



10 DOWNING STREET

UK Government response to Africa corruption report

22 June 2006

Tony Blair has announced new measures to tackle international corruption, one of the key priorities announced at the G8 summit last year.

His plans come in the government response to a report by the Africa All Party Parliamentary Group.

Response By HM Government To The Recommendations In The Report Of The Africa All Party Parliamentary Group, "The Other Side Of The Coin"

The Government welcomes the report of the Africa All-Party Parliamentary Group. We agree that corruption and related capital flight presents a critical obstacle to development in Africa, and that the UK and other OECD governments have important responsibilities in the fight against corruption in Africa. We agree with the key areas highlighted by the Africa All-Party Parliamentary Group for action - tackling the supply side of corruption (including the payment of bribes); tackling the laundering of the proceeds of corruption; protecting aid from corruption; and ensuring that aid is used effectively to fight corruption.

1. Rigorously enforce existing laws and sanctions against international bribery, corruption and money laundering.

We agree. We have strengthened the legal framework to combat international bribery, corruption and money laundering and are strongly committed to enforcing those laws.

The Memorandum of Understanding setting out how Government Departments and agencies should handle cases of overseas bribery has been revised to take into account recommendations from the OECD Bribery Working Group. The new version was published on 1 December 2005.

To assist effective investigation, the Serious Fraud Office (SFO) has taken over the maintenance of the register of corruption allegations from the National Criminal Investigation Service. The SFO already assesses all cases where an allegation of overseas corruption is made.

The Crown Prosecution Service has restructured how it prosecutes organised crime. The restructuring includes the creation of a Fraud Unit staffed by specialist prosecutors which will be in charge of future files involving overseas bribery, except for cases which the SFO retain for prosecution.

To promote the prompt and effective handling of mutual legal assistance (MLA) requests, the Crime (International Co-operation) Act 2003 set up two additional central authorities for the UK - the Crown Office (Scotland) and the Northern Ireland Office. These are now competent to receive requests directly where the evidence is located within their jurisdiction. Transmission via the UK Central Authority (UKCA) now only takes place where this is specified by a pre-existing bilateral treaty. HM Revenue and Customs has also been given the power to act as a central authority.

We plan to establish a dedicated unit jointly housed by the City of London and Metropolitan Police Forces to investigate allegations of foreign bribery by UK businesses, and use of the UK's financial system to launder the proceeds of corruption. Financial support for this unit will be provided by the Department for International Development.

There are 35 overseas bribery allegations currently being vetted to see if there is sufficient evidence to open a case. There are 13 active investigations in England and Wales and one active investigation in Scotland.

2. Bring to Parliament before the end of 2006 a new Anti-Corruption Bill which addresses the concerns raised about the 2003 draft Bill by the Joint Parliamentary Committee and the OECD Phase Two Review .

We agree that the law of bribery is in need of reform. We issued in December last year a Consultation Paper setting out options for reform. We hope to publish shortly a response covering all the comments received.

Bribery is a hard crime to pin down in a way that balances the interests of all stakeholders, as previous attempts to reform the law have shown, but the Africa All-Party Parliamentary Group's views will be taken fully into account.

The Government has already considered the Joint Committee's recommendations and set its views out in its Response to the Committee, published in December 2003. The Joint Committee was not persuaded that UK Companies should be made liable for the actions of non-resident foreign subsidiaries because they would be liable to national law in that jurisdiction. The Joint Committee also did not find the case for a separate offence of trading in influence convincing. The Government agreed with the Joint Committee on these points. However, it concluded that the test of corruption proposed by the Committee, which would have hinged on whether a person was 'legally entitled' to an advantage, was insufficiently clear for legislation.

The OECD Bribery Working Group's phase 1 bis report on the UK concluded that 'UK law now addresses the requirements set forth in the Convention'. In its phase 2 report, The Working Group recommended the introduction of a Bill, but this is a matter of desirable reform rather than Convention compliance.

The Government remains committed to introducing a Bill in due course.

