDonald, Center for Global Development. My question goes to tactics. You're a small organization; you have to make careful decisions about where and how you engage and I'm wondering… obviously, you use a mix of mechanisms, but you know, looking at engaging celebrities; working with movies; working with mainstream media; working with blogs, private discussions with officials… Do you have any sense of how to prioritize those things? Is it entirely ad hoc or there are some things that you found to be surprisingly effective, or others not really worth the trouble in terms of the mechanisms you use to get out the word about the research that you have done.

Patrick Alley: Movies don't happen everyday, and we didn't cause it to be made; we luckily had a role and having some advice on the scripts and talking to the director and that's one of the good stuff… that's very atypical.

I think one of the key things is that through our campaign teams, which typically consists of two or three people, they work on every stage of the process. They do the initial desk research; they'll do the investigations in a country; they'll come back; they'll write the report; they'll get the designer for the report; they'll take that report to whatever policy maker it is that we've done… probably it's the right way to go. They will do the press work on that.

So the same team will bring it all the way through, which means they really know what they're talking about. So we're

not sitting in front of somebody in the State Department or whatever, they are the ones who've seen it; they're the ones who got that documentation and have analyzed it. I think that's a critical part of what we do. We haven't got a press officer or a lobbyist who does nothing else but press work or lobbying. I think that's critical.

I think another thing is to be quite ubiquitous, and there are quite a few Global Witness people here in Washington right now. Are there any people from the World Bank in the room right now, their mode would have been ubiquitous in the World Bank.

We tend, as I said in the clip on the movie there, when we produce a report, it's not just to go on a bookshelf. We will push it everywhere we could push it. And we'll keep pushing it. And so, we've written another book and then we'll keep pushing that one. So we don't let the issues go away.

And another thing with that **** is that we don't sort of pick up a campaign for this year or for the next six months and run it, and then drop it. We'll work on a campaign so we'll win it or we'll lose it. So we might go away a bit like a Rottweiler and sometimes it gets a bit boring… I'll teach that **** and so the Cambodians **** was waiting on us.

Speaker: I was going to say 12 years in Cambodia is a bit tedious, but you know, having these guys unable to get to Long Beach, so that's the spice back into it. I think just one thing on the visa ban stuff and that's for the benefit of anyone out there who's thinking of this from an NGO point of view.

We have an opportunity now to make sure the right people are on this list. And this list doesn't apply to Cambodia any more than it applies to any where else. It's about resource extraction, criminality around that, and corruption associated with it. So those PEPs, if you like, those politically exposed people that are people around the president, prime minister, or whatever, or other officials of government who are involved in asset

stripping, dodgy deals and what have you, could, theoretically be on the list.

Now, I think it's very important that the actual list when it's put together, has the right people on it. So we don't want people who we're not quite sure about yet. We got to have good, solid evidence of this. The integrity has to be maintained. We want to show that it's worth having this. So I just chucked that out in the middle.

Nancy Birdsall: How many people could you put on the list now with this level of certainty that you've suggested is important.

Speaker: I think quite a few.

Nancy Birdsall: A dozen? More?

Speaker: Probably more than that but a little bit of an aptitude and rummaging through files and things, I would say, from quite a few different countries. So I'm chucking it out because people work on other countries where we don't have such information that should join the club. We've got about 65-70 days to that point where the Secretary of State will determine who is or isn't on the list. So it'd just be nice to see the list being a good list.

Nancy Birdsall: And would you have problems with libel suits in some settings? How would that…

Speaker: I believe, from conversations day to day that the list is unlikely to be a public list, so I think our role is to talk and provide data and we may not be fully aware for sometime, but sometimes things have a habit of coming back out again, should I say, in private conversations more every so…

Nancy Birdsall: So what you're saying is that you could go to, say, the State Department in the U.S. with this list, and you feel that even if you didn't – couldn't make it public.

Speaker: We would make the list probably.

Nancy Birdsall: You would make the list.

Speaker: We'll have to think about it. It depends on…

Nancy Birdsall: Then you wouldn't be subject to libel suits and…

Speaker: Well, there'll be people we've already named for various things… already out, I would say, I think we want to be sure about… I mean there's lots of people we have suspicions about these last **** absolutely no. And we're probably right for the name part for some of the ones we have suspicion about but I think we can only put a base forward on the basis of solid evidence.

Nancy Birdsall: Very interesting. Okay, there was someone… yes…

Edgar Su: I came a long way from Maryland with **** back to listen about what you are going to say about China.

Nancy: Could you introduce… you'll introduce yourself.

Edgar: Yes, I was very happy to read the paragraph in this book on China. I was very happy to hear what the gentleman was asking about China. And the answers given are in general terms. I must mention one thing. That Africa has been too friendly to China since very early years. When I started to cover China in 1980…

Nancy Birdsall: Could you introduce yourself please?

