



TRANSPARENCY INTERNATIONAL IS THE GLOBAL CIVIL SOCIETY ORGANISATION LEADING THE FIGHT AGAINST CORRUPTION. THROUGH MORE THAN 90 CHAPTERS WORLDWIDE AND AN INTERNATIONAL SECRETARIAT IN BERLIN, WE RAISE AWARENESS OF THE DAMAGING EFFECTS OF CORRUPTION AND WORK WITH PARTNERS IN GOVERNMENT, BUSINESS AND CIVIL SOCIETY TO DEVELOP AND IMPLEMENT EFFECTIVE MEASURES TO TACKLE IT.

www.transparency.org

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This report provides a snapshot of how the Transparency International movement was active in the fight against corruption in 2010.

For the purpose of conciseness, national chapters, national chapters in formation and national contacts are referred to as chapters, regardless of their status within Transparency International's accreditation system.

Visit www.transparency.org/chapters for their current status.

**WE ARE A GLOBAL MOVEMENT
SHARING ONE VISION**

**A WORLD IN WHICH GOVERNMENT,
POLITICS, BUSINESS, CIVIL SOCIETY
AND THE DAILY LIVES OF PEOPLE
ARE FREE OF CORRUPTION**

WELCOME

During 2010 we continued to see the terrible cost of corruption. Sixty-four million more people were pushed into poverty since the financial crisis struck, according to the World Bank. Such tragedies make us ever more resolved to make a difference through our work.

Throughout the year we submitted recommendations to the Group of Twenty to integrate anti-corruption measures into direly needed global financial reforms. These included a stronger enforcement of the UN Convention against Corruption, tackling issues such as financial havens and stolen assets, and vigorous enforcement of foreign bribery laws. We welcomed the formation of the G20 Anti-Corruption Working Group, the role of which will be critical to driving this central agenda.

The Bangkok Declaration at the 14th International Anti-Corruption Conference issued a call to governments to do more to quell the flow of stolen assets away from societies that are mired in poverty. This call was echoed on the streets of Cairo, Tunis and beyond, where the topic of asset recovery is now on everyone's lips.

"GOVERNMENTS KNOW THAT THEIR PEOPLE HAVE A LOT TO GAIN FROM A TRANSPARENT, ACCOUNTABLE SOCIETY"

Governments know that their people have a lot to gain from a transparent, accountable society. Our report on the Millennium Development Goals showed that preventing corruption has a clear development pay-off. But our leaders must also inspire confidence in their integrity. Our 2010 *Global Corruption Barometer* shone a light on growing public distrust of politicians and businesspeople. That goes for countries rich and poor. Experts surveyed for our 2010 *Corruption Perceptions Index* perceived a serious corruption problem in the public sectors of nearly three quarters of 178 countries.

As we look ahead at implementing our new Strategy 2015, the energy and expertise of our chapters, individual members, Advisory Council and secretariat will continue to enhance our impact at the global and local level and across sectors, turn the tide on impunity, and bring ever more people into the fight against corruption

As far as we have come, so long as people still suffer the humiliation and indignity of corruption, we will not waver in our commitment to see a world free of its injustice.

Huguette Labelle, Chair



Corruption is a great injustice – a crime against society – that more and more people are standing up against.

One of the fastest growing initiatives of our global network of chapters is to provide citizens with anti-corruption advice. In 2010 thousands of individuals came forward to become drivers not just of personal solutions, but positive change for society.

We also have to make sure that individuals who lead by example are not left to lead alone. One of our Integrity Award winners, Russian whistleblower Sergei Magnitsky, paid too high a price for exposing corruption when he died in prison. The search for justice in that case goes on, as will our efforts to secure greater protection for whistleblowers around the world. Our report on whistleblower protection warned that adequate channels for reporting crime are lacking in almost all EU countries.



"IT IS THE BRAVERY OF PEOPLE WHO STAND UP TO DEMAND ACCOUNTABILITY FROM THOSE IN POWER WHO INSPIRE US"

Corruption is an issue that can topple incumbents at election time, and brings people into the streets. The grievances that drove the Arab protests that unfurled in 2010 bore a striking resemblance to the problems our National Integrity Assessments of the region identified: lack of accountability, free speech for NGOs and press, and rampant nepotism that destroyed trust in public institutions.

With our Integrity and Development Pacts we offer politicians a chance to rebuild that trust by involving civil society and local communities, to ensure transparency and accountability in such areas as procurement, education and healthcare. These pacts were born out of the firm belief that to have the greatest effect against corruption we must empower those who are most vulnerable to it.

As we embark on the implementation of our new Strategy 2015, it is the bravery of people who stand up to demand accountability from those in power who inspire us, and whose sacrifices spur us on.

Cobus de Swardt, Managing Director

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WHAT ARE YOU GOING TO DO? 14TH IACC, BANGKOK



**VOTING
COMPARTMENT**

GOVERNMENT AND POLITICS

PROBLEM / Political corruption is not just a case of rigging elections. When private rather than public interests take precedent in elections and public policy making, then the fine ethical line between participatory democracy and state capture is crossed. Elections can be skewed when individuals or organisations with their own agendas give parties large undisclosed sums of money, or when parties and candidates buy votes instead of winning them through strong campaign commitments. Once elected, politicians can seriously compromise the quality of government if their decisions benefit those who funded their rise to power, rather than the broader public interest. In countries where democratic institutions are absent or fragile, political corruption can steal scarce resources meant for millions of poor and disadvantaged people. All this has serious implications for trust in governments and politicians. Of the more than 91,500 people interviewed in our *2010 Global Corruption Barometer*, eight out of 10 view political parties as corrupt or extremely corrupt (see p.83).

SOLUTION / Political corruption can only be tackled when people demand integrity and accountability from their politicians and public officials. By delivering on strong anti-corruption commitments, our leaders can improve trust in political institutions and processes. Through increased levels of transparency, voters are able to make informed choices about candidates on voting day and hold them to account once elected. Civil society has a crucial role to play in monitoring electoral campaigns and the activities of political parties, reporting conflicts of interest, tracking abuses of state resources, and advocating for regulations that control corporate lobbying and the funding of political activities. Companies can demonstrate that their donations are not a means to gain personal or political favours by publishing their donations policy and all contributions made. Ultimately, everyone stands to win from corruption-free elections and accountable public decision-making, including politicians.

AFRICA AND MIDDLE EAST

A new constitution approved by Kenyan citizens in 2010 provides for enhanced public participation in governance and stronger checks and balances. Many of the provisions reflect the recommendations submitted by **TI Kenya** to the constitutional review panel. The chapter is now advocating for strong laws and policies to implement the new constitution.

After monitoring Lebanon's 2009 parliamentary elections, the **Lebanese Transparency Association** watched over campaign financing during the municipal elections in 2010. About 200 people were deployed in 21 cities to monitor four rounds of voting. The monitors exposed and reported several violations, such as vote buying and abuse of official resources. The chapter will release its findings in 2011.

After months of sustained pressure by our **Palestinian** chapter, **AMAN**, and other civil society organisations, the Palestinian government in 2010 launched the Anti-Corruption Commission and implemented an updated Anti-Corruption Law. The government also appointed the chapter's preferred candidate to lead the commission. The decisions came just months after AMAN participated in a march through Ramallah in support of stronger anti-corruption policies.

In order to promote citizen participation and improve local government transparency, our chapter in **Senegal**, **Forum Civil**, established a citizen certification programme. Citizen committees will evaluate the work of local officials based on a variety of accountability and efficiency measures, including budget and public aid transparency, asset declarations, adherence to procurement laws, the number of women in public office and access to government information. Officials and citizen groups will work together to address any reported weaknesses.

AMERICAS

After 27 years of uninterrupted democracy in **Argentina**, our chapter **Poder Ciudadano** is carrying out the first-ever assessment of the development and quality of democracy in the country's 23 provinces. Initial results confirm that the efficiency of provincial democratic systems varies, and that legislatures and courts can be biased due to pressure from provincial governors. Following an investigation of issues including constitutional compliance, election fairness, freedom of expression and the role of women, the chapter will publish its findings and conduct site visits to promote them further.

For the first time ever, Colombia's parliamentary and presidential elections have been held with the support of a centralised campaign finance accountability system. The Clean Accounts (*Cuentas Claras*) system, which **Transparencia por Colombia** donated to the National Electoral Council, required candidates and political parties running in the May 2010 elections to submit income and expenditure statements. Among many significant benefits, the government could review reports more efficiently, and political groups had more real-time control over campaign income and spending.

The online transparency of Uruguay's regional governments is not sufficient and needs to be improved, according to a survey by our chapter **Uruguay Transparente**. Based on 100 indicators, the survey assessed information on the regions' websites regarding economic and financial transparency, and transparency in service contracting and public works. None of the country's 19 regions received the highest ranking, 16 were labelled 'restricted', two 'limited' and only one received a 'moderate' ranking.

Transparencia Venezuela's Citizen's Budget (*Presupuesto Ciudadano*) initiative promotes transparency in the allocation of public resources. The chapter is advising a number of regional and local governments, and organisations working in the fields of education, health, security and defence on how they might use the Citizen Budget to design projects and monitor budget allocation.

ASIA PACIFIC

Taking on the challenge of money in politics, **TI Malaysia** published a book that calls for more transparency in campaign financing, strong and independent regulation, and a reduction in political parties' stakes in corporations. *Reforming Political Financing in Malaysia* was released at the launch of the chapter's campaign to reform political financing, attended by more than 100 government officials, civil society members and journalists. The chapter has also been asked to serve as a consultant to the Malaysian Anti-Corruption Commission.

Transparency Solomon Islands assisted in monitoring the country's August 2010 general election, working to ensure it was fair, transparent and corruption-free. Chapter representatives watched over polling stations and monitored ballot counting. Though the chapter was generally satisfied with how the election was conducted, it made several recommendations to the national Electoral Commission, including how to improve voter education campaigns and overhaul voter registration lists.

Monitoring the country's presidential and parliamentary elections in 2010, **TI Sri Lanka** uncovered widespread misuse of public resources by political parties. The chapter released reports detailing the improper use of government vehicles, aircrafts and buildings. The reports also included examples of public officials campaigning while on duty, in violation of regulations. The chapter has made a number of recommendations to improve integrity in the electoral process, including conducting elections under a caretaker government and introducing campaign finance reforms.

EUROPE AND CENTRAL ASIA

Following its detection of campaign finance irregularities during the 2010 elections, **TI Bosnia and Herzegovina** proposed reforms to federal elections laws – including the publishing of campaign contributor information, enhanced election monitoring and tougher sanctions for violators. The chapter is working to implement the reforms with the federal elections agency, which supports the proposals. The chapter has also asked prosecutors to determine whether the Minister of Energy, Industry and Mining improperly received private funds for his re-election campaign. The case is being investigated by the Prosecutor's Office.

Engaging in one of the country's most controversial political issues, **TI Germany** joined three other civil society organisations in calling for more transparency in political party finances. Parliament is yet to act on the matter, but the chapter is continuing its advocacy work and media outreach.

After discovering apparent violations of financial disclosure rules, the **Center for Anti-Corruption Research and Initiative TI Russia** called on the government to crack down on public officials who fail to properly report their income and assets. According to the chapter's research, a number of elected Duma members did not submit their required annual disclosures, and some files contained discrepancies such as gaps between income and assets. The chapter, whose findings received widespread media coverage, is advocating for illicit enrichment to be penalised.

The UK passed an updated anti-bribery law in April 2010 that followed recommendations from **TI UK**, calling on the government to fully comply with the OECD Anti-Bribery Convention. The new UK Bribery Act, which the chapter has been advocating for the past 12 years, prohibits bribing a foreign public official and makes it illegal for a company to fail to prevent a bribe being paid for or on its behalf. The chapter complemented the law by issuing guidance for companies based on our *Business Principles for Countering Bribery*.



// PUSHING THE G20 TO ACT ON FINANCIAL CORRUPTION

Each year up to US \$1.8 trillion in illicit funds derived from corruption, tax evasion and organised crime circles the globe, skirting financial regulations. These sums dwarf those earmarked for achieving the Millennium Development Goals. And while the global financial crisis exposed these regulatory shortcomings, it also threatened to plunge an additional 64 million people into poverty by the end of 2010, according to World Bank figures.

Throughout 2010, we continued to call upon the Group of 20 (G20) leading industrialised countries to incorporate anti-corruption and accountability mechanisms into global financial regulatory frameworks, in an effort to curb illicit money flows and eliminate tax havens.

The *G20 Anti-Corruption Action Plan* offered hope that G20 leaders are listening. Their nine point agenda drew on our recommendations, outlining positive action on asset recovery, money laundering and visa bans for corrupt officials. While this commitment is welcome, overall implementation remains unsatisfactory. For example, four G20 members have still not ratified the UN Convention against Corruption, despite its entry into force in 2005.

We are actively monitoring progress on the implementation of the Action Plan at national and global levels, and will continue to hold G20 leaders to their pledges.

// ENGAGING THE EU IN THE FIGHT AGAINST CORRUPTION

The European Union has an opportunity to be a leader in the global fight against corruption. It has significant influence in its 27 member states, and as the largest donor to development programmes it can demonstrate good practice worldwide. But the EU's potential is hindered by its lack of a comprehensive anti-corruption strategy.

Our Brussels-based EU office works to strengthen the fight against corruption at the EU policy level. This includes advocating for EU institutions to adopt more stringent codes of conduct and transparency standards. We have repeatedly called for the establishment of robust lobbyist rules for all EU institutions, including the European Commission, Parliament and the Council. As of 2010 a 'transparency register' is being formulated. Our pressure also helped spark a review of the European Commission's code of conduct, a key step in reducing potential conflicts of interest.

During 2010 we also effectively advocated for the creation of an EU-wide anti-corruption reporting mechanism in the framework of the EU Stockholm Programme. This five-year action plan sets out a strategic course for the development of freedom, security and justice across the EU.

As part of our engagement with EU private sector policies, we joined EU expert working groups and cabinet-level meetings on corruption prevention measures for the private sector, and partnered with several NGOs to call for EU-level regulation on financial disclosure standards for extractive industries – legislation now in the pipeline for 2011.

We continue to provide anti-corruption expertise to EU institutions and key stakeholders involved in the EU enlargement process and the European Neighbourhood Policy (see p.13), as well as underscoring the importance of integrity and anti-corruption in the success of development projects.

*"EIGHT OUT OF 10 PEOPLE
WORLDWIDE VIEW POLITICAL
PARTIES AS CORRUPT OR
EXTREMELY CORRUPT"
GLOBAL CORRUPTION BAROMETER 2010*

// ANTI-CORRUPTION IN THE SOUTH CAUCASUS

When governments lack strong anti-corruption policies, people have less chance to hold their leaders to account. Under the European Neighbourhood Policy – a cooperation agreement between the European Union and 16 surrounding states – 13 countries have committed to Action Plans for improved governance and integrity.

The European Commission reviews these plans yearly, and in 2010 our chapters in Armenia, Azerbaijan and Georgia conducted robust parallel assessments. Among the findings: Azerbaijan has well-crafted anti-corruption laws on its books but lags in implementation, while Armenia and Georgia must do more to increase judicial independence.

By highlighting shortcomings in national anti-corruption legislation and oversight, the reports support ongoing reform efforts that will help ease the burden of corruption on citizens.

RETHINKING CORRUPTION IN THE MIDDLE EAST AND NORTH AFRICA

“When we opened, the public accepted corruption as a way of life,” says Ali Lahlou, Coordinator of the anti-corruption legal advice centre run by our Moroccan chapter to help people tackle corruption.

Although the Middle East and North Africa are being rocked by demands for transparent, accountable government, Ali summarises a crippling problem across the region: corruption is so endemic that for a long time most people did not think it could be challenged. Corruption has stifled development and destroyed lives throughout society.

Reversing the situation is a major challenge. But we are fighting corruption at both national and grass-root levels.

To get a detailed understanding of what needs to be done, we analysed the strengths and weakness of the sectors which must function effectively to ensure integrity in society. These include the executive, legislature, judiciary, regulatory agencies, civil society, business sector and media. By assessing the capacity, transparency and accountability of the main public institutions and non-state actors in Egypt, Lebanon, Morocco and Palestine, we identified major gaps in anti-corruption provisions. All four countries displayed limited understanding of concepts such as transparency, and low resolve to address the problem.

“The research shows that all four countries must strive for good governance,” said Chantal Uwimana, TI’s Africa and Middle East Director. “Conflict and political turmoil have taken their toll on the fight against corruption, but so has a lack of action to strengthen the legal framework that can hinder and punish corruption.”

States need to bolster the role of parliament and the judiciary, and safeguard the independence of oversight bodies, such as audit offices. The region desperately needs whistleblower protection, freedom of information laws, and regulations preventing conflicts of interest. People’s liberty to participate in public affairs is also crucial.

Huge effort is required to break the belief that corruption in daily life is inevitable. We are working with governments, civil society and the private sector to develop and realise effective anti-corruption reforms. Central to their success will be strengthening local civil society’s capacity to demand better governance and monitor change.