3. Fully implement the Third EU Money Laundering Directive as soon as possible and well before the December 2007 deadline .

We agree. The UK intends to implement the Directive by the December 2007 deadline. The Directive consolidates the previous two EU money laundering directives and updates EU legislation in light of changes made to the Financial Action Task Force (FATF) recommendations. It provides for a co-ordinated EU-wide approach to tackling money laundering and terrorist financing, and requires banks to perform enhanced due diligence for non-domestic politically exposed persons (PEPs), for example by strengthening procedures to identify customers as PEPs and requiring senior management approval for establishing business relationships with PEPs. UK banks are already taking steps to implement these requirements.

4. Ensure that Crown Dependencies and Overseas Territories deal with corruption and money laundering as robustly as the UK.

We, and the Governments of the Crown Dependencies and Overseas Territories, agree that it is very important for them to deal robustly with corruption and money laundering.

The constitutional position of the 14 Overseas Territories is complex and there is not a single model. In simple terms, these Territories are constitutionally not part of the United Kingdom; each has its own constitution. The British Government, through the Governor, is responsible for the international relations of the Territories, including extending to them international treaties [e.g. the UN Convention against Corruption] on a case by case basis. While the Territories often implement treaties by means of their own domestic legislation, the ultimate responsibility for ensuring that the Territories fulfil their treaty obligations rests with the UK.

The UK Overseas Territories are aware of the threats posed by money laundering and corruption, and the risks it carries for the reputation of their economies. The UK continues to encourage them to counter these threats, and to ensure that they have robust legislation in place, in particular on financial regulation, and adequate enforcement capacity.

All financial centres, whether onshore or offshore, should conform to the highest standards of financial regulation and provide effective co-operation with international counterparts. This promotes greater confidence in the jurisdiction, and is important for the long-term viability of the finance sector in the Overseas Territories. The Foreign and Commonwealth Office can provide practical support and technical assistance in order to ensure that the great opportunities of global financial markets are not abused or undermined.

The Crown Dependencies are self-governing and have made detailed replies to the AAPPG clarifying their status and outlining actions they have taken on corruption and money laundering. These replies are not repeated here.

The OECD Convention has already been extended to the Isle of Man. Guernsey has asked for the Conventions to be extended, and the Foreign and Commonwealth Office is pursuing the necessary processes. The Crown Dependencies are not bound by the European Union Directives on money laundering, not being part of the European Union, but have equivalent regulatory regimes in place. Gibraltar, however, is bound by European Directives and therefore will need to implement the Third Directive's measures by December 2007.

5. Report to Parliament annually on international development spending with a particular focus on transparency, effectiveness and details of support for anti-corruption priorities and strategies.

We agree. The Government already reports on international development spending in the annual report of the Department for International Development. The Government has supported the International Development (Reporting and Transparency) Bill introduced by Tom Clarke, which would require more detailed reporting on transparency, effectiveness and tackling corruption. This passed through Third Reading on 16 June and is due for Second Reading in the House of Lords on 29 June 2006.

6. Appoint an Anti-Corruption champion for a two year period to coordinate policy coherence and implementation across Whitehall and work with the devolved executives, CDs, OTs and international partners .

We agree. The Secretary of State for International Development has been appointed Minister with responsibility for tackling overseas corruption. Departments are currently finalising a cross-departmental action plan which will be publicly announced during the summer.

7. Establish effective systems to monitor the implementation of the UN Convention against Corruption by its signatories.

We agree. The Foreign and Commonwealth Office and Department for International Development are already in international discussions to determine the appropriate review framework for the UN Convention against Corruption. This will be discussed at the Conference of States Parties in December 2006. The UK is providing funding and technical assistance to UN Office for Drugs and Crime to support the implementation of UN Convention against Corruption.

8. Ensure the full extension of the UN Convention Against Corruption and the OECD Convention on the Bribery of Foreign Public Officials to the UK's Crown Dependencies and Overseas Territories.