Edgar Su: When I covered China for the World Bank in 1980, a lot of African students were studying in Beijing University. And last year there was a summit meeting of African leaders for number one… the majority of number ones came to China, and many of them, surprisingly to me, spoke Chinese as well as I do. Now, the only difference is that the European countries were the colonizers of Africa.

Nancy Birdsall: So if you don't introduce yourself, you only get 30 more seconds.

Edgar Su: I have a hearing problem.

Nancy Birdsall: Oh, could you tell us your name?

Edgar Su: My name is Edgar Su of the World Bank.

Nancy Birdsall: Okay, and could you get to your bottom-line.

Edgar Su: Yeah, I just mentioned one more thing. I think China's role in Africa is unique compared with the European countries because China was a victim of the colonizers. Only in our rising up, of course China is facing a lot of challenges… Now the role of China should be maximized. My question: just one second… I would like to know how you'll mobilize the goodwill of China in Africa in your future work?

Nancy Birdsall: Very good. While you think about that, I want to give Moises. He has a comment or question.

Moises Naim: I actually have a question. Somebody gets excited with all these. It comes to you, gives you £10 million. What would you do?

Nancy Birdsall: Okay, so I don't know which question is harder… what about China and Africa and what about the £10 million.

Patrick Alley: I was thinking about it. I was joking flippantly about the Seychelles campaign and we always have in terms about we must raise money about the Seychelles campaign and I try to think of that… a good reason to go and investigate the beach. Needless to say, the budget never quite goes that far, so we've never been there.

Obviously, that's a huge amount of money. It hasn't happened; it would be quite delightful. I mean, I think one has to be very careful not to set a goal, you know, like a kid in a sweetshop… "let's do this and not the other." You have to think very carefully about how you deploy it and it would give us obviously some kind of comfort. But sometimes being lean

isn't a bad thing, only that… I don't know… I haven't really thought about that, to be honest.

Moises Naim: It's my way of asking about things that you think need to be done and are not being done.

Patrick Alley: There's tons… there's a lot of them. So we would deploy it, is what I'm saying, but I guess I am just saying we would have to deploy it with an ounce of caution based on our capacity to cope with doing it, because too quick expansion is pretty dangerous.

Simon Taylor: I'd add to that and say that from logistical perspective, it would make the organization stronger because we don't have lots of cash fooling around the bank, and that would be very helpful. We would create what we call… I wish we'd already created, there was just no money in it… a fighting fund – something that enables us to react quickly to certain situations. So sometimes, we get approached by people… it might be a situation that has a degree of urgency around it… and we have to go… we either… it's a situation that we have to act, like when civil society colleagues of ours were arrested in Congo Brazzaville, and we needed to get a legal defense. We needed to mobilize international action. It cost a lot of money. We got it back, but we may not **** it in the bank, and the ability – if a new issue comes along, right now, we have to raise funds before we can deal with it, which might take us a year.

So, to be able to speed up those processes would be good and to be slightly… yes, we always want to be lean, but slightly less lean. It would be great to have someone, you know, occasionally you could deploy in the organization who was not already friends, and be busy with something else.

In terms of our campaigns, they've kind of evolved over time and the banking campaign and the financial campaign and the ending impunity campaign have grown out of a recognition of our other work, that initially, plugged those holes – we're not going to get there. And I mentioned slightly further down the

line we'll see some more holes that need plugging. That's a bit of a general answer.

On China, I was going to say I still haven't gotten what the question was.

Patrick Alley: I think you were referring to take advantage, if you like, of China's goodwill towards Africa and where it's coming from. I'm not quite sure how to answer that in its entirety, largely, I suppose, because we're in the early stages of really understanding what China's role is.

And, you know, if you go to, for example – it's not a criticism of China in its role in Angola at the moment, for example, where something like $2-plus billion was essentially provided for projects and what have you.

You know, on the one hand, we had a problem with it at the beginning, because it removed the pressure on Angola to stop opening up the oil books and they didn't have to face that foreign cash flow problem in the same way and could simply ignore everyone's concerns about revenue transparency.

We have to remember Angola is still a place where billions of dollars just disappear and go through the banking system. So that was a major concern.

The flip side of that argument, that is the China has started doing development projects in country and so infrastructure is being built which wasn't being built before. So, you know, there are positive sides to it, although, often the criticism is it's done with Chinese labor and not local content.