Everyone can make a difference. At the grassroots level, we are inspiring people to take action through the region’s first anti-corruption legal advice centres. Located in Lebanon, Morocco and Palestine (Gaza and the West Bank), they offer free legal advice and support to victims and witnesses of corruption via confidential hotlines and meetings, enabling people to have their cases acted on. The public response has been overwhelmingly enthusiastic. Successes range from improving Palestinian laws on traffic fines, to exposing demands for bribes by government revenue collectors in Morocco. The Lebanese centre helped a mother whose child was raped, after the police were allegedly bribed to ignore her.

Each case gives the centres a better understanding of corruption as it truly occurs. This knowledge fuels evidence-based advocacy campaigns that reshape both legal frameworks and social norms.

“We’ve defied some taboos, in particular against individuals openly challenging public bodies,” says Ali. “Now there’s so much more we can do to stop corruption from holding Morocco back.”



FAMILY AFFAIRS

In an effort to stamp out nepotism in local government, Guatemala passed a law in 2002 making it illegal for mayors to employ family members in public office. But one citizen could see that this wasn't being enforced. Juan* had reason to believe that his local mayor had hired around 10 relatives, including his wife, sons and daughters.

Juan took his concerns to his local Controller General Office, which audits the assets, expenditures and payrolls of public officials and institutions. Here Juan was reportedly told that pursuing the case was unlikely to bring about change, and that he would only be putting himself at risk in doing so. Juan also approached his local journalists' association, which refused to help for the very same reason.

Upon reading about our chapter in Guatemala, Juan turned to them for help. On Acción Ciudadana's advice, he wrote to the mayor's office, requesting copies of its employment contracts. The office allegedly ignored Juan's request, so Acción Ciudadana contacted them again, and this time they provided the documentation.

"...HE WAS PULLED OFF A BUS BY ARMED MEN, BUNDLED INTO A CAR AND DRIVEN INTO THE FOREST, WHERE HE WAS ROBBED AND TOLD TO ABANDON THE CASE"

Juan returned to the Controller General Office but says they refused to accept the contracts as proof of nepotism, claiming they had checked the payroll at the mayor's office and found no one related to the mayor on it.

At this point Acción Ciudadana decided to take the case to the capital. They helped Juan report his findings to the Controller General Office in Guatemala City, and later followed up with them to ensure that they conducted an audit of the mayor's office in his home town.

While this was a positive step, it brought Juan some unwanted attention. On route to the Controller General Office, he claims he was pulled off a bus by armed men, bundled into a car and driven into the forest, where he was robbed and told to abandon the case. On a separate occasion, Juan reported being confronted by men with guns, who threatened to kill him if he continued to cause trouble.

But Juan bravely stood by the case. Following their investigation, the Controller General Office called for the removal of the mayor's five closest relatives from office. To ensure that the mayor would comply, Acción Ciudadana took the story to the local media. Five of the relatives soon stepped down.

* Names have been changed



اللَّهُمَّ صَلِّ عَلَى مُحَمَّدٍ وَعَلَى آلِ مُحَمَّدٍ
وَالْحَمْدُ لِلَّهِ الَّذِي هَدانا لهذا
والكنا له لولا أن هدانا الله

صَلِّ عَلَى مُحَمَّدٍ وَعَلَى آلِ مُحَمَّدٍ
وَالْحَمْدُ لِلَّهِ الَّذِي هَدانا لهذا
والكنا له لولا أن هدانا الله

INTERNATIONAL CONVENTIONS

PROBLEM / In today's globalised world, where resources and information move freely in an increasingly borderless landscape, corruption does not stop at national boundaries. Without international standards and binding commitments underpinning a collective worldwide response, corruption can run unchecked across borders and find safe havens in countries with lax rules. International conventions provide a crucial framework for national and cross-border anti-corruption efforts. But signing up to a convention is only a first step. Governments must then put their promises into practice. If commitments are not translated into concrete reform then conventions will be meaningless.

SOLUTION / Effective monitoring systems need to be in place to make sure the requirements of anti-corruption conventions such as the UN Convention against Corruption are being met. We promote an effective intergovernmental review mechanism for the UN convention, calling for an impartial, transparent and cost-effective process involving civil society. Such a review system helps governments meet convention requirements by giving them expert feedback on their performance and setting deadlines for compliance. Follow-up reviews that are published provide ongoing motivation, and independent civil society input brings credibility to review processes. To support this, we coordinate a global coalition of more than 240 civil society organisations from more than 100 countries, to bring non-governmental insights to review processes, highlight improvements and deficiencies, and promote reforms.

www.uncaccoalition.org

AMERICAS

Transparencia por Colombia is urging political leaders to incorporate standards set by global anti-corruption conventions into Colombia's national laws and policies. Our chapter has offered senior government officials advice on shaping a comprehensive anti-corruption policy and a proposed anti-corruption bill. The chapter's latest indices of national, regional and municipal government revealed dramatic corruption risks, reporting high risks in 44 per cent of 159 surveyed national agencies.

Our chapters in nine Latin American and Caribbean countries have called on officials to meet their commitments to the Inter-American Convention against Corruption. The chapters reviewed compliance in **Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Mexico, Nicaragua, Panama** and **Trinidad and Tobago** in line with the official follow-up mechanism and found it to be inadequate. We have since persuaded governments in the Americas to allow compliance experts to conduct official monitoring visits in the region.

The Organization of American States (OAS) has consistently upheld anti-corruption as a key priority, but member state commitments are somewhat less consistent. All but one of the 34 members ratified the Inter-American Convention against Corruption, yet not all the states participate in its monitoring. Furthermore, while the 2010 General Assembly focused on peace and security, its draft declaration failed to emphasise corruption's role in exacerbating crime and insecurity.

In the run-up to the assembly, we met with OAS Secretary General José Miguel Insulza to present recommendations for strengthening governance, peace and security. These included removing restrictions on civil society's ability to monitor compliance with the convention, increasing transparency in defence procurement, and improving access to information legislation in all member countries.

ASIA PACIFIC

To ensure Taiwan's anti-corruption policies meet international standards, **TI Chinese Taipei** carried out research into the gaps between Taiwan's legal system and the UN Convention against Corruption. The chapter identified various shortcomings, presented its findings at a workshop of ethics officials and made recommendations to the government. TI Chinese Taipei believes that improving public information laws is one of the top priorities for tackling corruption in Taiwan.

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*"SIGNING UP TO A CONVENTION
IS ONLY A FIRST STEP.
GOVERNMENTS MUST THEN PUT
THEIR PROMISES INTO PRACTICE"*

// FIGHTING FOREIGN BRIBERY: A MINORITY CONCERN?

Despite positive progress, most of the world's leading exporting countries are still not enforcing a ban on foreign bribery, our 2010 *Progress Report on the OECD Anti-Bribery Convention* revealed.

The report's sixth edition found that in 2009, seven of the 36 countries evaluated were active enforcers of the convention, which prohibits multinational firms from bribing foreign public officials during business transactions. This is an improvement over the four active enforcers in the previous edition. Nine other countries showed moderate enforcement. In the six years of our monitoring, enforcement has doubled from eight to 16 countries, with these active and moderate enforcers accounting for 51 per cent of world trade.

Alarmingly, 20 countries still had little or no enforcement, meaning a majority of OECD governments are ignoring their commitment to stop the corrosive effect of bribery on economic activity. Concern also remains over the trend toward foreign bribery cases being resolved via negotiated settlements, since these agreements are often opaque.

Additionally, one third of world exports come from countries that are not party to the OECD convention, including major players like China, India and Russia. The OECD should expedite its efforts to bring more countries into the convention, while countries enforcing the convention can exert positive peer pressure on those lagging behind.

The advance of Denmark, Italy and the UK to active, and Argentina to moderate enforcement was a positive step. More OECD governments must recognise the value to their firms of a business environment characterised by transparent, bribe-free transactions.



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ACCESS TO INFORMATION

PROBLEM / Information is power. If it is not freely provided and accessible, corruption can thrive. People with privileged access to information might demand bribes from those seeking access to it, or may profit from a veil of secrecy that makes corrupt acts undetectable. When citizens are denied their right to know, voters make uninformed choices, politicians cannot be held to account, and corrupt officials are free to act with impunity. When government control or censorship of the media prevents the facts being reported, then the truth is being gagged. Withholding information from the public demolishes trust and accountability, and breeds discontent. People's ability to participate in political life is limited, and their understanding of their rights curtailed.

SOLUTION / Access to information needs to be two-way: the state must proactively disclose it, and citizens need to capture the spirit of demanding it. Disclosure has to be backed up by a proper legal framework that sets down access to information as a key safeguard in preventing corruption. National access to information laws have proven invaluable in monitoring areas with specific corruption risks, such as water, health and education services, or for running checks on public spending in campaign finances. Citizens have a valuable role to play in ensuring that these laws are adhered to. Countries should also adopt and abide by global treaties such as the UN Convention against Corruption, which recognise public reporting and access to information as crucial to preventing corruption. Anti-corruption conventions like these provide a checklist for reforming governments and represent a tool for civil society groups to hold their governments accountable.

AFRICA AND MIDDLE EAST

To encourage the media to engage more with corruption and ethical issues, **Transparency Ethiopia** initiated a journalist roundtable initiative in cooperation with the Federal Ethics and Anti-Corruption Commission. Attended by reporters from prominent print and broadcast media outlets, the discussions focus on barriers to reporting on corruption and the need to conduct ongoing anti-corruption sessions. The chapter plans to form an anti-corruption network of Ethiopian journalists.

As several laws limit government openness, our **Senegalese** chapter, **Forum Civil**, worked with several other civil society organisations in 2010 to propose a new law aimed at improving public access to information. The draft law calls for time limits to release information, names who is responsible for releasing information and, most importantly, would establish an oversight committee to resolve disputes. The country's Ministry of Communication supports the proposal, which the chapter is promoting with advocacy and public awareness campaigns.

AMERICAS

Partnering with two federal agencies, our chapter in **El Salvador** has launched an initiative to enhance fiscal transparency by subjecting the country's budget process to more citizen access and input. **Fundación Nacional para el Desarrollo's** 'Let's Make El Salvador Transparent' campaign argues that greater citizen engagement holds the potential to improve budget transparency, while boosting economic development and reducing inequality.

A range of Latin American experts presented innovative ideas on how to improve citizen access to government information at the fourth international seminar on 'Access to Public Information: a Guarantee for Democracy', held in Venezuela. Organised by **Coalición Proacceso**, a coalition which includes **Transparencia Venezuela**, the event drew diverse participants who agreed to lobby the National Assembly on a right-to-information law, promote new local information access laws and assist citizens in requesting public information.

ASIA PACIFIC

Continuing its right-to-information campaign, **TI Bangladesh** held 24 information fairs, attended by nearly 100,000 people – 49 per cent of whom were women. More than 400 government agencies and civil society organisations staffed booths at the events. The campaign focuses on key public services such as health, education, local government, social programmes and justice. The chapter teaches citizens how to access public information, whilst training government officials on how to release it.

To build public support for a national access-to-information law, **TI Sri Lanka** began partnering with a community radio station to produce a programme that educates citizens about their rights. Debuting on Uva Community Radio in August 2010, Peoples' Voice (*Jana Nada*) connects right-to-information issues to fundamental citizen concerns about food, water, work, health, education and utilities. Aired in Sinhala and Tamil, the show discusses how a lack of information stifles community development.

EUROPE AND CENTRAL ASIA

TI Croatia launched a public advocacy campaign that coincided with the inclusion of a right-to-information provision in the country's constitution. The chapter held press conferences and distributed flyers in 17 cities to raise citizen awareness of government information issues. A roundtable discussion held in March was attended by representatives from political parties, civil society organisations, labour unions and legal groups. In June, the government amended the constitution to include access to information as a fundamental human right.

Following a report by **TI Georgia** highlighting opaque ownership of media companies, the chair of Georgia's parliament announced that he would seek more transparency in the television industry. The ownership of two major media companies and some smaller television stations is unknown, leading to questions of possible political bias and manipulation. A vote on the amendments is expected in 2011.

In the lead-up to Latvia's 2010 national elections, as the country faced political upheaval and citizen discontent, **TI Latvia** launched a specialised website focusing on political accountability and voter education. Visited by nearly 50,000 people, the website – www.kandidatiuzdelnas.lv – featured information on political parties, corruption scandals and Latvia's so-called oligarchs, as well as candidate statements and video blogs. An updated version of the website is monitoring the new parliament's activities.

true story

THE ROAD TO SAFETY

This story may end well, but it started tragically. The Czech road safety organisation Drivers Association was concerned that a series of advertising billboards were putting drivers' safety at risk along one particular stretch of road. Ten people had died there in 12 months. The Drivers Association brought the accidents to TI Czech Republic's attention. They claimed that the billboards had been positioned closer to the motorway than Czech safety standards allow, and lacked crash-barriers. Similar boards had sprung up across the country, with the authorities' consent.

" ... A SERIES OF ADVERTISING BILLBOARDS WERE PUTTING DRIVERS' SAFETY AT RISK ALONG ONE PARTICULAR STRETCH OF ROAD. TEN PEOPLE HAD DIED THERE IN 12 MONTHS."

Following up on reports that a group of politicians had signed off on the placards in exchange for discounted media coverage during election campaigning, TI Czech Republic contacted the motorway authorities, requesting a copy of the contracts made with advertising companies. But it was denied access to the full document, and given a brief summary instead.

Thanks to TI Czech Republic's persistence, an access to information request was taken all the way to the Supreme Administrative Court, which ruled that members of the public could no longer be denied access to government contracts.

As a result, TI Czech Republic, Drivers Association and other parties involved in the case were able to inspect the contracts for the billboards, and uncovered a series of concerns. They called a meeting with the Ministry of Transport and the Road and Motorway Directorate, which undertook to terminate the contract and ensure road safety standards were strictly adhered to in the future. Since then, the Czech Minister for Transport has announced a nationwide ban on all roadside billboards.



PUBLIC PROCUREMENT

PROBLEM / Trillions of dollars are spent every year worldwide on publicly funded projects – everything from schools and hospitals, to roads and bridges, to power plants and dams. Corruption in any of these processes increases the cost of services to citizens, reduces the quality of work or services, and ultimately erodes people's trust in their leaders.

The enormous amounts of money flowing from government budgets through procurement create ideal opportunities for corruption. Contracts can be awarded without fair competition and politically connected companies can be favoured over competitors. Companies within the same industry can rig their bids, so each company gets a piece of the pie. Our research shows that corruption can add on as much as 50 per cent of a contract's value. Corruption in public procurement is not just about money though, it can cost lives. Incidences of collapsed buildings and counterfeit medicines have happened in many countries.

SOLUTION / Everyone, from individual citizens to high-level government officials, can play a role in ensuring tax payers' money is spent on good quality services at a fair price for all. Procurement systems need to be transparent and accountable, with regulations that meet international standards. Strong institutions, adequate checks and balances, effective reporting and complaints mechanisms, broad access to information, and the strong enforcement of laws and regulations are required.

Many of our chapters are monitoring procurement and promoting *Integrity Pacts*, a tool developed by Transparency International a decade ago. The pacts are agreements between government agencies and bidders for a public sector contract to abstain from bribery, collusion or other corrupt practices. An independent external monitor ensures the pact is not violated. Pacts have been applied successfully in more than 15 countries with the total amount monitored now well over 300 worldwide. An Integrity Pact manual has been produced in collaboration with the Water Integrity Network to promote them in the water sector.

AFRICA AND MIDDLE EAST

Our **Senegalese** chapter, **Forum Civil**, achieved a partial victory in its effort to convince the government not to water down procurement rules. The government sought to significantly weaken the rules in 2010 to reduce oversight and make it easier to make discretionary and no-bid contracts. Following advocacy efforts from the chapter, the government removed most of the contracting exemptions and agreed to maintain balanced oversight committees, with three representatives each from government, civil society and the private sector. However, the government has not yet clearly defined 'state secret' projects that are not subject to bidding or public oversight.

With a large percentage of government spending subject to procurement processes, **TI Sierra Leone** released a handbook to demystify the country's procurement rules. The chapter worked with federal officials to write *Public Procurement Made Simple*. They held a two-day training session on procurement and budget processes for civil society groups, community organisations, and youth and women's groups. The chapter also formed monitoring teams to watch over procurement processes and revenue collection.

AMERICAS

Our chapter in **Argentina** conducted research into establishing a transparent, accountable and efficient electronic contracting and procurement system. In order to lay the groundwork, **Poder Ciudadano** analysed e-procurement systems in Brazil, Chile, Mexico, and the Argentine cities of Buenos Aires and Morón. They also held educational workshops attended by government, business and civil society leaders, drafted an implementation plan, and shared their research findings with government officials.

More than 40 per cent of government agencies in the **Dominican Republic** do not comply with public procurement laws, according to research by our chapter **Participación Ciudadana**. To improve the situation, the chapter is advising procurement officials, private contractors, and business and civil society groups. Four government agencies have asked the chapter to review their contracting systems. According to chapter research, transparency and public accountability is improving in 12 of 21 key government institutions.

Marking the first time that a TI chapter has monitored a UN conference, **Transparencia Mexicana** signed an agreement with the Mexican government and UN agencies to review all administrative and procurement procedures for the UN Climate Change Conference in Cancún in 2010. The costs of the Cancún summit were held to US \$100 million.