The position on extension of the UN Convention against Corruption and the OECD Convention on the Bribery of Foreign Public Officers to the Crown Dependencies and Overseas Territories is set out in the response to recommendation 4.

9. Take a pro-active approach to detecting international bribery, opening investigations and actively cooperating with mutual legal assistance (MLA) requests. Require all government departments including HM Revenue and Customs to pass on evidence of bribery they come across. Provide training to Revenue and other staff on detecting signs of bribery .

We agree. The Government is committed to working proactively to detect international bribery, open investigations and cooperate with mutual legal assistance requests. Steps taken by the government to strengthen the system for investigating international bribery are set out in response to recommendation 1. Under the commitments made by the G8 at Gleneagles we have provided training to partner governments in Africa in accessing Mutual Legal Assistance Claims.

Her Majesty's Revenue and Customs has produced a compliance strategy setting out the resources available to the UK's tax authorities to review tax information and allow for the detection of possible criminal conduct, including foreign bribery offences. The strategy incorporates dedicated staff training, including specifically on how to identify expenses entries that might be used to disguise bribes. Detailed guidance sets out how Tax Inspectors should handle their review of any deductions in the accounts that either are or might be bribes, whether paid within the UK or abroad. Standard procedure is for staff to challenge payments that give rise to suspicion and require evidence to back up the alleged purpose. If it turns out the expense was a bribe it is disallowed and a disclosure may be made to the appropriate law enforcement agency.

10. Ensure that new arrangements between investigating and enforcement agencies are backed with resources and necessary powers to carry out investigations. Ring-fence human and financial resources for investigating international corruption to ensure this is not squeezed out by other priorities

We agree on the need to devote human and financial resources to investigate allegations of foreign bribery and corruption by politically exposed persons. As set out in the response to recommendation 1, we plan to establish a dedicated unit jointly housed by the City of London and Metropolitan Police Forces, and supported by additional resources from the Department for International Development.

11. By the end of 2006 review the anti-corruption policies of all UK Government departments particularly in relation to procurement and encourage the devolved executives, Crown Dependencies and Overseas Territories to do the same. By the end of 2007, in line with World Bank procedures, introduce a list of companies barred from government procurement because of corruption convictions or overwhelming evidence.

Under current European Union Directives suppliers who have been convicted of corruption by final judgement are excluded from any public sector competition. Article 45 of the new consolidated procurement directive puts the onus on each procurement entity to make themselves aware of any bidder convicted by final judgement of a range of convictions including corrupt activity. The UK Government is introducing procedures which will recommend that where a contracting authority believes there is grounds for suspecting that a supplier has been convicted then the supplier will be requested to seek notification/record from the Criminal records bureau.

Following representations from the UK, the European Union is currently consulting member states to determine how each is implementing article 45.

12. Robustly enforce the newly revised Export Credit Guarantee Department anti-bribery and corruption guidelines and work with other export credit agencies to continually review best practice and ensure a high standard globally.

We agree. Enforcement of ECGD's revised procedures will come into effect on 1 July 2006. The UK and the other members of the OECD agreed an enhanced OECD Action Statement on bribery and officially supported export credits in May 2006. ECGD will implement this as part of its revised procedures in July 2006.

13. As soon as possible carry out a review of international safeguards against mispricing and examine the impact on developing country capital flight. The review should include:

- the introduction of mandatory price-related signatures from buyers and sellers for all transactions over £10,000;
- the links with international tax evasion and transfer pricing and the capital flight involved

We agree that mispricing is an important issue. The Government will work with international partners to establish a review of international safeguards against mispricing and their impact on developing country capital flight.

14. Following the passing of a new Anti-Corruption Bill through parliament conduct a thorough prevention and education campaign for the UK business sector.

The position on an Anti-Corruption Bill is set out in response to recommendation 2.

We agree on the importance of awareness-raising. We already conduct a range of awareness-raising activities in the UK business community, both at home and overseas. We target key markets, e.g. China, Russia, Nigeria, and important business sectors, e.g. the construction sector and the accounting profession.

