Eduardo Bohórquez , Director , Transparency International, Mexican Chapter

Distinguished members of the panel, ladies and gentlemen,

Thank you very much for your kind invitation. On behalf of Transparency International I very much appreciate this opportunity.

As you can read from the program, I come from a so-called CSO, a Civil Society Organization. Like many other Civil Society Organizations around the world we are convinced of the relevance of understanding the complexities of trade to achieve a better platform for promoting development and for a noticeable reduction of poverty and inequality.

As a CSO that promotes transparency, accountability (both in the private and the public sector) and that overtly fights against corruption in the world, we are also convinced that when talking about trade and development we have to take the discussion to a more pragmatic approach. Under that perspective, it is dealing with vested interests (particularly in trade) that is probably the most imposing obstacle to our collective mission: the promotion of social development, the defense of the public interest.

It is fair to have interests. It is legal. It is desirable. Without interests, there would not be any kind of social improvement. The problem is when the real interests behind a negotiation or an agreement are devoid of transparency. When a third, non-interested party has to carefully read between the lines to understand what is REALLY happening, then public interest and social development are not being properly served. In this way, a common citizen becomes some kind of archeologist, trying to find WHO is capturing the state and HOW this operation is done. A State which is captured by interests that are different from those of the public, a State that is controlled by interest groups, a State which is incapable of making its own decisions, that kind of State, is normally distrusted by it constituency and no longer truly sovereign.

I am very much aware of the idea that asymmetries of information are crucial to bargain and to negotiate. But I am also convinced that without certain degree of equilibrium in the flux of information, particularly public information, PUBLIC DISTRUST is the only possible conclusion for a whole transaction. That is one of the reasons why, when negotiating regional free trade agreements, organized groups are so reluctant to have a proper discussion about the merits of free trade for every citizen, and more interested in getting a stake in the possible benefits. Free trade becomes an opportunity for a new form of political economy for the country and not an opportunity for gaining collective benefits.

How to deal with vested interests provides grounds for a very interesting debate that regrettably will take longer than the allotted time for our intervention. However, it is important to remember that markets depend heavily on information, its access and more generally on transparency. For centuries now, transparency has been the pillar of functional markets. Since the traditional chalkboards for setting the price of coffee in ancient Egypt, or the modern structure of stock markets in Wall Street, transparency has been a key element for gaining public confidence in the thousands of economic transactions that occur every minute in this world. Unless you want to be accused of "insider trading", you would not decide to invest in a firm that has poor reputation in

terms of its internal controls or that modifies its financial record to raise its market value artificially.

When talking about free trade a similar condition applies. A level playing field for trade is required: countries and companies are more interested now than ever in the quality of the legal frameworks of their business partners, they are more concerned about the quality of the rule of law, the levels of corruption and naturally, about how effective is access to information. These are conditions that affect the nature and results of trade, and are becoming factors in its liberalization. In the presence of a more transparent playing field, there is more room for fair competition, and the signals of the marketplace are not distorted by corrupt politicians or bought legislators.

Bearing in mind the time constraints, I would just like to briefly mention certain aspects that have to be considered when assessing the transparency of a Free Trade Agreement. They are included in the notes I am sharing with the organizers and apply to the particular case of the US Bilateral Free Trade Agreements.

Overview of US Bilateral FTA Provisions

			Israel (8-85)	NAFTA (12-93)	Jordan (10-00)	Singapore (1-03)	Chile (6-03)	Australia (5-04)	Morocco (6-04)	Bahrain (9-04)	CAFTA (8-05)	Peru (4/06)	Oman (1-06)	Colombia (2-06)
Legal and Regulatory Transparency	1	**Publication of Information Related to the Agreement** - Parties must publish the laws, procedures, and rulings associated with the matter covered in the Agreement.				✓	✓	✓	✓	✓	✓	✓	✓	✓
	2	**Notification and Provision of Information** – Each Party must notify the other Party of any measures that may affect the operation of the Agreement.				✓	✓	✓	✓	✓	✓	✓	✓	✓
	3	**Review and Appeal** – Each Party must establish a means to review and, where warranted, correct final administrative actions.				✓	✓	✓	✓	✓	✓	✓	✓	✓
Transparency in Public Procurement	4	**Publication of Procurement Information** – Each Party must promptly publish guidelines concerning public procurement.		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	5	**Publication of Notice of Intended Procurement** – Procuring entities must publish invitations to participate in the procurement application process.		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	6	**Time Limits for Tendering Process** – Procuring entities must provide sufficient time to allow for applications to be received.		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	7	**Information on Intended Procurements** – Procuring entities must provide potential suppliers all information necessary for procurement applications.				✓	✓	✓	✓	✓	✓	✓	✓	✓
	8	**Publication of Award Information** – Procuring entities must promptly publish information on award winners. Records on award winners must be maintained.		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	9	**Ensuring Integrity in Procurement Practices** – The Parties agree to establish anti-bribery measures regarding procurement.					✓	✓	✓	✓	✓	✓	✓	✓
Bribe ry Provi	10	**Adopt & Maintain Anti-Bribery Legislation** – Each Party must create and uphold legislation making it a crime for public officials to accept bribes.					✓	✓	✓	✓	✓	✓	✓	✓

	11	**Adopt & Maintain Anti-Bribery Penalties** – Each Party must create and uphold appropriate penalties for public officials who accept bribes.							✓	✓	✓	✓	✓	✓
	12	**Whistleblower Protection** – Each Party must adopt appropriate measures to protect those who, in good faith, report acts of bribery.							✓	✓	✓	✓	✓	✓

I will finally invite you to review our recently published Bribe Payers Index, available at www.transparency.org, and thank you again for the opportunity to take part in this panel. Thank you.