A 2010 survey by our chapter the **Trinidad and Tobago Transparency Institute** reports that corruption is endemic in the country's construction industry. More than one quarter of respondents said corruption costs them about €100,000 per year. A government commission has acknowledged many of the chapter's proposals as being important to reforming the industry. Questions have been raised regarding the government's 'prestige' projects, overseas consultants, fraudulent invoices, project fast-tracking, and weak governance and procurement procedures.

ASIA PACIFIC

Following sustained advocacy by **TI Malaysia**, the country's Ministry of Finance directed all government agencies in April 2010 to integrate our Integrity Pacts into their public procurement procedures. The ministry has issued sample contracts to be signed by all participants in the procurement chain, including suppliers, government procurement officers and tender committee members. The chapter will train government agencies to implement the pacts and educate companies and industry groups on their new responsibilities under the agreement.

Large sums of money have been saved as a result of **TI Pakistan**'s role in establishing a monitoring programme for public procurement contracts. Hundreds of procurement violations have been reported to authorities, including 128 cases opened through the chapter's anti-corruption legal advice centre, and a number of officials have been prosecuted. In two cases alone, involving the insurance and utility industries, the Supreme Court has recovered about US \$60 million stemming from misappropriated funds and contract violations.

EUROPE AND CENTRAL ASIA

Research and advocacy by **TI Bulgaria** helped to dramatically reduce the cost of building a section of the country's Trakia highway. The original €1.5 billion contract was awarded in 2005 without a public tender or independent monitoring. After evaluating the deal, the chapter asked national and European officials to reconsider it. With TI Bulgaria serving as an official observer, a new contract was signed in 2010 for €247 million. The chapter has also trained 20 other civil society groups to use its monitoring system.

Government officials who attended training sessions organised by **TI Italy** learned how to improve public procurement systems and manage European Union funds. About 100 officials attended sessions in Rome and Milan to discuss ethical behaviour, sustainable procurement and our Integrity Pacts, which were signed in the city of Legnaro in 2010 and are being considered for use in other cities.

With a new website created by **TI Slovakia**, the public can now research all public procurement contracts worth more than €60,000 that have been signed since 2005. The Open Public Procurement Journal – at <http://vestnik.transparency.sk> – provides information on private contractors, the level of procurement competition and sector-specific suppliers. The site has drawn about 10,000 visits, and more are expected when an English version is launched.



*"EVEN AS A GROWING BODY
OF GOOD PRACTICES EMERGES
IN THE SECTOR, AGENCIES
STILL HAVE WORK TO DO"*

// DETERRING BRIBERY AT EXPORT CREDIT AGENCIES

Export credit agencies provide credit and insurance for international business deals. In 2008, these public and semi-private agencies underwrote more than US \$1.5 trillion in transactions, spurring economic activity and contributing to the global recovery. But with these huge sums of money, the threat of corruption is ever-present.

Our 2010 *Export Credit Agencies Anti-Bribery Practices* report shows that even as a growing body of good practices emerges in the sector, agencies still have work to do – notably in the area of implementing their bribery prevention measures.

There is encouraging progress since the OECD first adopted detailed anti-bribery measures in 2006. All 14 of the export credit agencies surveyed now have no-bribery declarations, and most of them have formal bribe-deterrence policies. But inconsistencies in policy implementation remain a concern. For example, while certain agencies have designated staff to oversee their anti-bribery measures and have created formal written guidelines and staff training programmes, others have only ad hoc arrangements.

Overall, while some agencies exhibit good practices that others can replicate, so far there is little evidence of bribery deterrence policies in operational practice. More must be done to tighten agencies' anti-bribery commitments.

MAFIA LAND GRAB

Amir and his wife Fatima* won a government-run auction for a small plot of land on the outskirts of Karachi, and began saving to build a house. With time, the city's boundaries expanded and the site became prime real estate. As part of the agreement, Amir and Fatima paid regular contributions towards developing the local infrastructure. But the authorities reportedly failed to service the land with water and electricity, and link it to the regional road network.

Upon retiring, Amir returned to his plot of land with a view to finally building his home. He was greeted with a wall that had been erected around the site, watched over by armed guards. Amir claims he was barred from entering, and told that the property belonged to somebody else.

With proof of his ownership in hand, Amir went to the police station to lodge a complaint. When the police refused to file the report, he turned to TI Pakistan, and together they drafted a letter to the judiciary. In turn, the judiciary contacted the police, who lodged the report, hereby giving Amir the go-ahead to process his complaint through the courts.

"HE WAS GREETED WITH A WALL THAT HAD BEEN ERECTED AROUND THE SITE, WATCHED OVER BY ARMED GUARDS"

But the case never came to court. Instead, a few months later, the wall around Amir and Fatima's land was mysteriously removed, and the guards vanished. TI Pakistan subsequently learned that a local politician had allegedly been involved in the appropriation of Amir and Fatima's property, and had likely been deterred from pursuing the case by TI Pakistan's involvement.

Land grabbing by the so-called "land mafia" is reportedly prolific in Pakistan, particularly in and around Islamabad, Lahore and Karachi. In some cases, housing authorities have allegedly colluded with property developers, who employ private militias to secure the land.

Amir's case highlights how a lack of integrity in property and land issues in Pakistan can arise. He has been paying service fees for his land since 2005, but without water or electricity it remains ill-suited for development.

Nonetheless, TI Pakistan hopes that its successful intervention in Amir's case will encourage others like him to inform on illicit practices, and help bring about positive change.

* Names have been changed



PRIVATE SECTOR

PROBLEM / Recent high-profile scandals have shown that corruption does not always make for lucrative profits, but rather hefty fines, damaged reputations and jail sentences. Corruption also distorts markets and creates unfair competition. Yet bribery in business persists, and is perceived as widespread. Almost a fifth of more than 1,000 executives surveyed by Ernst & Young claimed to have lost business due to a competitor paying bribes; more than a third felt that corruption was getting worse. It is not uncommon for domestic firms and multinationals to pay bribes to secure public procurement contracts. Many companies have opaque subsidiaries and partnerships, or seek to illicitly influence political decision-making. Others skirt tax laws, construct cartels and bid-rigging circles or exploit legal loopholes beyond their limit. Given the enormous influence that private interests wield in many public spheres – such as energy, transportation, natural resources and healthcare – it is hard to overstate the negative effect that private sector corruption has on the taxpayer.

SOLUTION / Private sector corruption needs to be tackled through a three-pronged approach: prevention, enforcement of laws and regulations, and the promotion of greater transparency and accountability. Companies must address corruption risks by committing to zero-tolerance of bribery and corruption, and adopting a comprehensive programme of anti-corruption measures. To help corporations devise effective anti-bribery strategies, we continue to build on our *Business Principles for Countering Bribery* – an anti-bribery code that's adaptable to different company sizes and settings. Public reporting also sends a strong signal to employees, investors and consumers that a company is serious about clean business. This should be matched by increased accountability on the part of the markets and the institutions entrusted with regulating them. Rigorous enforcement of international anti-bribery laws and conventions will help guarantee accountability across borders, and all the way down supply chains.

AFRICA AND MIDDLE EAST

Our chapter in Lebanon, the **Lebanese Transparency Association**, founded the Institute of Directors, which provides research, corporate governance training, conferences, workshops and other services for corporate board members and executives. In March 2010, about 30 owners and directors of small- and medium-sized companies attended a conference on corporate governance and business ethics. The Institute has produced four publications on corporate governance, ethics and whistleblower issues, and is developing corporate governance guidelines for state-owned enterprises.

AMERICAS

Ninety-three per cent of Colombian company directors surveyed report that bribes are paid in the course of their business activities, according to a study by **Transparencia por Colombia** and the Externado University of Colombia. The second national survey on practices to prevent bribery in Colombian companies interviewed a total of 611 directors of small, medium and large companies, from the agricultural, mining, business, transport and industry sectors. Sixty-seven per cent of respondents said the anti-bribery practices proposed by the survey were useful.

ASIA PACIFIC

Malaysian business leaders supported International Anti-Corruption Day 2010 by signing a pledge to fight corruption. Largely written by **TI Malaysia**, the pledge was signed by chambers of commerce and industry groups at an event planned by the Malaysian Anti-Corruption Commission and attended by Prime Minister Najib Razak. Use of the voluntary pledge, which incorporates key international standards, will be monitored by government agencies in cooperation with TI Malaysia. The chapter will also advise companies on anti-corruption strategies.

Despite New Zealand's reputation as being among the most corruption-free countries in the world, fewer than half of major companies have policies that explicitly prohibit bribery – which is less than in the UK and the US. This is among the findings of *As Good As We Are Perceived?*, a report by **TI New Zealand** that examines how companies deal with bribery and corruption. The chapter recommends that the New Zealand Exchange should incorporate bribery and facilitation payments into their code of ethics to encourage listed companies to ramp up their anti-corruption policies.

EUROPE AND CENTRAL ASIA

As a service to help companies improve their anti-corruption policies, **TI Belgium** has begun offering a Corporate Package that includes trainings, practical tools, research and access to TI experts. The chapter launched the initiative during a November conference attended by judicial, academic and World Bank experts. The event focused on corruption risks and sanctions, and foreign perceptions of Belgian companies. The chapter is planning additional trainings for company executives, industry groups, public officials and scholars.

Following a 2010 report by **TI Moldova** that identifies corruption risks in the country's energy industry, national officials put in place a new energy strategy designed to improve the efficiency of the system. The chapter's report, *The Energy Sector: Corruption or Bad Governance?*, raised many concerns, including a lack of transparency in energy supply and transportation contracts, influence by interest groups, discretionary energy allocations and inadequate public access to information.

Most businesses in the city of London face corruption risks because they are poorly informed about the UK's new anti-bribery law, according to **TI UK**. Moreover, nearly half of surveyed experts believe businesses would sometimes pay bribes, and only one in 10 said corporate anti-corruption efforts are 'very successful', according to the chapter's report, *Avoiding Corruption Risk in the City: The Bribery Act 2010*. Overall, the study found a relatively high degree of complacency about bribery and corruption.

// RESISTING EXTORTION

Bribery and extortion impede both fair and open trade – vital for a healthy global economy. Companies now have a new tool to counter the problem: an expanded edition of *Resisting Extortion and Solicitation in International Transactions* (RESIST).

A practical toolkit that helps companies train employees to respond appropriately to a variety of solicitation and extortion, RESIST is a joint initiative by Transparency International, the International Chamber of Commerce, the UN Global Compact and the World Economic Forum Partnering against Corruption Initiative.

This expanded edition of RESIST includes 22 real-life scenarios. It provides guidance on how to respond in such cases as when a bribe is demanded for the release of perishable goods at customs, and on ways of dealing with a tax inspector requesting a kickback against a tax discharge.





DEFENCE AND SECURITY

PROBLEM / World military expenditure is estimated to have reached US \$1.6 trillion in 2010, according to SIPRI. Such sums of money and a reputation for secrecy makes the defence and security sector particularly vulnerable to corruption. National security concerns have often been used to keep national defence establishments from public scrutiny. However, the secrecy that necessarily characterises certain defence activities is often used to veil much more than can be justified.

Corruption not only diminishes the operational effectiveness of countries' armed forces and public trust in military and security activities, it undercuts economic growth, resources and security. The opacity and size of national defence budgets can make them an easy target for corrupt politicians looking for re-election funds. Corruption can have a destabilising effect on peace support and state-building, undermining national and international efforts to provide security and stability for hard-hit populations.

SOLUTION / To guard the sector against corruption risks, greater transparency needs to be built into international arms transfers, defence contracting and defence and security institutions. While secrecy may be warranted in certain areas, increasing transparency in defence policy, budget, spending and procurement should not compromise national security.

Corruption risks are best tackled through strong commitments and cooperation between governments, armed forces, industry and civil society. As defence sales and purchases are linked to government policy, national security considerations and industry capacity, anti-corruption efforts need to be consistent across purchasing defence ministries, exporting governments and contracted companies. Momentum needs to be built on progress already made, such as the defence industry's introduction of codes of conduct and common industry standards across different regions of the world.

// DEFENCE AGAINST CORRUPTION

Our Defence and Security programme, led by TI UK, brings governments, defence companies, multilateral organisations and civil society together in a common drive to reduce corruption in defence and security establishments worldwide. We support national anti-corruption reforms, promote transparency in arms transfers, and work to influence defence and security policy.

One area that receives little attention because of its complexity and opacity is offsets. These are arrangements made by purchasing governments with their suppliers, requiring the contractors to reinvest a percentage of the value of the deal in the importing country. For example, if a deal is worth US \$100 million, the government might require the contractor to invest an additional US \$50 million into developing goods or services in the country. Offsets are estimated to make up as much as 20 per cent of world trade, but international trade statistics do not track them, and countries often conceal them. This means that the risk of bribery and influence peddling is high. Taxpayers can end up paying for low priority or even inappropriate services simply because someone was able to influence the deal in exchange for an offset reward.

Our *Defence Offsets: Addressing the Risks of Corruption and Raising Transparency* report explores the issue of offsets and focuses on practical, preventive anti-corruption measures to increase their transparency and reduce scope for abuse. We encourage defence companies to introduce codes of conduct, compliance and business ethics programmes into their operations, and extend these to their sub-contractors. Defence industry associations should develop and publish guidance on what a high transparency offset package should look like, as well as gathering industry experience and encouraging discussion on corruption issues in offsets.

Since 2008, we have run a course on building integrity in cooperation with NATO and the UK Defence Academy. Aimed at senior officers and defence officials, the week-long course has been held in five countries and has involved more than 300 participants from 22 nations.

October 2010 saw a pivotal stage in the progress of the course – it received formal accreditation by NATO. This is the first time that NATO has partnered with an NGO, and its lessons will affect all NATO members and candidate states. The course aims to strengthen the foundation for leadership, good governance, and change management in the approach to countering corruption within the defence and security sector.

2010 also saw an important stage in negotiating an international arms trade treaty at the UN to regulate international arms transfers. It is hoped that a treaty strengthening transparency in arms transfers will be agreed in 2012.

www.ti-defence.org

*"WORLD MILITARY
EXPENDITURE IS
ESTIMATED TO HAVE
REACHED US \$1.6
TRILLION IN 2010"*





JUDICIARY

PROBLEM / A functioning judiciary is the guarantor of fairness and a powerful weapon against corruption. But people's experiences in many countries fall far short of this ideal. In some countries the majority of those who had contact with courts encountered bribe demands, and the total amount paid in bribes can reach staggering proportions. Corruption in the judiciary goes beyond the bribing of judges. Court personnel are paid off to slow down or speed up a trial, or to make a complaint go away. Judges are also subject to pressure from above, with legislators or the executive using their power to influence the judiciary, starting with skewed appointment processes. Citizens are often unaware of their rights, or resigned, after so many negative experiences, to their fate before a corrupt court. Court efficiency is also crucial, as a serious backlog of cases creates opportunities for demanding unscheduled payments to fast-track a case.

SOLUTION / Judicial appointments and promotions should be overseen by an independent body, and based on merit rather than favouritism. Salaries and pensions should be fair and reflect experience, performance and a track record for integrity. Information on appointments needs to be open for civil society oversight. Judges must be protected from excessive risks that would keep them from ruling fairly when powerful interests are in play. This should include limited liability for decisions but also rigorous investigations when there are credible allegations against judges. If corruption can be proven, a fair and transparent removal process should be employed. We work to raise awareness of compromised judicial independence and to mobilise civil society, the private sector and the media behind reforms to bring increased integrity to the courtroom.



AFRICA AND MIDDLE EAST

Marking a victory for judicial independence, our chapter in **Palestine, AMAN**, worked with the Judicial Authority to adopt codes of conduct for judges and prosecutors. The codes apply to judges at four judicial levels, staff of the High Judicial Council and the public prosecution. The chapter held 13 workshops to educate officials about the codes, which were attended by 144 people. The codes will also be used by the High Judicial Council's training institute.

ASIA PACIFIC

Respondents to a **TI Bangladesh** survey report the judiciary to be the country's most corrupt institution. Among people who have interacted with the courts, 88 per cent said they were exposed to corruption, according to the chapter's *National Household Survey 2010 on Corruption in the Service Sectors*. The survey sparked discussion in the legal community and the Chief Justice appointed a special committee to look into the findings.

EUROPE AND CENTRAL ASIA

Seeking to improve judicial transparency, **TI Romania** is researching the activities of Romanian courts and requesting information on budgets, personnel and internal regulations. The initiative was launched after a debate the chapter organised with the Romanian Association of Magistrates, which was attended by 20 judges, prosecutors, civil society members and anti-corruption officials. Among the chapter's concerns, individuals requesting court files – which are technically open to the public – must have a 'legitimate' reason for wanting the information.

*"WHEN INVESTIGATORS MUST
WORK AGAINST THE CLOCK,
CORRUPT PEOPLE CAN AND DO
GET AWAY WITH THEIR CRIMES"*

// STATUTES OF LIMITATIONS: CALLING TIME ON IMPUNITY

Corruption is a hidden crime with long-term impacts. Detecting and prosecuting corruption is made challenging not only by its clandestine nature, but also by statutes of limitations which set a maximum time period for filing charges. When investigators must work against the clock, corrupt people can and do get away with their crimes.