15. Use Government trade support and advocacy services to inform companies about the illegality of bribe payments, the damage they do to development, and methods of avoiding solicitations for bribes; for example through the UK Trade and Invest literature .

We agree. UK Trade and Invest provides information on these issues to UK companies and has recently revised its guidance leaflet on bribery for companies doing business overseas.

16. Require companies receiving Government trade support and advocacy or companies seeking government funded contracts to sign no bribery warranties from mid 2006 onwards.

The application forms for companies requesting export credit already require declarations to be made about the applicant, intermediaries acting on its behalf, joint venture partners and companies in the same group

that are involved in the transaction. These declarations are warranties against undertaking, colluding in or turning a blind eye to corrupt practices

We do not require companies receiving non-financial support from the government (eg participation in trade missions) to sign warranties; but before trade support is given to a company, all relevant information on that company will be considered.

17. Bar those convicted of corruption offences from receiving government trade assistance, including participation in trade missions.

When it is known that a company or individuals linked to an application have been convicted, the circumstances are carefully considered. For example we will take into account how long ago the conviction occurred and whether action has been taken to correct the position which led to the corrupt act occurring.

18. Educate UK companies about the use of mispricing in transactions as a mechanism to embezzle and launder funds, using an information campaign and existing government to business services .

We agree on the importance of information to businesses, as set out in our response to paragraph 14 above. UK Trade and Investment's Training Unit offers a comprehensive package of training support to reflect the needs of UKTI staff and its customers. This incorporates specific reference to the law on bribery and corruption. UK Trade and Investment provide advice and support on *how to* trade internationally, but do not make commercial judgements for a company. In providing businesses with tailored support to help them achieve business success, UKTI provides advice on bribery and corruption where it is appropriate and relevant

19. Encourage UK banks to reassess the compatibility of commodity backed loans with their corporate social responsibility guidelines and encourage them to take advice from the international financial institutions on appropriate levels of disclosure and oversight mechanisms for money disbursed .

The Government wants to see UK businesses taking account of their economic, social and environmental impacts wherever they operate - locally, regionally and internationally. To this end the Government would encourage UK banks to consider the impact on development of their use of commodity backed loans (CBLs) for example, in terms of transparency of the loan terms.

The UK has taken the lead in ensuring that debt burdens in developing countries are reduced to sustainable levels. The Government strongly believes that prudent debt management by developing countries is essential for economic stability and growth. We have a direct interest in ensuring that countries in receipt of debt relief from the UK and international financial institutions do not amass new unsustainable debt. To this end the UK is working with the International Monetary Fund and World Bank to develop a "debt sustainability framework", which should include advice to partner countries and financial institutions on commodity backed loans.

20. Encourage UK businesses to take an active role in the UN Global Compact and other voluntary initiatives and support UK companies in implementing the initiatives throughout their operations .

We agree. The FCO participates in the UK forum of the Global Compact and encourages companies to participate. We also support the UNGC and other corporate social responsibility networks in developing countries, e.g. through Global Opportunities Fund projects.

21. Discuss with UK business leaders how best to monitor implementation of voluntary anti-corruption initiatives externally .

We agree. We regularly hold discussions with business on the various voluntary initiatives and cover performance monitoring in these discussions where appropriate. For instance the Extractive Industries Transparency Initiative (EITI) will shortly be agreeing a process whereby Country and Company performance is validated by an independent external assessor.

22. Work to improve inter-agency coordination and ensure there is clarity on who is ultimately responsible for money laundering investigations.

We agree and will work to improve interagency co-operation in this area. The new Serious Organised Crime Agency (SOCA) will have a dedicated team responsible for collation and exploitation of intelligence on Politically Exposed Persons.

23. Give a high priority to investigations into the laundering of the proceeds of corruption, and to tracing, freezing and repatriating these funds where possible. These activities should have earmarked funds to ensure they are not sidelined by the focus of investigative and enforcement agencies on drugs and anti-terrorism .

