

SPEECH FOR KOFI ANNAN

MINNEAPOLIS, 25th APRIL 2006

The Caux Round Table (CRT) is a group of business leaders from all over the world. For over 20 years we have promoted sound ethical principles for business and government – always seeking to reconcile private interest with the public good. We at the CRT are privileged to honour a great international servant of the public good – Kofi Annan. Your values are our values.

- We stand for living and working together for the common good – you stand for nations working together for peace, justice and the reduction of poverty.
- We respect the concept of human dignity – you never forget the poor and those in need of help.
- We want responsible capitalism – you proclaim the duty of stewardship of this world and its benefits by all states.

These objectives demonstrate the inextricable link between business and the international common good. Business gives work, work gives earnings, earnings give food and shelter. Responsible business brings progress and prosperity to responsible countries. As you have recognised business must put its principles into effective action for the benefit of the people – like the innovative UN Global Compact with business that you founded.

The CRT has two new proposals to promote these shared values:

First: Putting business principles into effective practice.

Principles do not self execute. Leaders, and through them managers, must set goals. Management by objective makes for better business. The CRT Arcturus business tool works for companies large and small. It monitors risk assessment, stakeholder interests, and promotes innovation and motivation from company to customer, stakeholders, and through the supply chain. It involves investigation, assessment and reform. Nissan will announce in May that after a preliminary study they intend to use it as an intrinsic part of their business systems. Using this tool companies will be more profitable and more responsible.

You sir created the United Nations Global Compact. It has had tremendous success. It is now moving into its next phase of the implementation of its ten core principles. I am happy to announce that we have begun negotiations with the Global Compact to investigate the use of Arcturus by its member companies. We want your creation to work and to work all the better with effective business tools.

Second: Combating corruption.

Global poverty is at intolerable levels. The poor countries lack the capital to invest in productive enterprise, capacity building and wealth creation. But more money is flowing out of these countries than goes into them.

Each year \$50bn is paid out in aid. \$500bn is estimated to flow out illegally.

As long as this continues poor countries will stay poor and aid and trade will be frustrated.

We must reduce this outflow of money and help the poor countries to help themselves.

According to the World Bank corruption is “the single greatest obstacle to economic and social development ... corruption sabotages policies and programmes that aim to reduce poverty, so attacking corruption is critical to the world’s overarching mission of poverty reduction”.

Our proposal builds on the UN Convention on Corruption that came into force last December.

This is a plan to combat grand corruption. It involves the ruthless pursuit and recovery of corrupt assets. Those assets will then be registered. And the registered assets will then be restored to the countries of origin to be reinvested in public goods.

The plan involves recovery – registration – redemption.

Recovery

Let us set up an agency e.g. The International Corrupt Assets Recovery Agency. The Agency will be open to governments and serious NGOs who were intent on provoking a government into action. Its staff would include experts in law, banking, and financial systems. It would involve:

- advice – generally or in particular cases
- referral to experts i.e. “bounty hunters” who will relentlessly pursue corrupt assets wherever they may be
- recovery – whether by court action, settlement or arrangements with governments in which their own banks hold corrupt assets
- publicity as to successes, and the reasons for failures

Registration

This is a control mechanism whereby:

- recovered monies are subject to transparent and accountable registration with the Agency certifying recovery and its reasonableness.
- The Agency would co-operate with the World Bank, the IMF, the EU and other financial institutions. It would be a publicly accessible system to the registration of what had been recovered so as to ensure that the recovered money would simply not restart yet another round of corruption.

Redemption

The recovered assets, after registration, would be restored to the countries of origin to be spent on open, transparent and non-corrupt programmes directed at poverty reduction involving health, education and capacity building, in particular for business.

- Reinvestment can be overseen by the World Bank. Such an arrangement has just been reached between the President of Kazakhstan, Swiss Banks holding some of his private family assets, and the World Bank for the reinvestment in Kazakhstan of some \$70m supervised by the World Bank.

Conclusion.

The virtuous circle is thus complete – recovery, registration, and redemption.

Governments, banks and business must co-operate to ensure it works. It can be done – justice and common humanity demand that it is done.

To conclude:

Much of the inspiration for these initiatives comes from your leadership in world affairs in particular the way you have involved business with social and democratic progress. We thank you for that leadership. In writing of President Roosevelt, Walter Lippmann wrote:

“The final test of a leader is that he leaves behind him in other men the conviction and the will to carry on”.

You have given us the conviction - we in the CRT will carry on working for our shared values and ideals.

In recognition of your vision and all you have done in the service of the peoples of the world I invite the Honourable John Whitehead and the Tunku Abdul Aziz to make this presentation to you on behalf of the CRT.

LORD DANIEL BRENNAN QC
MINNEAPOLIS – April 22, 2006.