Our report, *Timed Out: Statutes of Limitations and Prosecuting Corruption in EU Countries*, found that impunity for corruption offences is a significant issue across the European Union's 27 member states. Law enforcement and judicial staff frequently lack the expertise and human resources to root out complex, often transnational corruption cases.

When corruption is unearthed, lengthy legal proceedings and short statutes of limitations can prematurely close off prosecutions. In Greece, Italy and Portugal, proceedings can run out of time even when offenders are found guilty in the first instance. In Italy, since 2005 one in 10 criminal proceedings was dismissed during the prosecution phase. In France and Spain, insufficient time is allowed to ensure effective prosecution. Some lawyers knowingly exploit these loopholes.

Although weaknesses were found in most European statutes of limitations regimes, there are positive signs. Recent reforms in several countries have extended limitation periods. Austria has no absolute limitation periods, while Portugal prioritises cases at risk of being dismissed due to time limits. Many jurisdictions now have mechanisms to accommodate the late discovery of cases, and some apply limits only to the investigative phase, allowing trials time to run their course.

In November 2010, former Italian High Court judge Gherardo Colombo, OECD anti-corruption expert Leah Ambler and MEP Monica Macovei joined Transparency International representatives in Brussels to launch the report. By showcasing effective practices from across the EU, the report will inform the improvement of statutes of limitation policies in and beyond the region.



POVERTY AND DEVELOPMENT

PROBLEM / Year in, year out, our *Global Corruption Barometer* (see p.83) confirms that corruption hits poor people hardest. The bribe randomly extorted by a police officer may mean that people can't afford to pay school fees for their children or even feed their families. In Sub-Saharan Africa alone, nearly 555 million people live on less than US \$2 (€1.40) a day. And the problem is not going away. Rising food prices drove an estimated 44 million people into poverty in developing countries between June and December 2010 (World Bank). Corruption not only makes the poor poorer, but through the misallocation of resources it also undermines initiatives that are meant to provide for people's basic needs, such as sanitation and healthcare. As 2015 approaches, the undue influence of private interests in governments, policy making and regulatory frameworks continues to jeopardise the attainment of the Millennium Development Goals (see p.45).

SOLUTION / The voices of the world's poor must be heard when development agendas are set and decisions taken that affect their lives. By bringing disadvantaged groups together with their elected representatives and administrations they can work in unison to stamp out corruption. Involving local communities in policy and budgetary decision-making will help ensure that politicians keep to their word, and that poor citizens' needs are heard. Similarly, community participation in election monitoring and service provision oversight will reduce opportunities for corrupt abuse. Governments, international donors and multilateral agencies have begun to recognise that the fight against poverty and corruption are not twin agendas, but should be integral components of the same strategy. But much work remains to be done to integrate anti-corruption platforms into international development agendas.

AFRICA AND MIDDLE EAST

Our chapter in **Mozambique** is working with partners ranging from community-based organisations to high-ranking government officials to reduce poverty and improve citizen access to critical services. **Centro de Integridade Publica** has built relationships with officials who oversee the country's poverty reduction strategies. Locally, the chapter works with civil society groups to improve the delivery of medical, water, education and other basic services, conduct anti-corruption training and enhance local governance. Community radio stations interview citizens about perceived abuses by authorities, and local campaigners use participatory videoing to ensure that citizens' concerns are heard.

AMERICAS

In August 2010, **Guatemala's** Constitutional Court sided with **Acción Ciudadana** by ruling that the chapter should be granted access to the beneficiaries list of a government social programme. The chapter was concerned that the 'My Family is Making Progress' (*Mi Familia Progresa*) initiative – which pays parents to send their children to school, and pregnant women to go to the doctor – was subject to clientelism and corruption. The chapter is pleased to receive access and hopes that the appeal challenging the confidentiality of this information will set a precedent for many as-yet unprocessed information requests.

ASIA PACIFIC

Our Development Pacts (see p.54) have been signed in the Indian states of Bihar and Chhattisgarh. Led by **TI India**, the agreements encourage poor and marginalised people to help monitor water, healthcare, transportation, pension programmes and other public services. Monthly reviews on the progress of the pacts are made available for public review. An additional pact is being negotiated in the city of Jodhpur.

// PUTTING COMMUNITIES IN THE DRIVING SEAT

Corruption strikes disadvantaged communities harder than most, forcing people to pay for services that should be for free, and undermining development. To address this issue, we are working in six Sub-Saharan African countries to build community capacity and empower vulnerable individuals so that they can take a lead in the fight against corruption.

By bringing service providers and receivers together, local officials can demonstrate their commitment to their communities, and the public can hold them to account. We believe that this collaboration is critical to creating a more effective and sustainable platform for change.

In 2010, communities in **Ghana** and **Sierra Leone** formed monitoring groups to enhance transparency in the provision of basic services and the work of public officials. In **Liberia**, citizens implemented poverty watch councils that engage with government agencies to identify how poverty alleviation efforts can be improved. Our chapter in **Mozambique** partnered with community radio stations to broadcast call-in conversations between service providers and citizens reporting abuses.

In all six countries, local communities received training in how to plan, shoot, direct and edit their own films. These 'participatory videos' are powerful tools for demonstrating how corruption affects people's lives, and what they want to see changed.

CORRUPTION CHALLENGES FOR A NEW MILLENNIUM

Our new millennium opened with heads of state pledging to honour the right of all people to freedom, dignity and a basic living standard without hunger or violence. In September 2000 – at the largest meeting of world leaders ever held – 189 UN member countries spoke with one voice to promote the principles of equality, tolerance and solidarity.

These fundamental ideals were distilled into what became known as the Millennium Development Goals. Representing the most significant promise ever made to help the world's most vulnerable people, leaders pledged by 2015 to end poverty, put every child in school and win the battle against HIV/AIDS, among other development aims.

Significant progress has been made toward achieving some of these goals. But this progress has been uneven. Without a major push forward, many of the goals are likely to go unmet in most regions of the world.

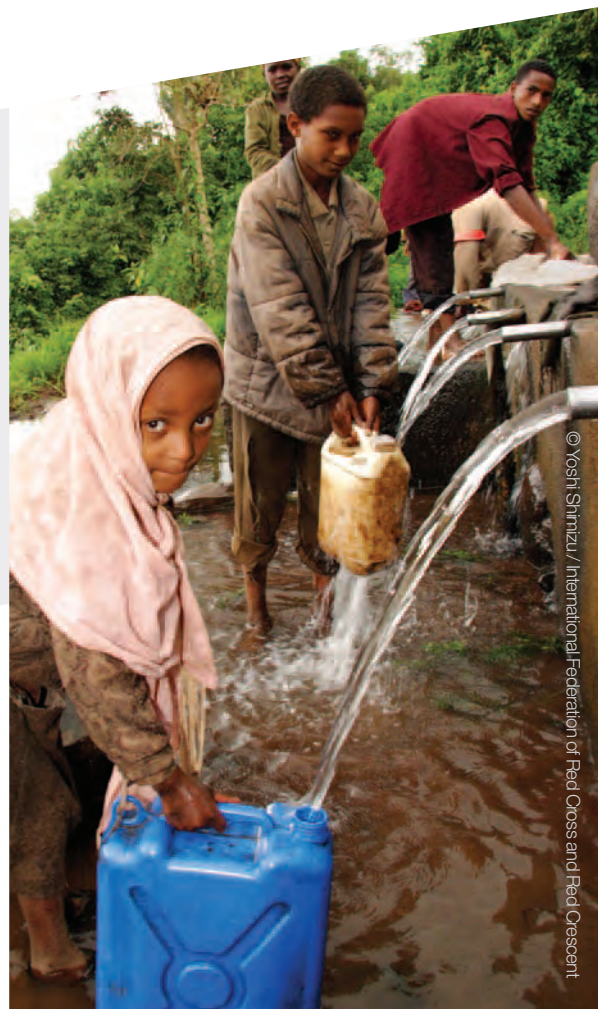
One major obstacle threatening the fulfilment of the Millennium Development Goals is corruption. Nearly half of the parents we surveyed in seven African countries reported paying illegal fees to send their children to school. Healthcare workers in Moldova – Europe's poorest country – claim bribes are demanded for routine care that should be free, while scholarship programmes in Bangladesh allegedly require 'informal payments'.

These acts of corruption come in many forms. They can be explicit, such as embezzlement by ministry, school or clinic staffers; implicit, as when illegal payments are demanded for clean water, schools and healthcare; or hidden, such as chronic absenteeism by teachers and doctors.

Our research shows that countries with higher levels of transparency, accountability and integrity have a better chance of meeting key UN goals. Pay-offs have been witnessed in six African countries, where publicly accountable school management has resulted in better performing schools. In Guatemala, audits by our chapter *Acción Ciudadana* seek to improve the oversight of welfare programmes for extremely poor families. And Transparency Uganda works with communities to report corruption in healthcare and agriculture.

These and other findings are documented in *The Anti-Corruption Catalyst: Realising the MDGs by 2015*. In this report we call on all countries to implement the UN Convention against Corruption, which has specific provisions related to advancing the Millennium Development Goals. Aid flows, public revenues and expenditures need to be transparent, and individuals must be prevented from demanding and paying bribes to secure donor-funded projects.

At the UN Millennium Summit in 2010, we delivered this message. The summit ended with a strong anti-corruption message in the UN's official report, a major step forward in the recognition of corruption as a brake on development. The challenge now is to get decision-makers to deliver on their promises. In the words of UN Secretary-General Ban Ki-moon: "We must not fail the billions who look to the international community to fulfil the promises of the Millennium Declaration for a better world. Let us keep the promise."



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HUMANITARIAN ASSISTANCE

PROBLEM / It is difficult to overstate the tragedy of corruption in humanitarian responses. Essentially it is robbing resources from people for whom it could mean the difference between life and death, dignity and desperation. When large amounts of money and resources are pumped into damaged economies, often through unfamiliar channels, the risk of corruption is high. Amid the chaos of conflicts or natural disasters, it is immensely challenging to monitor how aid is being distributed or where it ends up. Bags of grain, bottles of water and medical supplies can be intercepted and sold on the black market, never reaching the people who need them most. Housing for displaced families is likely to be sub-standard if it is built by companies who were contracted because they paid the largest bribe to a procurement official to secure the contract. Cash may go missing because of chaotic or opaque financial systems. Humanitarian aid may be used to buy votes or benefit cronies; all-too-often powerful groups and embedded corrupt networks are the ones that profit.

SOLUTION / Discussion of corruption in humanitarian aid needs to be brought into the open, with a clear emphasis that addressing it is not the same as condoning it or implying an agency's particular vulnerability to it. Aid agencies should ensure that corruption risks and local power dynamics are analysed as part of emergency preparedness and staff training, that codes of conduct and strong financial controls are in place, and that information on registration lists and entitlements is made accessible. On-site monitoring deters and detects corruption, but requires adequate staff and funding. Confidential and culturally appropriate complaint handling systems are needed, so that staff and beneficiaries can report corruption freely. Meanwhile, the humanitarian community should systematically share information on their experiences with corruption and address the problem together.

"CORRUPTION IS ROBBING RESOURCES FROM PEOPLE FOR WHOM IT COULD MEAN THE DIFFERENCE BETWEEN LIFE AND DEATH, DIGNITY AND DESPERATION"

AFRICA AND MIDDLE EAST

As drought once again approaches crisis stage in East Africa, **TI Kenya** has been working with government institutions, humanitarian organisations and UN agencies to identify and remedy integrity loopholes in the various types of food and security programmes in the region. This will involve field research on corruption risks in direct food delivery, food vouchers and cash transfer programmes, which will be undertaken in 2011.

AMERICAS

Since the devastating January 2010 earthquake in Haiti, our chapter **La Fondation Héritage pour Haïti** has carried out a detailed mapping of corruption risks affecting the delivery of relief and reconstruction aid, as well as a context-specific strategy for engaging local communities in monitoring the implementation of the aid programmes. The chapter also has a hotline so that citizens can report complaints that will be referred to the appropriate national authorities.

ASIA PACIFIC

After Pakistan's 2010 monsoon floods left more than 20 million people homeless and without livelihoods, **TI Pakistan** quickly convened a major workshop for government officials, aid agencies, donors and civil society. The chapter urged finance and aid officials to involve affected communities including women and vulnerable groups in relief decisions, establish independent monitoring of aid programmes, enforce existing national anti-corruption policies and respond to complaints of abuse. In parallel, the chapter is running an anti-fraud hotline to monitor the implementation of a multi-million dollar aid programme.

YOUR NAME ISN'T ON THE LIST

“Your name isn’t on the list...The computer swallowed your card.” West African refugees interviewed by humanitarian agencies shed light on a thriving black market in humanitarian aid. Food, tents and registration cards that should have been free were among the items on sale. Some aid workers were even demanding sexual favours in return for relief supplies.

Such exploitation compromises emergency operations to help the world’s most vulnerable people – those caught in conflicts or natural disasters.

“Large injections of aid flowing into poor societies – often already suffering high levels of corruption – dramatically increase opportunities for the abuse of power,” says Transparency International senior adviser Roslyn Hees. “There’s a feeling that in such challenging environments, corruption is inevitable – and a fear that discussing it means admitting to it, damaging an agency’s reputation. Corruption is still a taboo topic in the humanitarian sector.”

After the response to the Asian tsunami, we set about diagnosing corruption risks specific to humanitarian operations and developing powerful preventive measures. Working with leading aid agencies and international research organisations, we mapped potential corruption risks in emergency operations. These vary hugely, from the diversion of food and medicines, to bribery and collusion in procurement, to nepotism and cronyism in staff recruitment. We found that many agencies have a number of measures to prevent corruption, but had never addressed the issue strategically, nor shared their practices.

Our Handbook on Preventing Corruption in Humanitarian Emergencies does both. Launched in 2010, it contains a user-friendly set of ‘tools’ to reduce corruption throughout aid operations. Drawing on experience from across the humanitarian sector, as well as from other NGOs, the private sector and the Transparency International movement itself, the tools cover the policies and guidelines needed to prevent corruption, as well as practical measures to take in the field.



Available digitally, in print and as an abridged pocket guide in several languages, the handbook shows how much aid agencies can do to avoid corruption. Some 70 tools address subjects as diverse as leadership signals, accountability policies, the selection of local partners and aid distribution, supported by case studies and reference documents. Tackling corruption is seen as integral to good management and aid effectiveness, allowing vital measures such as whistleblowing mechanisms, joint interagency responses and better monitoring.

We recognise the sometimes conflicting demands that agencies face. “There are trade-offs,” says Roslyn. “The ‘need for speed’ can be used as an argument against establishing essential oversight mechanisms. You need the right balance for each context.” The handbook helps humanitarian staff address such dilemmas.

The handbook is also being used in individual countries facing disaster. It has provided a framework for an innovative approach to engaging affected communities in monitoring corruption in the provision of post-earthquake aid in Haiti. It is also being used to frame our research on food security programmes in Kenya.

We encourage public and private humanitarian agencies to disclose funding and project details and to work with local oversight bodies. The handbook will be continuously updated with their input. Only by making sure the taboo of corruption is truly broken can the world ensure that humanitarian aid reaches those who need it.



ACCESS TO PUBLIC SERVICES

PROBLEM / Where institutions are weak and oversight insufficient, funds meant for public services such as health and education can easily disappear. Public expenditure tracking surveys in some countries have found that as much as 80 per cent of non-salary funds, transferred from national to local level, do not reach health facilities (World Bank).

At the delivery end, poor governance often means that public servants, such as head teachers or hospital staff, abuse their positions to demand bribes from the very people they should be helping. For the victims, this can mean deciding whether a family can afford the bribes to send their child to school. When families are unable to pay for multiple children to attend, it is often girls that are denied an education.

In healthcare, corruption can cost lives when counterfeit or adulterated medications are sold to hospitals after being expedited across borders and along the supply chain. The result: critical medications are useless and patients can die. Even when no fatalities occur, efforts to combat major health challenges, such as malaria and HIV/AIDS, are severely undermined.

SOLUTION / Budgets for public services and institutions, including schools, hospitals and infrastructure need to be made transparent so that the public, activists, investigators and journalists can track funds and prevent them from being siphoned off. Information should be accessible and easy to understand. Citizens have an important role to play in demanding accountability and transparency at the local level, whether it is scrutinising the budgets for public schools or simply knowing about the official charges for public services.

Governments are increasingly seeking to include civil society and citizens in consultations on national sector policies and at local government level in the planning and implementation of services. Participation must be informed, institutionalised and inclusive, otherwise it fails to prevent corruption in the use of funds and continues to exclude already disadvantaged groups from the delivery of vital services.

In many cases, the solution goes beyond national borders and requires cooperation between countries. To tackle counterfeit drugs, for example, a united front is necessary – involving customs, suppliers and medical institutions – in country, and initiating mutual legal assistance to get to the source, usually abroad.