The City of London Police has been given £2 million per annum to take a lead role in investigating fraud. Money Laundering will normally be facilitated by fraudulent activity. In addition under a new scheme the police and other front line agencies are paid 50 per cent of all criminal assets recovered. The law enforcement agencies are currently processing such cases. For example Joshua Dariye, the Governor of Plateau State in Nigeria, had his UK based assets seized in December last year. We are making efforts to return them to Nigeria and his appeal is in progress.

24. Include within the Company Law Reform Bill a requirement for UK registered companies to declare beneficial ownership and end the practice of directors of registered companies being themselves companies, unless beneficial ownership can be shown. Encourage the UK's Crown Dependencies and Overseas Territories to introduce similar legislation where they have not done so already .

The Company Law Reform Bill will require at least one director of every company to be a natural person. This is intended to improve both accountability and transparency. Existing provisions will also be retained enabling the Secretary of State to investigate the ownership of companies. However, any requirement to disclose beneficial ownership of any company would be legislatively impracticable and impossible to enforce. Even if workable, it would place an unacceptable burden on companies, their shareholders and others with an interest in shares. In any case, such measures would be ineffective in combating corruption, since criminals would either not disclose their identity or ensure that they did not own, directly or indirectly, the shell companies they were controlling.

25. In implementing the Third EU Money Laundering Directive, clearly identify corruption within the working definition of a serious crime and highlight the relevance of offshore transactions as a sign of possible corrupt activity .

We agree. Money Laundering is criminalised in the United Kingdom and listed as a predicate offence under the Proceeds of Crime Act which came into effect in February 2003. Where appropriate we support the implementation of the directive by encouraging other member states to pass similar legislation.

26. In the run up to implementation of the EU directive engage in an information campaign targeting all UK businesses that may be affected to ensure they are aware of their responsibilities regarding due diligence checks, politically exposed persons and suspicious activity reports and what signs they should look out for .

We agree. The Government is committed to ensuring that all businesses that may be affected by the EU directive are made aware of, and consulted upon, our implementation of the Directive. To aid that, the Government will shortly be publishing a consultation document on the requirements of the Directive and our proposed implementation.

27. Work closely with the EU on ensuring continental implementation of the Third EU Money Laundering Directive .

The Government is committed to working with the European Commission to ensure implementation of the Directive by December 2007 by all member states. The Commission will this summer set up a committee on the prevention of money laundering and terrorist financing to help with this task.

28. Encourage Crown Dependencies and Overseas Territories to introduce legislation along similar lines to the Third EU Money Laundering Directive and the recommendations of the Financial Action Task Force (FATF), where they have not done so already .

The position on the domestic legislation of Crown dependencies and Overseas Territories is set out in the response to recommendation 4.

29. Apply the highest levels of financial reporting and accountability to *both* general *and* sectoral forms of direct budget support in Africa; ensure design of UK budget support contributes to

increases in financial transparency and broader governance improvements across recipient governments

We agree. DFID only provides poverty reduction budget support (either general or sectoral) where it judges the circumstances are appropriate. The three factors it takes into account in this decision are:

- whether the country's planned budget priorities will help reduce poverty ;
- the state of administrative, technical and financial systems; and
- the costs and benefits of PRBS compared to other forms of aid.

A key factor is the partner government's commitment to reforming its public financial management and the credibility of these reforms.

DFID's approach to managing budget support and protecting PRBS from corruption includes:

Ø A standardised assessment of the current performance of the public financial management system and the level of risk associated with it prior to deciding whether or not to provide budget support. DFID's methodology has been agreed with the UK National Audit Office and the assessment process is usually done in partnership with other donors and the government.