So I think it's a very mixed bag and not knowing enough about it, I'd put it down probably to China's early forays. China has a desperate need for resources. It's looking wherever it can find those resources, and sometimes with a bit of luck, if we can get some engagement going them actually thinking about these processes and joining them. Maybe we get something good coming out of it, and sometimes, it's absolutely appalling. But

when I say it's absolutely appalling, it's equally appalling for companies like Elf in the past. We can't pick on China and not recognize the same role that some of the Western companies have played and still play. So…

Speaker: I don't know if that answers your question.

Nancy Birdsall: Okay, I think we have time for one more and I want to ask a question, so why don't we collect those two and then give each of you the last word.

Tony Holmes: My name is Tony Holmes. I work at the Council on Foreign Relations in New York on African issues and in the context of keeping your edge, I'd like to ask you a question from the other direction. Why do you deal with nuance and shades of gray and competing agendas and unintended consequences, and the issues of us imposing our priorities and our agendas on African countries?

Nancy Birdsall: Or Cambodia.

Tony Holmes: Or other countries. But I mean it's easy when you're dealing with valuable resources are being ripped off by truly villainous people, but it's a different question when you're dealing with the issues of corruption in countries where the governments are not at the extreme end of the spectrum, but have some domestic legitimacy and feel like corruption is merely an issue of the ethnicities that dominate the capture of resources… whether it's approving a World Bank loan for the development of oil fields in Chad, or dealing with the corruption surrounding a major arms procurement in South Africa by an ANC-led government.

It seems like there are many, many issues that would be very tempting to you, or maybe even involved the ones you're working on that aren't so black and white. In terms of raising funding; in terms of galvanizing your members and your supporters, how do you deal with those shades of gray?

Nancy Birdsall: Let me ask my last question, too, which is not dissimilar, but in a quite different way.

I was struck by the point you made about the Global Compact arrangements at the U.N. – the kind of lack of standards due to… on the U.N's part, apparently, they decided not to have standards, and thus, they don't have the financing and the staff to make assessments. I know from our earlier conversations that you had your concerns from time to time about the views of World Bank staff, which I think raised the same often questions of difficult trade-offs when the bad players are less visible or less villainous.

So you say answer both questions, but try to say… if you have something you want to say about the international organizations, I think it would be interesting for many people here because at least at the center, we try to take the stands of creating benign pressure for the best possible behavior in those organizations and we run into often the same issues of difficult tradeoffs, since they're trying to do good, and they have committed people trying to get something done.

Patrick Alley: Answering or attempting to answer based on the second question first. Global Witness – our experience is that voluntary solutions to very serious problems do not usually work because, if you look at EITI, which is a voluntary mechanism, the countries that you'd most want to be a member of it are the countries that don't want to join it.

And in Global Compact, anyone can sign up, like Deutche Bank and not actually would have changed their business practices at all… worst than I have… actually I get a lot of **** it looks like they're changing their business practices.

So my main answer to that would be: on issues that are really serious and with Global Compact, you're looking at various events regarding corruption, and human rights, and the environments. Those issues are two important for volunteerism by the market. Therefore, I question the validity of its

existence. That's only my personal opinion and my global witness one I would say…

On shades of gray – that's a hard question, because how gray is the shade of gray – I think you got corruption at different levels. For example, I was talking at your own… that you know, in Liberia, a civil servant – the cost of the commute to the center of Monrovia from where most people live is more than the monthly salary. So how does that person get by? That's a relatively intractable problem, and you have to view that in one way.

But if the leader of a country is leading by example, in terms of corruption, that to me is not very gray. I think corruption, yes it exists – we don't have an answer… we don't have the you know, the panacea is a corruption. But corruption subverts democracy if a government feels more responsible to a corporation or an individual that bribes it, then it does to its own population. And that's a possible or a conduit to conflict to complete, whether lower level or higher level.

I think there are other areas of gray, I was in Eastern DRC some years ago and I was talking to a kind of Graham Greene type character, Belgian plums would be less than 69, managing a company that did forestry and cocoa, and there are some **** things. At that time, the area was under rebel control and I said to him, "So who do you pay taxes too?" And he said, "We'll I pay my taxes to the same people I always paid my taxes to in the office in the center of town." But the management changes from time to time.

And on one level, you could say this is a conflict resource; you know, he was paying money to a rebel group and that rebel group controlled the area. That's one side. The other side is that company employed 5,000 people. It was the only employer in that area, which was actually going through roads of peace at that stage. So you know, would you want to close that down? I mean, that's a gray area.

Nancy Birdsall: Well, I think that's a very… I don't want to say sensible… it sounds rather boring. I think it's the right place to end but there are complicated tasks ahead for you and for all of us who'd like to support you. I have to say that the Center for Global Development and *Foreign Policy* together we feel privileged to have had the opportunity to give you this award and congratulate you on your work.

Patrick Alley: Thank you very much. It's scary too. And thank you Moises and Nancy, thanks very much.