*"ONE OUT OF FOUR
PEOPLE WORLDWIDE
REPORTED PAYING A BRIBE
TO SERVICE PROVIDERS"
GLOBAL CORRUPTION BAROMETER 2010*

AFRICA AND MIDDLE EAST

TI Cameroon's first two surveys on educational services have revealed a variety of concerns. Primary schools were found to have a 15 per cent rate of teacher absenteeism, meaning teachers are paid for at least three days per month that they do not work. Additionally, research showed that basic equipment provided by the government to guarantee proper school functioning usually arrives late, is of poor quality or is unsuited to school needs.

Our chapter the **Ghana Integrity Initiative** conducted research on the integrity and quality of public water and education services. Water concerns identified by the chapter include service inequality and inconsistency, low accountability and bribery. In the school system, the chapter identified weak governance, low citizen participation, a lack of financial knowledge among managers and inadequate school infrastructure. The chapter has made a series of recommendations to government agencies to improve service provision in these sectors.

Our **Senegalese** chapter, **Forum Civil**, undertook research and advocacy projects to improve water, education and transportation services. These include studying water services in urban and rural areas, tracking expenditures, mapping corruption risks and analysing the quality of governance in public schools. Advocacy and outreach in 2011 will include media campaigns, discussions with agencies and donors, and awareness raising among citizens. The transportation project seeks to build awareness of corruption, improve governance and collaborate with labour unions.

As part of **TI Zambia's** 'Community Notice Board' initiative, which empowers citizens to track public services and local projects, communities have begun carrying out short surveys to gauge their satisfaction with government agencies. Four communities were surveyed in 2010 and three will be surveyed in 2011. The chapter will use the results to develop advocacy strategies and help improve critical services, including the provision of school materials, land allocation and farming support.

AMERICAS

To help build a culture of accountability and oversight within Colombia's public services, **Transparencia por Colombia** is providing broad-based support to social and community organisations. Their social control fund tracks compliance with education, health, sanitation and environmental rights. It also monitors whether or not the government consults with minority groups and displaced communities before embarking on projects that could affect them. The chapter has monitored US \$5 million in public funds and trained 500 leaders in public participation and transparency.

For the third consecutive year, **Transparencia Mexicana** monitored federal funds granted to public universities. Since 2008 the chapter has overseen the flow of around US \$1.8 billion in funding, and is currently monitoring how school directors are chosen for public high schools. The chapter verifies that regulations are followed, and observes the selection process. More than 1,000 hirings have been reviewed so far, and by 2012 every head teacher in Mexico is expected to be appointed with this process.

ASIA PACIFIC

More than 100 participants, including staff from 12 TI chapters and the TI Secretariat, gathered in Bangladesh in April 2010 for an international forum on **TI Bangladesh's** Integrity Pledge programme. Under these voluntary agreements, public service providers and recipients agree to refrain from corruption. The chapter has introduced 24 Integrity Pledges to schools, hospitals and local governments, reducing bribes paid for school admission, medical services and social support programmes.

TI Sri Lanka is distributing a citizens' handbook to the rural communities in the country in order to help them easily access the public services. The handbook simplifies the rules and regulations in accessing public services, spelling out the documents required for each service to be obtained and who to approach. Written in the majority language of Sinhala, the handbook was released in two regions in north-west Sri Lanka and wider distribution is planned. The chapter is training public officials and community leaders on how to use the publication, which covers all public services delivered by local agencies.

EUROPE AND CENTRAL ASIA

Concerned about corruption risks, **Transparency Kazakhstan** succeeded in convincing officials to manage the country's public services at the national level rather than locally. The chapter cautioned that local offices suffered from low employee salaries, inadequate information protection and a lack of coordination among agencies. The government has since created a new agency to oversee about 100 public services, such as issuing licences and property records. Transparency Kazakhstan has signed an agreement to monitor the programme.



RACE TO THE TOP

No one from Kyebe in Uganda would have dreamed it. The community has become a model example of improved governance, after a spectacular turnaround in failing local health services.

There's no secret to Kyebe's success. Residents and local officials speak openly about the Development Pact they signed as a commitment to improving a local health centre. Faced with absent staff and erratic drug supplies, people felt frustrated and powerless.

Situations like Kyebe's can be prevented if people are mobilised against corruption. That's why we created Development Pacts. Public agreements between communities and their representatives, the pacts commit both to meeting specific development priorities. Their goals range widely, from building schools or roads, to improving services such as water and health. Crucially, communities decide their own needs, rather than just hearing them from others.

Working with local NGOs, we help people realise how to make their voices heard and hold officials to account. Communities then set out their priorities and we arrange meetings with relevant local officials, where they can agree on and sign the pacts. A committee of volunteers then monitor progress to ensure promises are kept.

In Kyebe, Transparency Uganda brought together community members with the health centre management. On hearing people's complaints, the official in charge agreed to tackle absenteeism and invited local volunteers to oversee drugs deliveries and the centre's budget. A phone number would be advertised so that people could report irregularities. Community members agreed to attend health meetings and training, to help channel complaints. Each side signed on to the pact, committing them to fulfilling their promises.

The results are startling. Within six months, the pact had fulfilled three quarters of the people's requests. The health centre is proud of its service. Community groups attend sub-county meetings and have unlimited access to health-related information, including on budgets. At regular public meetings, people can raise complaints and officials can explain challenges. Together, they find solutions. We're addressing the remaining issues at a county and national level.

"Pacts are powerful because they're based on people's aspirations and daily struggle with corruption," says Robert Lugolobi, Transparency Uganda's Executive Director. "They let communities shape their own futures, as well as helping protect officials from the pressures of corrupt environments, creating a 'race to the top', so officials compete openly on credibility and performance."

It's a win-win situation – which explains why the pacts are spreading rapidly. In just two years, 65 have been signed or piloted on three continents, each creating what we call an 'island of integrity'. No one size fits all: with our support, each pact is tailored by local communities to meet their specific needs. This means the pacts can leap borders and cultures. In Bolivia, they ensure transparency and public participation in local governance, while in Bangladesh they are also used to improve education and health.

Uganda now has five pacts. Kyebe's was followed with another on agricultural supplies. Neighbouring sub-counties have followed suit. Momentum looks set to continue. Soon, their residents hope, these islands of integrity will merge.

A community member in Uganda is asked about her experiences with public services



© Alfred Biri

true story

CAPTIVE MOTHERS

Eight mothers in Zimbabwe die in labour every day, according to UN figures. The country's health system has born the brunt of years of economic turmoil. Expectant mothers often struggle to afford the mandatory hospital delivery fee of approximately US \$50, which is around a third of an average Zimbabwean's yearly income. Many have no choice but to give birth at home, without professional help.

As part of their community outreach programme, TI Zimbabwe learned about how corruption was making the situation even worse. They were told that nurses in a local hospital were charging women US \$5 every time that they screamed while giving birth, as a penalty for raising false alarm. Women who refused or were unable to pay their delivery fees were allegedly detained at the hospital, and charged interest on their debt until they settled it. Some say they called on family members to help them escape. Others who were eventually released reported being hassled by debt collectors who demanded both the hospital fees and additional 'collection charges'.

"THEY WERE TOLD NURSES IN A LOCAL HOSPITAL WERE CHARGING WOMEN US \$5 EVERY TIME THAT THEY SCREAMED WHILE GIVING BIRTH"

On hearing this, TI Zimbabwe wrote to the Ministry of Health and received confirmation of its receipt. After some time passed without a response, TI lawyers called the ministry but were reportedly told that their letter had been lost. So they turned instead to the Deputy Prime Minister. After meeting with TI Zimbabwe, Thokozani Khupe called on the Minister of Health to carry out an investigation into maternal health issues as part of a broader review of the national health system.

Since then TI Zimbabwe has received no further complaints from women in the area, and has remained in close contact with local residents to ensure that this situation is not reversed. TI Zimbabwe has also launched a broad-based campaign to raise awareness about corruption in basic services such as health, education and water. They are also holding workshops in local communities to encourage people to secretly record officials in the act of asking for bribes, as proof for the police or judiciary.



NATURAL RESOURCES

PROBLEM / Three and a half billion people live in countries rich in oil, gas or minerals, according to World Bank estimates. The tragedy is that so many of the countries endowed with great natural resource wealth remain home to some of the world's poorest communities.

When resource income is siphoned off, only the interests of an elite few are served. Natural resource management, whether of fossil fuels, minerals or logging, too often falls victim to inefficiency or outright theft, fuelling conflict and undermining development.

Our 2008 *Global Corruption Report* estimates that corruption adds US \$50 billion (€36 billion) onto the price tag of achieving the Millennium Development Goal on water and sanitation. Corruption also facilitates illegal logging, directly impacting some of the poorest communities worldwide, 90 per cent of which rely on forests for their livelihoods. The forests' ability to capture carbon dioxide and serve as a defence against global warming is also jeopardised.

SOLUTION / If resource-rich countries are to shrug off the corruption curse, there needs to be more transparency in the often opaque extractive industries. Companies have to be more rigorous in their reporting and internal anti-corruption policies. Wealthy nations home to some of the world's biggest extractive enterprises must not tolerate corrupt practices abroad by their companies. Resource-rich countries should also be more transparent in terms of natural resource income and royalties. Civil society and a free media need to be fostered so that citizens can follow the money and make corruption a high-risk, low-profit activity.

International governance initiatives, including global climate change mechanisms, such as the Clean Development Mechanism and Reduced Emissions from Deforestation and Degradation, provide effective entry points for tackling corruption in the timber trade.

In the water sector, greater transparency in distribution schemes will put an end to access determined by moneyed interests, which currently devastates many poor communities. Water-related contracts must also be open and fair, and include wide public involvement to foster demand for accountability in the water sector.

AFRICA AND MIDDLE EAST

Convincing the Kuwait Petroleum Company to join the Extractive Industries Transparency Initiative was the main goal of a **Kuwaiti Transparency Society** conference held in April 2010. More than 100 people attended Transparency in the Oil Industry, including representatives from government agencies, oil and petrochemical companies, international organisations and academia. Among the themes discussed were good governance initiatives, transparency in foreign investment and the ideal use of resource-derived wealth. The chapter's discussions with the Kuwait Petroleum Company are continuing.

AMERICAS

With oil, natural gas, coal and minerals playing a major economic role in Canada, **TI Canada's** annual symposium focused on promoting transparency in the extractive sector. The event was attended by representatives from government, business, civil society and academia. Featured topics included the country's newly launched Corporate Social Responsibility Strategy for the Extractive Sector, and the Corruption of Foreign Public Officials Act.

ASIA PACIFIC

Five of our chapters in Asian and Pacific countries are working on a corruption risk-mapping project designed to prevent illegal logging, improve forest governance and protect the rights of land owners and indigenous populations. In consultation with local agencies and civil society groups, chapters in **China, Indonesia, Malaysia, Papua New Guinea** and the **Solomon Islands** are expected to complete the project in 2011.

EUROPE AND CENTRAL ASIA

Operating in a country with 460 active gold, copper and other types of mines, **Armenia's TI Anti-Corruption Center** is working to improve the integrity and sustainability of the industry while strengthening national mining regulations. The chapter is urging officials to use natural resources efficiently, adopt the 'polluter pay' principle for waste disposal and enhance the transparency of public asset management. It has also created a user-friendly online database with industry and mine-specific information.

// CLEAN HYDROPOWER

In 2010, we continued our work on the Hydro Sustainability Assessment Protocol, a framework for assessing the impact of new hydroelectric plants and their sustainability with the International Hydropower Association. The protocol is the result of collaboration among government representatives from China, Germany, Iceland, Norway and Zambia, financing organisations, and other civil society organisations, including Oxfam, The Nature Conservancy and World Wildlife Fund. Thanks in part to our efforts, the protocol now sets out detailed requirements for project developers to identify and address corruption risks, from the project planning stage right through to operation. We will continue to monitor the implementation of the protocol beyond its launch in June 2011.



// CLIMATE GOVERNANCE AND CORRUPTION: A NEW FRONTIER?

Around the world, tens of billions of dollars are being allocated toward mitigating the effects of climate change. Yet most affected communities are ill-equipped to participate in the development of climate policy, or monitor climate finance. Without enhanced accountability measures at both the local and international level, these large-scale investments are at risk from corruption. This could have catastrophic consequences for our planet.

In 2010, we took on climate governance – the system of regulatory frameworks, funding and activities that make up the international response to climate change. Our climate governance programme aims to increase local and global capabilities to engage, cooperate and contribute to the development and implementation of climate finance policy development and the management of low carbon technologies. The first phase of the programme is being piloted in six countries: Bangladesh, the Dominican Republic, Kenya, the Maldives, Mexico and Peru.

Throughout the year, we expanded our work with climate change networks. We brought together 70 representatives from climate finance agencies, intergovernmental bodies, private sector groups and NGOs for a workshop that mapped climate governance risks and outlined areas where we can contribute technical expertise. We gained observer status with the Climate Investment Funds, the Global Environmental Facility and the International Panel on Climate Change following our accreditation to the UN Framework Convention on Climate Change in 2007. We joined the advisory panel of the Adaptation Fund NGO Network and lead in the development of a new NGO coalition – AdaptationWatch.

At the UN Climate Change Conference (COP 16) in Cancún, we hosted an event to coincide with International Anti-Corruption Day. Experts from a range of civil society organisations discussed the need for a common understanding of the complexities of climate finance in order to ensure that integrity is at the heart of climate governance in the crucial years ahead.

PROTECTING AND ADVANCING RIGHTS

FROM MULTI-BILLION DOLLAR TAX SCANDALS to small bribes, corruption would often go undetected if it weren't for individuals' readiness and ability to inform on it. Witness accounts offer invaluable insight into the effects corruption has on people's daily lives, and are powerful tools in the fight against it, potentially saving lives and resources. Yet in some countries, blowing the whistle can carry high personal risk – particularly when there is little legal protection against dismissal, humiliation or even physical abuse. In many countries, the act of reporting may be superseded by other laws prohibiting the release of information, while libel and defamation regulations deter whistleblowing. We work in many countries to push for the introduction and enforcement of comprehensive whistleblower legislation that protects informants and ensures claims are investigated. Companies, public bodies and non-profit organisations should introduce mechanisms for internal reporting. Public education is also essential to de-stigmatise whistleblowing, so that citizens understand how disclosing wrongdoing benefits the public good.

Until safe and reliable whistleblowing channels are an integrated feature of daily life, we will continue to provide victims and witnesses of corruption with free assistance through our anti-corruption legal advice centres. Each year, thousands of people phone the centres' corruption hotlines or drop in, recount their experiences, and receive advice and legal support. From pensioners to entrepreneurs, clients span all sectors of society, and the diversity of their allegations shows that no one is immune to corruption's effects. By tracking these individual experiences and identifying persistent problem areas, the centres build advocacy campaigns for institutional, procedural and administrative anti-corruption reforms that are rooted in concrete evidence, while preserving strict client confidentiality.

AFRICA AND MIDDLE EAST

The **Ghana Integrity Initiative** engaged in a range of outreach activities to promote its anti-corruption legal advice centre and raise public awareness of the importance of whistleblowing. Two documentary films were produced and shown in 10 communities. The chapter also distributed more than 40,000 flyers, posters and booklets advertising the centre's public services. The centre has handled 130 cases since opening in 2009. Visitors have reported police officers collecting bribes from drivers, corruption by toll attendants, illegal deductions from teacher salaries and employers extorting job applicants.

The **Kuwaiti Transparency Society** established an anti-corruption legal advice centre in 2010 in collaboration with the Future Foundation, a Jordan-based organisation that promotes democracy and human rights. The centre began operations in March 2011, assisting citizens in the reporting of corruption cases.