Ø Continuing support for long term programmes to strengthen the public financial management systems of partner governments. In most PRBS countries, for example Malawi, Mozambique and Rwanda, donor groups are supporting such programmes. They typically address a range of public financial management issues from budget planning and design (e.g. helping to establish Medium Term Expenditure Frameworks); to improving infrastructure (computerised Financial Management Information Systems); to helping to strengthen key institutions such as the National Audit Office or the Revenue Authority.

Ø Consideration of whether any extra short term safeguards are needed to manage high risk areas which may not be fully/immediately addressed by existing reform programmes. For example, in Cameroon, where DFID is providing budget support to the forestry sector, the external audit institution, (Chambre de Comptes) was only established in April 2003 and consequently is very weak. It has therefore been agreed that donors (DFID and World Bank) can designate independent external auditors to examine expenditure in the programme. The Cameroon Ministry of Finance has also increased its internal audit and oversight of the programme.

Ø Regular monitoring of progress and on-going support to and dialogue with partners to address any problem areas. High risk areas are monitored annually and others at least every three years.

Ø The option, as set out in DFID's conditionality policy, of reducing or interrupting aid if there is a fundamental change in its relationship with the partner government. One of the three circumstances in which DFID would consider such action is the occurrence of a significant breakdown in partner government financial management and accountability systems, leading to the risk of funds being misused through weak administration or corruption.

30. Continue to freeze budget support where its integrity can no longer be assured and ensure such decisions send a clear message that the donors no longer turn a blind eye to corruption .

We agree. DFID will continue to be vigilant in fighting corruption. Its policy on aid conditionality sets out the circumstances under which it will interrupt or suspend aid, including budget support. DFID will consider interrupting aid if there is a breach of any of its three fundamental partnership commitments. That is if:

- i. countries veer significantly away from their agreed poverty reduction objectives or from the agreed objectives of a particular aid commitment
- ii. countries are in significant violation of human rights or other international obligations; or
- iii. there is a significant breakdown in the performance of partner government financial management and accountability systems leading to the risk of funds being misused through weak administration or corruption

Precisely how DFID will respond to a breach will depend on the seriousness of the specific circumstances and the impact that any decision will have on poor people and longer-term poverty reduction efforts.

In relation to budget support, a breach of the partnership commitments will lead DFID to consider interrupting or suspending disbursements, or to providing aid through different instruments where partner governments have less direct control over aid resources.

31. In assessing suitability for budget support take into account any results from the African Peer Review Mechanism (APRM) and encourage prospective recipients of UK aid to take part in the process .

We agree on the importance of assessing governance issues in partner countries. DFID will consider the recommendations of peer reviews alongside all other relevant, available information when deciding how to support each partner country.

DFID already supports the Africa Peer Review Mechanism and encourage more African countries to join the process.

32. Work with multilateral organisations to ensure that anti-corruption strategies, including financial accountability and management are implemented in all programmes. Ensure increased support for anticorruption projects and systems that support transparency and accountability.

We agree. DFID is currently engaged in a process with the OECD, the World Bank, the UN Development Programme and several bilateral donors which aims to increase harmonisation of the donor understanding of corruption in partner countries, thereby aiding design. of interventions. We actively support the international Public Expenditure Financial Accountability (PEFA) Programme which has developed a framework to assess the performance of public financial management systems in partner countries in a consistent and evidence based way. The PEFA framework facilitates greater understanding of the strengths and weaknesses of public financial management systems in country and enables governments and donors to plan and support reform more effectively.

33. Work with the other major donors to assist the non governmental sector to improve transparency and ensure anti-corruption strategies are mainstreamed throughout their work.

We agree. DFID is part of the core team which will present recommendations to the OECD Development Assistance Committee in the Autumn on how to achieve this recommendation.

34. By the end of 2007 create a list of companies, individuals and organisations convicted of corruption or where overwhelming evidence exists, and debar them from DFID (and all UK Government) programmes and contracts. Provide an anonymous anti-corruption hotline or e-mail, accessible from any country.

Following representations from the UK, the European Union is currently consulting member states to determine how each is implementing article 45.

