

## Juan Jose Daboub 12th International Anti-Corruption Conference

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Transcript

Juan Jose Daboub: So, I think I am in a position to express a little bit better what the Bank wants to do in this area... Excelentísimo Señor Vice Presidente de la Republica, Señora Labelle, Señores Moreno e Insulza y Moya, distinguidos invitados, miembros de la prensa Ladies and gentlemen, I am very happy to be in the sister country of Guatemala, representing the President of the World Bank, Mr. Paul Wolfowitz. I congratulate Guatemala for its efforts to manage public funds, and Transparency International for its tireless efforts to bring the rules closer to the root.

The World Bank is here today to listen, and to share our work towards improving governance as the central element of our continuing fight against poverty. Our vision of poverty alleviation can only be accomplished by creating opportunities for the poor. Today, one of the main obstacles for people to access opportunities is weak or poor governance. Poor governance leads to corruption; corruption weakens fundamental systems; it distorts markets and even call people to apply their skills and energies in non productive ways. In the end governments and citizens would pay a price -- a price in lower incomes and lower investments. As a developing institution, the World Bank needs to ensure that development funds are used effectively and for the intended purposes.

"Our enhanced governance and anti-corruption work-plan was recently endorsed by the governors; we will step up our assistance to countries to strengthen their efforts to root out corruption, drawing from lessons of the past, broad consultation with various sectors across many countries, and constructive opportunities such as this one today". Our strategy is organized in three levels of activities; at the country level, the project level, and the global level. At the country level, we'd like to work closer with the media, with civil society, with the private sector, with government, and the champions of reform, and streamline their ideas and input in our country assistance strategies.

At the project level, we are looking for oversight mechanisms for disclosure of project information and timely handling of complaints. At the global level, just as expressed by my colleagues, we are advocating for compliance with the OECD and all international agreements. At that level we'd also like to work with organizations like Transparency International and all those that have a worldwide representation, and in working together with all the members of the international community especially governments and development institutions. Throughout the next three days, we will have a chance to go into more details about the governance and anti-corruption strategy of the Bank.

So, in the few minutes that I have left, I'd like to pose a question that I have phrased many times in my previous life in Academia, the private sector and the public sector, but also during a recent trip to Asia and Africa. It is also a question that Transparency International, in this conference, is inviting us to answer, to discuss in the context of why corruption continues to be a roadblock. And the question has to do with the level and the kind of government intervention that creates and ends corruption.

For twelve years I served my country El Salvador, I had the opportunity to transform the telecommunications sector, the electric sector, to contribute in attracting the private sector, which creates jobs -- jobs are the best mechanism to alleviate poverty - and helping to capitalize its macroeconomic position to consolidate the investment grade rating as well as the highest level of economic freedom.

This was possible because we changed the role of the government from an orchestra director to a referee that is strong, but small. We let people take destiny into their own hands and passed from hardship to investment grade, producing the sharpest poverty reduction ever registered in our history - 50 percent reduction in ten years. But there are many other examples of other countries that have, through the path of continued reforms and the help of good governance reached prosperity, countries like Chile, Ireland, New Zealand, Taiwan, Hong Kong, Holland, the Czech Republic to mention a few, who decided to open their economies to strengthen their macro-economic position, to create competition in every place possible to reduce their red tape, to privatize, to integrate themselves to the world, and to have regulatory frameworks that work with very little if any, arbitrary decision-making power.

I encourage you to ask yourself after each of the speakers here, in the next three days, the question I posed to you. If we can answer this question, we might also find the answer to why we do not have yet a more just world.

De Nuevo muchas gracias a Guatemala por tenernos aca (One more time thank you to Guatemala for hosting us).

Thank you very much.

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