A TI Initiative Madagascar representative raises awareness of the chapter's anti-corruption legal advice service at a local school

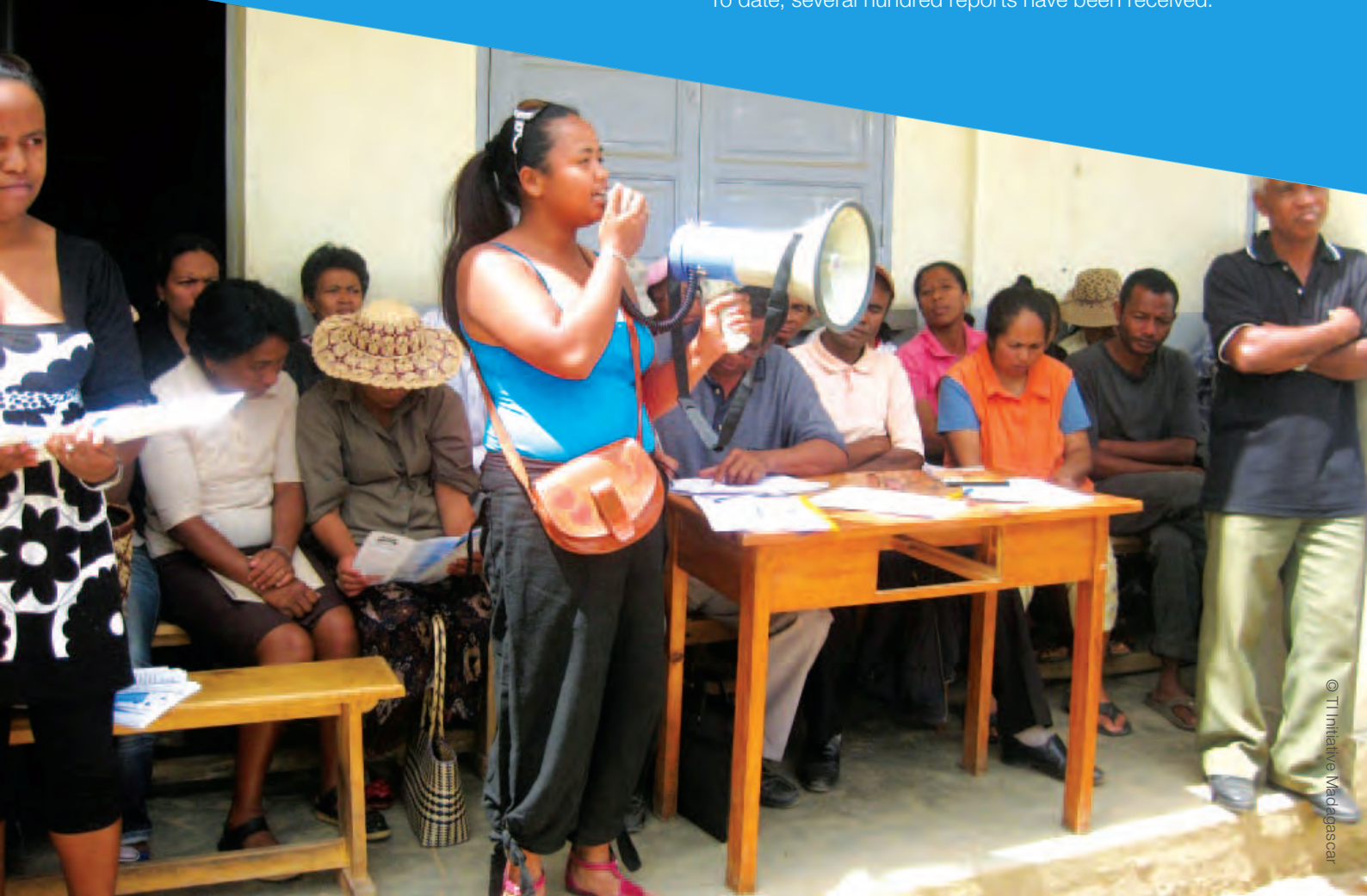


AMERICAS

Our chapter in **Argentina, Poder Ciudadano**, has set up a referral programme with the federal ombudsman designed to improve inquiries into government irregularities and increase grassroots partnerships. To aid its work, the chapter's legal advice centre will have access to the ombudsman's records. Poder Ciudadano has also created a referral system with Buenos Aires' Ombudsman's Office and trained its staff.

A new website by **Chile Transparente** allows citizens to easily track proposed legislation related to the government's Pro-Transparency Agenda, which works to prevent corruption in the public and private sectors. The website – www.observa.cl – explains in plain language why bills advance or stall, and provides member voting records, lobbyist information and the latest transparency news. Proposed bills have addressed whistleblower protection, corporate governance and criminal liability, banking secrecy, political campaigns, lobbying and conflicts of interest. The chapter's website receives 450-500 visits per month.

'My Transparent **Panama**' (*Mi Panamá Transparente*) is an online initiative by our chapter **Fundación para el Desarrollo de la Libertad Ciudadana** that helps citizens report incidents of corruption, crime and violence anonymously. The collected information allows the authorities to identify areas affected by corruption, whether geographical or institutional. To date, several hundred reports have been received.



ASIA PACIFIC

Through the NICE project (National Initiative for Civic Education), **TI Fiji** has held more than 52 workshops and reached out to more than 2,000 people including youth, women, religious organisations, ethnic groups and indigenous communities. Sessions were held on civic responsibilities as citizens, human rights and democratic governance.

To reduce the disproportionate effects that corruption has on women, **Transparency Maldives** held a series of training sessions on female political participation and civic empowerment. One specific goal was to encourage more women to become candidates for office. The sessions were attended by nearly 100 women from 66 islands, and topics included human rights, advocacy skills, election laws, the media and public speaking. Of the 57 women who were elected in the 2011 local elections, 24 had attended the trainings.

EUROPE AND CENTRAL ASIA

To gauge the extent of whistleblower protection in the country, **TI Austria** held meetings with members of the Austrian Ministry of Justice and a range of other public institutions including the International Anti-Corruption Academy and the Austrian Data Commission. Representatives were asked to complete questionnaires on whether their organisations have whistleblower hotlines or whether they plan to implement them. The survey will help identify best practices and implementation strategies.

Transparency Azerbaijan hosted members of **TI Turkey** to offer them advice on opening a new anti-corruption legal advice centre. TI Azerbaijan shared best practices and lessons learned, and gave a tour of its centre in Guba, which was launched in 2005 as one of the first in the Commonwealth of Independent States. TI Azerbaijan has provided similar training for TI chapters in Fiji, Georgia, Guatemala, Kazakhstan, Lebanon, Mongolia, Morocco, Nepal, Pakistan, Palestine and Russia.

Luxembourg's parliament approved a law to protect whistleblowers that was strengthened in response to advocacy efforts by **Association Pour la Promotion de la Transparence**. The chapter convinced lawmakers to include a provision allowing approved NGOs to file a criminal complaint in corruption cases even if the victim does not file one. The chapter also sought protection for whistleblowers who contact civil society groups.

REDEFINING THE POSSIBLE

“People can seem passive and pessimistic when faced with corruption” says Mayambo Peipul, Programme Manager at TI Papua New Guinea’s legal advice centre. “If you don’t know your rights or have proper channels to make a complaint, it’s natural to feel powerless and that nothing can be done. But again and again, we see that people are highly proactive in challenging corruption. They have to feel empowered by being given the right information and support.”

That’s why we introduced anti-corruption legal advice centres. Through confidential hotlines and face-to-face meetings, our experts offer free assistance to victims and witnesses of corruption – from a Kazakh grandmother seeking to write her will, to a Rwandan mining cooperative defrauded of its assets. The centres enable people to fight injustice in all areas of society, from administration, social services, business or the judiciary. After helping them lodge formal complaints with the relevant authorities, the centres give ongoing support throughout each case.

But it’s not about setting people up against their institutions – it’s about helping them work together. The centres build positive relations with the authorities, advising them how best to respond to people’s complaints. By improving interaction between the public and their officials, the centres increase government accountability and nurture the political will to prevent corruption. Wherever possible, the centres have developed working relationships with ombudsman offices, anti-corruption commissions, public service providers and many others. They also cooperate closely with many other civil society organisations.

Their effectiveness lies in a two-pronged approach. As well as helping in individual cases, they take evidence from them to advocate for change – legal, administrative or cultural – that will prevent future corruption. Across areas as diverse as prisoner abuse and traffic fines, union fees or the misuse of public assets, the centres have helped improve laws and their application at national level.

Success depends on a high public profile, so that people come forward. Creative communications are crucial, from stickers resembling banknotes in Cameroon’s taxis (see photo), to 400 volunteers running the Beirut marathon in branded T-shirts. The centres also help journalists tackle corruption. Staff in Montenegro work with leading national newspapers. In Rwanda, they broadcast programmes and live phone-ins on a private radio station.



To ensure that remote or marginalised communities are reached, many centres send mobile teams out to rural areas. In clinics, teahouses or the courtyards of mosques, our legal experts promote their services and inform villagers how they can fight corruption. The internet is also an important outreach tool. From using Twitter to solicit complaints, to online platforms offering guidance and mapping corruption hotspots, the centres employ many innovative approaches to engage and support the public.

The centres make up a dynamic global network – from Argentina to Azerbaijan and Senegal to Vanuatu. First piloted in 2003 in South-East Europe, there are now more than 60, in almost 50 countries. Many new centres opened in 2010, including Madagascar, the Solomon Islands and Turkey. Each is tailored to its own circumstances, but the model applies anywhere.

By bringing discussion of corruption into the open, the centres have inspired more than 95,000 people to come forward and speak up to date. Breaking taboos and reshaping social norms, they help redefine people’s idea of the possible – meaning no one need be passive when faced with corruption.

ANTI-CORRUPTION EDUCATION

CORRUPTION IS NOT INEVITABLE. Yet in countries where it runs deep, it is difficult to distinguish corruption as a problem from just 'the way things are done'. Meanwhile in countries where petty bribery is rare, the effects of corruption may seem far removed from daily life, and its costs not widely known.

Around the globe, we work to increase understanding of corruption in all of its forms and equip people – from students to journalists, judges to businesspeople – with the means to take an active stance against it.

With nearly a fifth of the world's population between 15 and 24 years old, young people in particular have the potential to drive real change as today's citizens and tomorrow's leaders. In comparison to other groups, however, they are often more exposed to bribery. Out of all the age groups surveyed in our 2010 *Global Corruption Barometer* (see p.83), people under 30 years reported paying bribes the most frequently. Whether bribing to go to school, pass an exam or get a job, this early introduction to corruption sets a dangerous precedent. Young people need to be a catalyst for a brighter future rather than resigning themselves to the status quo.

AFRICA AND MIDDLE EAST

Emphasising a grassroots approach to good governance, the **Ghana Integrity Initiative** in 2010 set up social auditing clubs in four regions that will monitor education spending, school construction and other community-based projects. Comprised of volunteers, the clubs will also report corruption allegations to the appropriate authorities and train community leaders on the social auditing concept. The chapter developed the programme with a variety of government and community organisations, including the National Commission for Civic Education.

TI Initiative Madagascar participated in the country's annual International Solidarity Week in November 2010, holding conferences, staffing an information booth and joining in a 'solidarity walk'. About 30 people, including students and social workers, attended a presentation by the chapter's anti-corruption legal advice centre that focused on civic education and the need for a united fight against corruption. About 100 people visited the chapter's booth.

TI Sierra Leone held a two-day training session on financial management and record keeping for 90 local government finance officers. The training achieved several key goals, including providing up-to-date information on revenue and project-management systems, and training finance officers to be more efficient. Officers have since formed task forces charged with promoting accountability, transparency and integrity within their agencies.

Proética's anti-corruption heroine Lupita at an anti-corruption fair in Peru (see p.66)



AMERICAS

The **Dominican Republic's** youth network *Red Juvenil* is coordinated by our chapter **Participación Ciudadana**. In April 2010 it held a national youth meeting, where young people from around the country were encouraged to become politically active and join the nation's growing anti-corruption movement. More than 60 youth groups have joined the network, which has developed anti-corruption action plans in coordination with a range of other organisations.

Renowned for her blog and oversized magnifying glass, the animated character Lupita has become **Peru's** anti-corruption heroine (see photo p.65). Created by our Peruvian chapter **Proética**, the Lupita project encourages citizens to review information about candidates who apply for jobs in public office. In its first year, irregularities in asset declaration, place of birth and other candidate information were uncovered. Lupita's blog has received thousands of visits and has been widely featured in national and local media.

A Spanish-language video game called 'It Depends on You' (*Depende De Tí*) was developed to engage young audiences in the fight against corruption. When playing the game, the player has the option to take on the role of a range of characters, such as a businessperson or a housing minister. Along the way, the character is faced with taking decisions that may or may not result in corruption.

ASIA PACIFIC

TI Indonesia significantly expanded its youth outreach efforts in 2010, specifically in the Jakarta area. Aimed at people aged between 15 and 25, the chapter helped form SPEAK, a youth group that focuses on raising awareness about anti-corruption. Events have included a video workshop for students and a project in which the chapter will mentor high school students to engage in specific anti-corruption actions.

With parliamentary elections scheduled for 2012, **TI Papua New Guinea** is using theatre to educate voters about the connection between corruption and politics. The 'Understanding Corruption through Drama' project, launched in 2010, focuses on rural areas where literacy rates are low and media access is limited. Local theatre troupes perform plays in communities and then lead discussions and question-and-answer sessions. The project is underway in six provinces, with more expected to follow.

In 2010 **Transparency Vanuatu** held two media workshops with veteran and student reporters, and government information officials. The sessions, attended by about 50 people, focused on improving the quality of journalism and using access-to-information laws. The chapter also organised a number of good citizenship workshops in 2010 that focused on corruption, public information and civic involvement.

Furthering its youth outreach work, our **Vietnamese** chapter, **Towards Transparency**, held a workshop on mobilising young people to participate in anti-corruption efforts. About 50 educational, donor and media representatives attended the event. The chapter also took part in a televised debate on youth and corruption, and began a survey to assess young people's attitudes towards corruption that will help shape future projects. Towards Transparency has stepped up its engagement in this area since the government introduced plans to strengthen anti-corruption education within school and university curricula.

EUROPE AND CENTRAL ASIA

Transparency Azerbaijan celebrated International Anti-Corruption Day by holding public awareness campaigns in five regions of the country. Staffers and volunteers made door-to-door visits, distributed flyers and participated in debates about the consequences of corruption, anti-corruption laws and the role of civil society organisations. About 1,000 citizens were contacted directly.

TI Croatia held its fourth annual 'We Have the Right to Know' campaign, with press conferences and leaflets distributed about right-to-information laws in 17 cities. The chapter also launched its 'Culture against Corruption' initiative, which includes 'Cinema against Corruption' and a call for young authors to submit short stories about the adverse effects of corruption.

More than 300 people attended **TI Greece's** annual meeting, including Prime Minister Georgios Papandreou and members of the cabinet. Participants recognised the central role that transparency and integrity can play in solving the country's ongoing financial crisis. Following the event, ministers expressed their desire to incorporate our Integrity Pacts and other anti-corruption tools in public works projects.

Transparency-Zero Corruption participated in a series of nationally televised debates focusing on corruption, transparency and broader political issues. The programme aired concerns about the judiciary, healthcare and discrimination. Opinion polls show that Macedonians are concerned about a lack of integrity in these areas.

A new publication by our **Ukrainian** chapter is informing more than 1,500 subscribers each month about its campaigns as well as corruption issues and news. Launched by the **Creative Union (TORO)** in early 2010, *On the Way to Integrity* has covered such issues as the parliament's plan to overturn several anti-corruption laws and reasons why some government agencies are struggling to tackle corruption.

Students participating in a TI Korea (South) organised street campaign



© Paik Kyungchul

RECOGNISING LEADERSHIP

FIGHTING CORRUPTION requires more than tools and research – it requires role models who inspire. Every day, individuals and organisations around the world stand up to corruption. From accountants and government officials, to school teachers and journalists, their backgrounds may be diverse, but the message is the same: corruption can be beaten. We strive to make this message heard, showing that it is possible for ordinary people to do extraordinary things.

In some parts of the world, speaking out against corruption can be met with threats, intimidation and physical harm, even death. Repressive laws and regulations in some countries are state-sanctioned hazards that make for a climate of fear. Yet individuals work at great personal risk to make their voices heard in places where dissent is not tolerated. Their courage and determination needs to be recognised and supported, and their stories need to be heard.

AMERICAS

For his work in helping to create and enforce public procurement and contracting rules in the **Dominican Republic**, engineer Roque Napoleón Muñoz received the 2010 National Integrity Award from our chapter **Participación Ciudadana**. Muñoz, since deceased, spent his 40-plus-year career working to establish formal public contracting procedures and to enhance transparency. The award was given on the chapter's 16th anniversary.

On International Anti-Corruption Day, our **Nicaraguan** chapter **Grupo Cívico Ética y Transparencia** honoured three artists as the winners of its art competition on the effects of corruption. First prize went to Mario Francisco Jarquín for his work entitled 'Justice Made Hungry: The Expatiation of the Ballots', a reference to controversial 2008 municipal elections. The winning works, chosen from 49 entrants, will be featured in the chapter's publications.

Former US Federal Reserve Chair Paul Volcker received the inaugural National Integrity Award from **TI USA**, honouring him for a lifetime guided by the principles of public service, integrity and independence. Volcker chaired the US Economic Recovery Advisory Board, which curbed potentially risky proprietary trading; chaired the Independent Inquiry Committee into the UN's Iraq Oil-for-Food Programme, which led to prosecutions of companies and individuals for corruption and mismanagement; and helped to improve transparency at the World Bank.

ASIA PACIFIC

An education official who blew the whistle on a bribery scandal involving school maintenance funds received the Sir Anthony Siaguru Integrity Award from **TI Papua New Guinea**. Simon Eyork went public after high-ranking officials within the National Planning and Monitoring Department demanded he pay a US \$14,000 bribe before they would release US \$800,000 earmarked for the primary school Eyork runs. Eyork contacted the police, a sting operation was set up and the perpetrators were arrested.

A customs officer whose corruption-fighting work cost him his life was honoured with **TI Sri Lanka's** National Integrity Award. Sujith Prasanna Perera, 35, was shot and killed in March 2001 after exposing the corrupt actions of two fellow customs officials. One of the officials has since been convicted of murder. At a ceremony in Colombo, an audience of 350 stood in silence for two minutes as Perera's wife received the award.