The Office of Government Commerce are currently in discussion with other UK government departments (including DFID), UK business and civil society on how Article 45 of the EU Procurement Directive will operate in practice. The OGC support greater harmonisation across member states and is working to understand how other EU states will implement this article.

At present DFID asks tenderers to disclose "if they or any of their sub-contractors are or have reason to believe that they may have been, or are subject of any proceedings that may be listed by the World Bank in its Listing of Ineligible Firms" or "Listings of Firms, Letters or Reprimand" posted at www.worldbank.org or on any similar list maintained by any donor of developing funding, or any contracting authority". Self disclosures are reviewed on a case by case basis.

35. Encourage the EU to report back to the EU Parliament annually on international development spending with a particular focus on transparency and effectiveness. Include where possible estimates of leakage through corruption and details of the EU's efforts to minimise leakage and utilise aid to increase transparency and ensure effectiveness.

The European Court of Auditors already reports annually to the EU Parliament. These reports cover both the external actions budget and the European Development Fund.

The European Court of Auditors has a vital role to play as the external auditor of the European Union:

- By publishing its reports the Court helps promote transparency and accountability in the management of European Union funds;
- Through its audit work the Court helps ensure that EU funds are collected and used in accordance with the applicable rules and regulations;
- The Court's audit observations and recommendations help managers of EU funds improve their performance and contribute towards improving sound financial management; and
- The Court's audit reports serve as a basis for the democratic scrutiny of the utilisation of EU funds by the European Parliament and the Council.

The European Court of Auditors reports on any irregularities and suspected fraud. The Anti Fraud office (OLAF) investigates specific cases where fraud is suspected.

The National Audit Office maintains close links with the European Court of Auditors.

36. Encourage the multilateral development banks and other multi-lateral organisations to increase the involvement of parliamentarians in both donor and recipient countries in discussing developmental priorities and improving scrutiny and transparency.

DFID supports increasing the role of parliamentarians in Poverty Reduction Strategy Papers and development planning. Along with donor partners it recognises that successful anti-corruption work depends on demand from within countries. Parliamentarians and other leaders are very important in creating this demand. To support this DFID will work with a wide range of partners including the multi-lateral development banks and other multi-lateral organisations to establish a Global Integrity Alliance which will aim identify, connect, develop and support ethical leaders in all countries. Detailed proposals outlining the shape of the Global Integrity Alliance should be available in September 2006.

37. Prioritise support for anti-corruption programmes in Africa including anti-corruption commissions, audit offices and programmes to improve the management of public finances, revenue collection and management. Encourage the ratification and implementation of UN and AU conventions relating to corruption. Increase the resources available for such programmes and encourage multi-lateral and other bilateral donors to do the same.

We will continue to give support to those in African countries working to tackle corruption and improve accountability and encourage other donors to do the same. We will actively encourage partner governments to ratify and implement both the UN and African Union Conventions against corruption. Where appropriate we will provide financial and technical support to assist our partners in doing this.

38. Significantly increase support for systems and projects which contribute to the domestic-led fight against corruption in recipient countries. These include support for the development of independent media; civil society organisations working on anti-corruption and transparency; anti-corruption schemes within the judiciary; Parliamentarians in their role as monitors of the executive and scrutinisers of government budgets, particularly public accounts committees; National audit offices

We agree. DFID and FCO already provide a wide-range of support for demand-side initiatives working with these groups, both in our bilateral programmes and multilaterally. For instance where proposals have been put forward DFID country offices provide support to Transparency International's local chapters. In addition, DFID regularly supports such work through the Civil Society Challenge Fund.

Through the Global Opportunities Fund the FCO supports a number of both short- and long-term anti-corruption and transparency programmes in Africa. The emphasis is on capacity-building in law enforcement agencies and the judiciary, and building domestic legislative capacity. We are also developing a focus on strengthening civil society through community-based projects. Many of these projects are conducted jointly with other government departments and/or civil society groups. We intend to continue this support - and will look to do more - and encourage our partners to do likewise.