Integrity Award winner Grégory Ngbwa Mintsa speaks at the awards ceremony (see p. 71)



"THE AWARDS RECOGNISE THE COURAGE OF INDIVIDUALS AND ORGANISATIONS CONFRONTING CORRUPTION WORLDWIDE, OFTEN AT GREAT PERSONAL RISK"

// SHINING A LIGHT IN LATIN AMERICA

Five Colombian reporters who exposed alleged government wiretapping of opposition politicians, magistrates, journalists and activists received our 2009 Latin American Award on Investigative Journalism.

Writing for the weekly magazine *Semana*, reporters Ricardo Calderón, Alejandro Santos, Alfonso Cuéllar, Luz María Sierra and Carlos Eduardo Huertas detailed how Colombia's Administrative Department of Security reportedly conducted wiretaps without judicial permission. A series of articles led to investigations by Colombia's Attorney General and Public Prosecutor. The magazine, which obtained dozens of wiretap recordings and posted them on its website, says the illicit practice actually accelerated after it was exposed – even though some officials were already in jail awaiting trial.

Second place went to Rosa Costa, Leandro Colon and Rodrigo Rangel of the Brazilian daily newspaper *O Estado de S. Paulo* for their coverage of alleged corruption and nepotism involving former President José Sarney, who is currently president of Brazil's Senate. Third prize went to Oscar Martinez of the online publication *ElFaro.net*, who revealed how the mafia profits from illegal migration across the Mexican-US border.

The award is given annually by Transparency International and *Instituto Prensa y Sociedad* (The Press and Society Institute) based in Lima, Peru. The 2010 ceremony took place during the Latin American Conference on Investigative Journalism, held in Buenos Aires in September 2010.

HONOURING EXCEPTIONAL COURAGE

Of the three winners of our 2009-2010 Integrity Awards, only one could attend the ceremony in person. Not because of busy diaries, but because of the extreme risk of fighting corruption in many parts of the world.

Russian lawyer Sergei Magnitsky showed ultimate courage in his pursuit of integrity. Magnitsky exposed massive alleged tax fraud by senior members of Russia's Interior Ministry, worth US \$230 million. In 2008, he testified against them – and was imprisoned.

From his cell, Magnitsky continued to campaign for justice. He became acutely ill, but was reportedly denied medical treatment. Despite excruciating pain, he refused to withdraw his testimony. Just days before the expiry of the one-year limit to imprisonment without trial, he died, aged only 37. Collecting his award, his mother Natalia Magnitskaya described offers of 'reconciliation' with officials when her son was jailed, but he refused: "He was a man of dignity. Prison didn't change him."

Tragically, Magnitsky wasn't alone in suffering brutality. Following death threats, fellow award-winner Attotage Prema Jayantha, a Sri Lankan journalist, was kidnapped and tortured in 2009. Known by his pen-name Poddala, the media freedom campaigner had exposed injustice in Sri Lanka's health, education and transport sectors. Like Magnitsky, he had also revealed large-scale tax fraud. Poddala was dumped by the roadside with broken bones, including several fingers, "so he couldn't write any more." Permanently disabled, he now lives in exile. Fellow Sri Lankan and TI Board Member J.C. Weliamuna, read out Poddala's acceptance speech at the ceremony.

The only winner to collect his award in person was Gabonese activist Grégory Ngbwa Mintsas, who has survived threats, imprisonment and a salary freeze. Gabon is oil-rich, yet 40 per cent of its people live in poverty. Alongside TI France and Sherpa, Mintsas filed a legal complaint with the French Public Prosecutor against ex-President Omar Bongo and fellow presidents Sassou Nguesso of Congo-Brazzaville and Teodoro Mbasogo of Equatorial Guinea, and their families.



All are accused of acquiring extensive assets in France. Despite intimidation, Mintsas refused to drop the case. After two years of battling the case in court, the French Supreme Court finally ordered investigations.

"Corruption is robbery from humanity," said Mintsas during the Integrity Awards ceremony, held at the 14th International Anti-Corruption Conference in Bangkok (see p.77). The awards recognise the courage of individuals and organisations confronting corruption worldwide, often at great personal risk.

Past winners include journalists, public prosecutors, government officials and civil society leaders, such as Le Hien Duc, a retired Vietnamese school teacher who has filed numerous complaints against bribery. Journalists Roman Shleynov of Russia's *Novaya Gazeta* and David Leigh of Britain's *Guardian* have both exposed corrupt links between business and politics.

TI Chair Huguette Labelle said of the 2009-2010 winners: "Let them inspire us all to work tirelessly to rid the world of corruption and protect those with the courage to confront it."

FORGING ALLIANCES

THE COMPLEXITY AND SCALE OF CORRUPTION means that no one can effectively tackle it alone. Working with others helps mobilise resources, enables knowledge sharing and brings together diverse perspectives and experiences. Different actors bring different strengths to the table, and all benefit from a common goal and shared ownership. Cross-sector coalitions create broad-based demand for change and ensure the sustainability of reforms.

Since 1993, we have worked to build coalitions with government, business, multilateral organisations, NGOs and the general public. In keeping with this collaborative approach, we engaged various partners in 2010 to tackle such issues as corporate lobbying, monitoring elections and holding public officials to account. We continue to lead a coalition of more than 240 civil society organisations to mobilise support for the UN Convention against Corruption.

AFRICA AND MIDDLE EAST

The **Ghana Integrity Initiative** has stepped up its advocacy efforts in support of a new right-to-information law. As a member of the country's Right to Information Coalition, the chapter is working with human rights, legal, journalism, labour and other organisations to support the proposed Freedom of Information Bill that is pending in parliament. The bill would give citizens the right to government information and set a 21 working day limit for the agencies to grant or refuse information requests. The chapter has held press conferences and put pressure on parliament.

The **Lebanese Transparency Association's** Anti-Bribery Network engaged in a variety of educational and research activities in 2010. The chapter held two workshops that focused on reforming Lebanon's tax system and construction industry. The network released the *You're Being Audited* guidebook to assist small- and medium-sized companies with government audits. The publication also includes advice on how companies can avoid paying bribes to government agencies for public services. The chapter also held five workshops on how to deal with governmental inspections that were attended by more than 350 people.

A TI Kenya representative speaks to a community member who has benefitted from the chapter's legal support



AMERICAS

Using mapping software known as *Ushahidi* ('testimony' in Swahili), a coalition that includes **Transparencia por Colombia**, civil society organisations, embassies and the media enabled citizens to monitor Colombian presidential and parliamentary elections by electronically reporting irregularities. The website included an interactive map with photographs and videos. More than 750 citizen reports were uploaded in 2010. Some electoral misconduct was reported and vote-counting was problematic in some regions.

More than 300 regional representatives from government, business and civil society gathered for the first Central America and Dominican Republic Transparency Forum held in **El Salvador**. Participants discussed how to best tackle corruption in state security agencies, stem violence and corruption at the municipal levels, strengthen transparency in political financing and protect against the many forms of state capture. Costa Rica has confirmed its intention to organise a second meeting of the Forum in 2011.

Under the slogan 'For Free and Transparent 2011 Elections', our **Nicaraguan** chapter **Grupo Cívico Ética y Transparencia** joined more than 150 civil society organisations to petition the government and National Assembly to provide safeguards for the 2011 elections. The petition calls for the accreditation of election observers, transparent voter verification and the appointment of election officials through a public selection process. Signatories include youth, journalist, medical, human rights and local organisations. Proposed legislation to implement the reforms has stalled in the Assembly.

ASIA PACIFIC

TI Bangladesh organised a network of nationwide events that reached more than 770,000 people directly and the country's 65 million cell phone users electronically. The chapter held rallies, seminars and roundtables – as well as street theatre, cartoon exhibitions and a human chain. A national debate competition involved more than 300 students from 60 colleges and universities. Cell phone owners received a 'Say No to Corruption Now' SMS and could download an anti-corruption ringtone.

Thirteen community organisations from 10 islands joined **Transparency Maldives** to form the country's first anti-corruption network. The many initiatives agreed upon include monitoring the 2011 local elections with local groups and lobbying for right-to-information legislation, campaign finance transparency and the appointment of an auditor general. At the event, attended by 70 people, a customs official announced a two-year plan to combat corruption by revising internal procedures and introducing anti-graft technology.

As part of its ongoing anti-corruption dialogue with key government agencies and officials, our **Vietnamese** chapter **Towards Transparency** organised conferences in collaboration with the Swedish embassy in Hanoi in May and November 2010, focusing on corruption in education and land management respectively. Following the May conference, the Ministry of Education and Training adopted an action plan to strengthen its fight against corruption. Each event was attended by more than 100 government, donor, civil society and media representatives. The chapter uses these annual conferences to introduce our tools and share international experiences in specific corruption-fighting arenas.

EUROPE AND CENTRAL ASIA

TI Albania signed an agreement with the national financial disclosure agency to help tackle corruption cases, as well as to promote transparency and good governance. The chapter and the agency will collaborate on cases that would benefit from specialised expertise. The agency has a key role to play in preventing corruption, as it oversees asset declarations from public officials and investigates economic crimes.

Following up on its work to improve the integrity of parliamentary lobbying, **TI France** has turned its attention to the private sector. The chapter released recommendations for corporate lobbyists in 2010 and worked with the corporate rating firm Vigeo to include lobbying criteria in assessing companies' social responsibility programmes. The chapter has applied this initiative by working with Lafarge, the world's second-largest cement manufacturer, to improve its lobbying charter by enhancing the transparency of lobbying activities.

TI Netherlands' corruption conference raised a variety of probing questions and received widespread media attention. The event – 'How Corrupt is the Netherlands and What Do We Do About It?' – featured discussions about why Dutch media and citizens do not devote much attention to corruption. Fittingly, the conference was held around the time that four major corruption cases were receiving significant media coverage. The chapter intends to hold similar conferences annually.

*"WE ENGAGED VARIOUS PARTNERS
TO TACKLE SUCH ISSUES AS
CORPORATE LOBBYING, MONITORING
ELECTIONS AND HOLDING PUBLIC
OFFICIALS TO ACCOUNT"*

// CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

The construction sector plays a vital role in supporting social and economic development. Yet in both developed and developing countries, it is consistently ranked as one of the most corrupt sectors – as highlighted in our 2008 *Bribe Payers Index*.

The Construction Sector Transparency Initiative (CoST) introduces the concepts of transparency and accountability to the sector, focusing specifically on the public disclosure of information. Initiated and supported by the UK's Department for International Development and the World Bank, CoST involves stakeholders from a wide range of groups, including procuring bodies, public financial management bodies, construction companies and associations, and civil society, with Transparency International as chair of the International Advisory Group.

The two-year pilot phase came to an end in March 2010. It covered seven countries: Ethiopia, Malawi, the Philippines, Tanzania, the UK, Vietnam and Zambia.

By facilitating the disclosure of specific project information, providing the necessary structure for this information to be analysed, and ensuring that it is easily understood, CoST will enable stakeholders to make informed judgments about the cost and quality of infrastructure projects. Based on the successful results of the pilot phase, initiatives are now underway to develop CoST into a global programme.

WHAT ARE YOU GOING TO DO?

“Who inspires you in the fight against corruption?”

The blog of the 14th International Anti-Corruption Conference (IACC), held in Bangkok in November 2010, rang with such questions, as well as comments and suggestions. Opened by Her Royal Highness Princess Soamsavali of Thailand, more than 1,200 delegates from the public, private and non-profit sectors from more than 135 countries gathered for the conference. Thanks to social media, many more people joined the discussions to find creative practical solutions to corruption.

The blog captured workshops and plenary sessions, with real-time reports, interviews and behind-the-scenes stories. The best quotes and latest updates went out on Twitter. We also brought in leading young journalists from the region to cover the conference, while thousands of people around the world were able to watch the main sessions broadcast through a live video stream.

An innovative series of workshops broke down traditional conference boundaries. Designed to attract as many voices and views as possible, the People’s Empowerment Special Sessions examined initiatives from around the world that are changing the rules of the game. After an introduction by experts, participants dived into debates ranging from grass-roots campaigning and social monitoring to new technology and victim support.

First held in 1983, the IACC is the leading global event on corruption prevention and good governance. The Bangkok conference explored innovative ways in which reducing corruption can restore people’s trust in five key areas: peace and security; natural resources and energy; climate governance; corporate accountability; and international institutions. “Corruption destroys citizens’ trust in government,” said TI Chair Huguette Labelle. “We come together to look for practical solutions.”

Led by globally renowned speakers, the plenary sessions exposed new thinking on corruption, as the basis for effective action. The Thai Prime Minister Abhisit Vejjajiva launched the Leadership Forum, which was addressed by US Secretary of State Hillary Clinton via video. “The fight is not easy,” she declared, “but anti-corruption work makes a difference and the US will be among the first states reviewed under the UN Convention against Corruption.”



Amnesty International’s Secretary General Salil Shetty highlighted contradictory developments that drive corruption, including increases in wealth and inequality, and fewer conflicts but greater insecurity. Delegates examined emerging areas of concern, such as ways to inject accountability into the vast flows of money being spent to address climate change.

A specially constructed cinema highlighted the personal impact of these issues. Daily screenings showed the staggering burden corruption places on the poorest families, but also profiled champions of integrity, from a French investigative magistrate to a Nigerian regulator fighting counterfeit medication.

The overall message was clear: anti-corruption laws alone are not enough. They must also be enforced. The challenge for the anti-corruption community is to push governments to do so, and to mobilise people – especially the young – to demand that enforcement.

A video entry on the conference blog reminded activists first to turn their own words into action, asking them: ‘What are you going to do to fight corruption when you reach home?’

To find out about the 15th IACC taking place in Brazil in November 2012 visit www.15iacc.org.

CORRUPTION PERCEPTIONS INDEX 2010

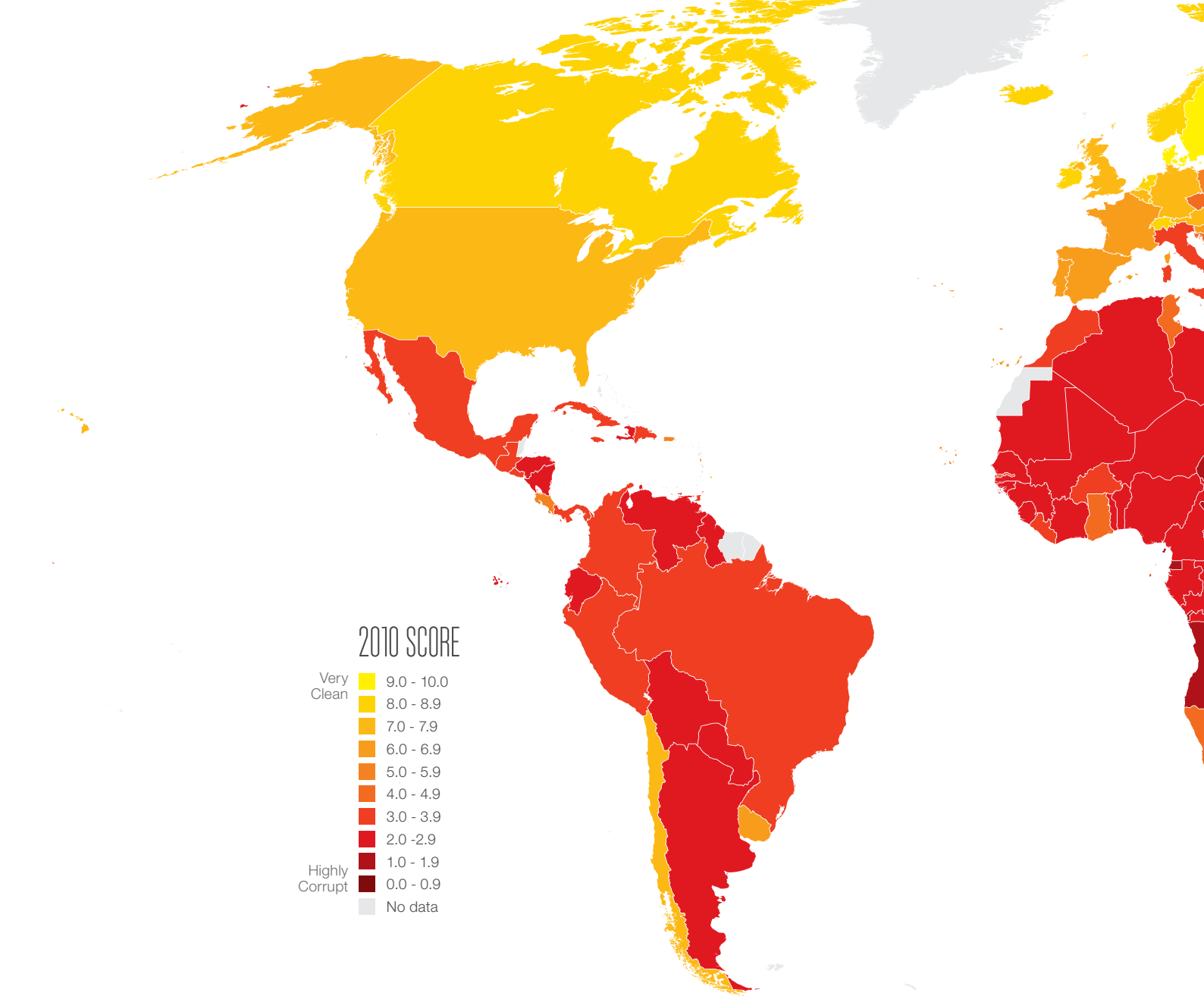
WITH GOVERNMENTS committing huge sums to tackle the world's most pressing problems, from the instability of financial markets to climate change and poverty, corruption remains an obstacle to achieving much needed progress.

Our 2010 *Corruption Perceptions Index*, a measure of domestic, public sector corruption, shows that nearly three quarters of the 178 countries covered score below five, on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to be very clean), indicating a serious corruption problem.

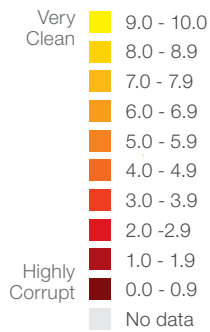
"These results signal that significantly greater efforts must go into strengthening governance across the globe. With the livelihoods of so many at stake, governments' commitments to anti-corruption, transparency and accountability must speak through their actions. Good governance is an essential part of the solution to the global policy challenges governments face today," said TI Chair Huguette Labelle.

To address these challenges, governments need to integrate anti-corruption measures in all spheres, from their responses to the financial crisis and climate change to commitments by the international community to eradicate poverty. We advocate stricter implementation of the UN Convention against Corruption, the only global initiative that provides a framework for putting an end to corruption. Denmark, New Zealand and Singapore are tied at the top of the list with a score of 9.3, followed closely by Finland and Sweden at 9.2. Bringing up the rear is Somalia with a score of 1.1, slightly trailing Myanmar and Afghanistan at 1.4 and Iraq at 1.5.

Notable among decliners over the past year are some of the countries most affected by a financial crisis precipitated by transparency and integrity deficits. Among those improving in the past year, the general absence of OECD states underlines the fact that all nations need to bolster their good governance mechanisms. The message is clear: across the globe, transparency and accountability are critical to restoring trust and turning back the tide of corruption. Without such measures, global policy solutions to many global crises are at risk.



2010 SCORE



RANK	COUNTRY/TERRITORY	SCORE
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1	Denmark	9.3
1	New Zealand	9.3
1	Singapore	9.3
4	Finland	9.2
4	Sweden	9.2
6	Canada	8.9
7	Netherlands	8.8
8	Australia	8.7
8	Switzerland	8.7
10	Norway	8.6
11	Iceland	8.5
11	Luxembourg	8.5
13	Hong Kong	8.4
14	Ireland	8.0
15	Austria	7.9
15	Germany	7.9
17	Barbados	7.8
17	Japan	7.8
19	Qatar	7.7
20	United Kingdom	7.6
21	Chile	7.2
22	Belgium	7.1
22	United States	7.1

RANK	COUNTRY/TERRITORY	SCORE
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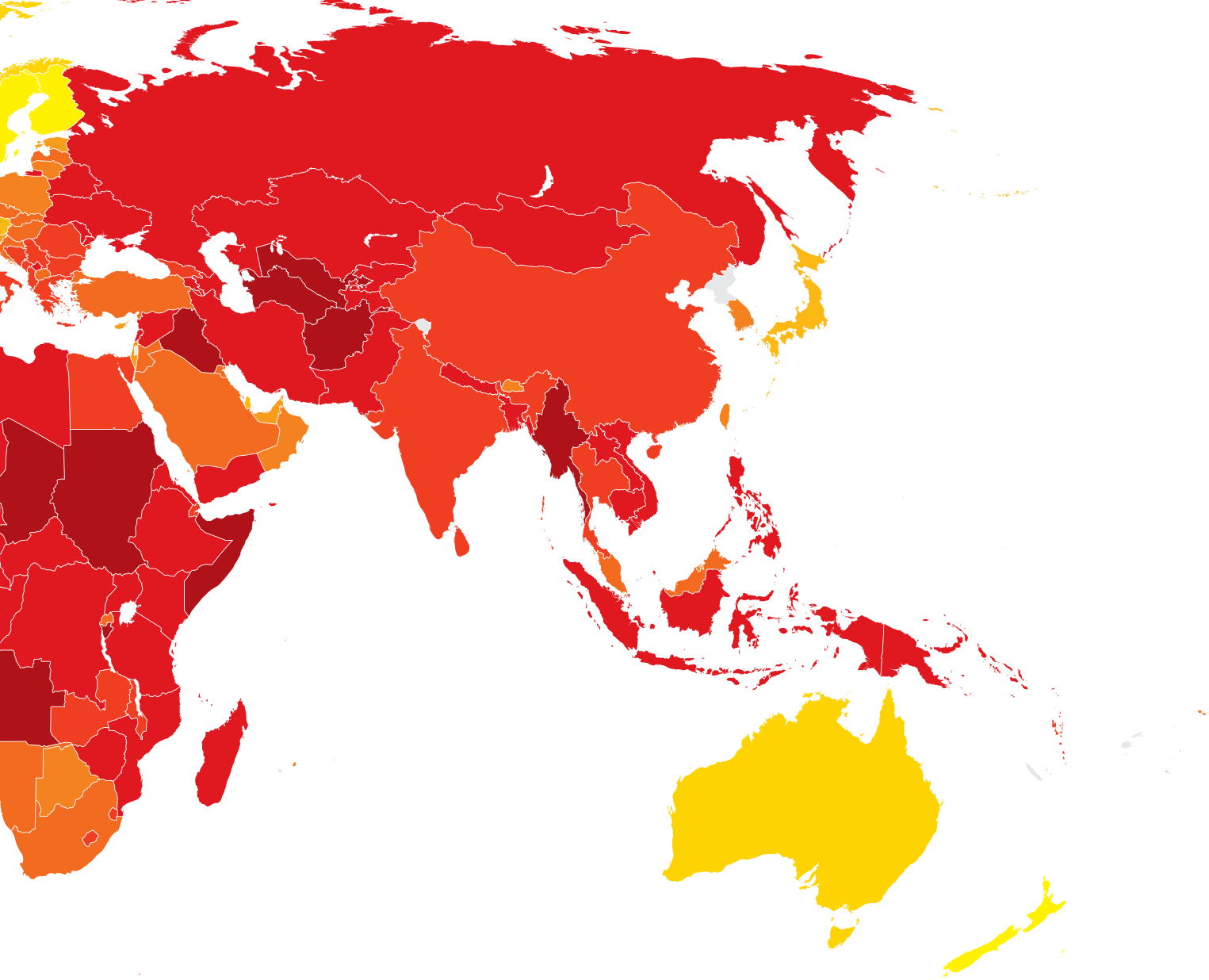
24	Uruguay	6.9
25	France	6.8
26	Estonia	6.5
27	Slovenia	6.4
28	Cyprus	6.3
28	United Arab Emirates	6.3
30	Israel	6.1
30	Spain	6.1
32	Portugal	6.0
33	Botswana	5.8
33	Puerto Rico	5.8
33	Taiwan	5.8
36	Bhutan	5.7
37	Malta	5.6
38	Brunei	5.5
39	Korea (South)	5.4
39	Mauritius	5.4
41	Costa Rica	5.3
41	Oman	5.3
41	Poland	5.3
44	Dominica	5.2
45	Cape Verde	5.1
46	Lithuania	5.0

RANK	COUNTRY/TERRITORY	SCORE
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46	Macau	5.0
48	Bahrain	4.9
49	Seychelles	4.8
50	Hungary	4.7
50	Jordan	4.7
50	Saudi Arabia	4.7
53	Czech Republic	4.6
54	Kuwait	4.5
54	South Africa	4.5
56	Malaysia	4.4
56	Namibia	4.4
56	Turkey	4.4
59	Latvia	4.3
59	Slovakia	4.3
59	Tunisia	4.3
62	Croatia	4.1
62	FYR Macedonia	4.1
62	Ghana	4.1
62	Samoa	4.1
66	Rwanda	4.0
67	Italy	3.9
68	Georgia	3.8
69	Brazil	3.7

RANK	COUNTRY/TERRITORY	SCORE
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69	Cuba	3.7
69	Montenegro	3.7
69	Romania	3.7
73	Bulgaria	3.6
73	El Salvador	3.6
73	Panama	3.6
73	Trinidad and Tobago	3.6
73	Vanuatu	3.6
78	China	3.5
78	Colombia	3.5
78	Greece	3.5
78	Lesotho	3.5
78	Peru	3.5
78	Serbia	3.5
78	Thailand	3.5
85	Malawi	3.4
85	Morocco	3.4
87	Albania	3.3
87	India	3.3
87	Jamaica	3.3
87	Liberia	3.3
91	Bosnia and Herzegovina	3.2



RANK COUNTRY/TERRITORY SCORE

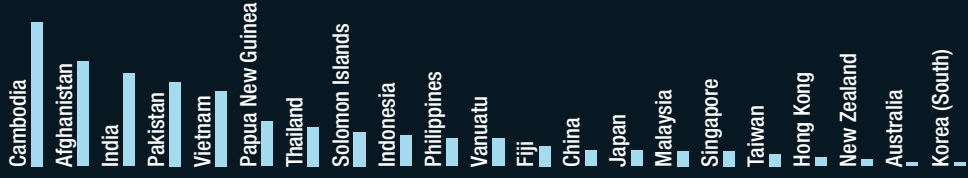
91	Djibouti	3.2
91	Gambia	3.2
91	Guatemala	3.2
91	Kiribati	3.2
91	Sri Lanka	3.2
91	Swaziland	3.2
98	Burkina Faso	3.1
98	Egypt	3.1
98	Mexico	3.1
101	Dominican Republic	3.0
101	Sao Tome & Principe	3.0
101	Tonga	3.0
101	Zambia	3.0
105	Algeria	2.9
105	Argentina	2.9
105	Kazakhstan	2.9
105	Moldova	2.9
105	Senegal	2.9
110	Benin	2.8
110	Bolivia	2.8
110	Gabon	2.8
110	Indonesia	2.8
110	Kosovo	2.8
110	Solomon Islands	2.8
116	Ethiopia	2.7
116	Guyana	2.7
116	Mali	2.7
116	Mongolia	2.7
116	Mozambique	2.7
116	Tanzania	2.7
116	Vietnam	2.7
123	Armenia	2.6
123	Eritrea	2.6
123	Madagascar	2.6
123	Niger	2.6
127	Belarus	2.5
127	Ecuador	2.5
127	Lebanon	2.5
127	Nicaragua	2.5
127	Syria	2.5
127	Timor-Leste	2.5
127	Uganda	2.5
134	Azerbaijan	2.4
134	Bangladesh	2.4
134	Honduras	2.4
134	Nigeria	2.4

RANK COUNTRY/TERRITORY SCORE

134	Philippines	2.4
134	Sierra Leone	2.4
134	Togo	2.4
134	Ukraine	2.4
134	Zimbabwe	2.4
143	Maldives	2.3
143	Mauritania	2.3
143	Pakistan	2.3
146	Cameroon	2.2
146	Côte d'Ivoire	2.2
146	Haiti	2.2
146	Iran	2.2
146	Libya	2.2
146	Nepal	2.2
146	Paraguay	2.2
146	Yemen	2.2
154	Cambodia	2.1
154	Central African Republic	2.1
154	Comoros	2.1
154	Congo-Brazzaville	2.1
154	Guinea-Bissau	2.1
154	Kenya	2.1
154	Laos	2.1
154	Papua New Guinea	2.1
154	Russia	2.1
154	Tajikistan	2.1
164	Democratic Republic of the Congo	2.0
164	Guinea	2.0
164	Kyrgyzstan	2.0
164	Venezuela	2.0
168	Angola	1.9
168	Equatorial Guinea	1.9
170	Burundi	1.8
171	Chad	1.7
171	Sudan	1.6
172	Turkmenistan	1.6
172	Uzbekistan	1.6
175	Iraq	1.5
176	Afghanistan	1.4
176	Myanmar	1.4
178	Somalia	1.1



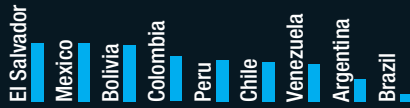
11%



5%



23%



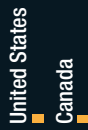
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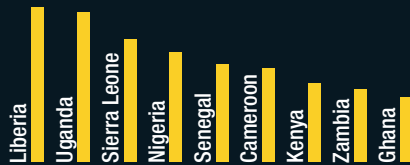
32%



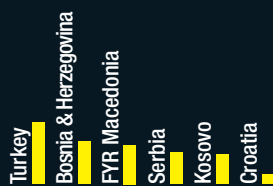
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56%



19%



Bangladesh, Morocco and South Africa are excluded from this table. For full results by country please visit www.transparency.org.

GLOBAL CORRUPTION BAROMETER 2010

SIX OUT OF 10 PEOPLE around the world say that corruption has increased over the last three years, and one in four reported paying bribes in the last year. These were the findings of our 2010 *Global Corruption Barometer*. Representing the views of more than 91,500 people in 86 countries and territories, it is the only worldwide public opinion survey of corruption.

As in previous years, the 2010 Barometer shed light on corruption's disproportionate stranglehold on the poor. Low income groups were found to be twice as likely as wealthy people to pay bribes for basic services such as utilities, medical services and education. Over half of the people surveyed in Sub-Saharan Africa reported paying a bribe in the last year – more than anywhere else in the world.

“Corruption is a regressive tax. This injustice must be addressed. Governments should do more to identify corruption risks in basic services and to protect their citizens,” said Huguette Labelle, Chair of Transparency International.

In a worrying development, reported bribes to the police have almost doubled since the 2006 Barometer, and more people report paying bribes to the judiciary and for registry and permit services than five years ago. Trust in governments and politicians is also low, with eight out of 10 people surveyed considering political parties corrupt or extremely corrupt. And half of the people questioned say their government's action to stop corruption is ineffective.

One positive sign though, is the public's willingness to engage with anti-corruption efforts. Seven out of 10 respondents thought ordinary people can make a difference in the fight against corruption, while half could imagine themselves getting involved.

“Public engagement in the fight against corruption will force those in authority to act,” said Huguette, “and will give people further courage to speak out and stand up for a cleaner, more transparent world.”

NATIONAL INTEGRITY SYSTEMS

OUR NATIONAL INTEGRITY SYSTEM ASSESSMENTS analyse a country's ability to prevent, detect, deter and penalise corruption, and to what extent they do so in practice. The assessments cover principle state and non-state institutions, such as the judiciary, political parties, the executive, anti-corruption agencies, the media and business. While highlighting strengths and weaknesses in a country's overall governance system, the assessments focus on factors of particular significance for anti-corruption efforts, namely the independence, transparency and accountability of each institution. The assessment process is always highly consultative, involving government, business and civil society representatives.

Our 2010 report, *The Good Governance Challenge: Egypt, Lebanon, Morocco and Palestine*, was based on the key findings of individual country assessments carried out in 2009. Recent events in the Middle East have brought into stark relief the desperation people felt about levels of corruption in their countries. These events confirm what our research found – that **Egypt, Lebanon, Morocco and Palestine** all suffer from unchecked executive power and lack access to information laws and whistleblower protection legislation, greatly hindering citizens' ability to report and stop corrupt practices.

In 2010, assessments were completed in **Bolivia, Kosovo, and Ukraine**. The Ukrainian assessment reported problems across sectors, including widespread political interference in watchdog institutions, fragile democratic norms in the country, a lack of political will for meaningful reform and stunted cooperation across sectors. **TORO**, our contact group in Ukraine, is putting the findings to good use, advocating for increased transparency in party political financing and stronger public sector integrity mechanisms.

2010 also saw the launch of our pan-European National Integrity System project, which will evaluate anti-corruption provisions in 26 European countries. The assessment will provide an unparalleled amount of evidence on anti-corruption systems in Europe, which will be used by our chapters and other anti-corruption organisations to advocate for reform in member states. European citizens appear to have an appetite for such reforms, with 78 per cent of those surveyed for the EU Commission's 2009 *Eurobarometer* stating that corruption is a major problem for their country.

*"THE ASSESSMENT PROCESS
IS ALWAYS HIGHLY CONSULTATIVE,
INVOLVING GOVERNMENT,
BUSINESS AND CIVIL SOCIETY
REPRESENTATIVES"*



DRIVING POLICY CHANGE

Our International Secretariat works with our chapters and partners to identify new topics and key areas. These efforts serve as the foundation for producing policy positions and working papers, as well as special thematic reports.

Policy positions draw on our experience and know-how both globally and locally to outline actions for how to combat corruption. Working papers serve to scope existing or emerging issues that are intrinsic to the work of the anti-corruption movement. All policy positions and working papers are peer reviewed by experts in the field. In 2010, featured themes included:

PRIVATE SECTOR

In light of the financial crisis, questions about how to better link corporate responsibility and anti-corruption initiatives came to the foreground – and we responded. A working paper was produced to look at how to better integrate the two movements in order to more closely and effectively mitigate risks and promote responsible business behaviour.

DEVELOPMENT

The year 2010 marked a milestone on the way to the Millennium Development Goals, a set of ambitious development pledges made by countries to be met by 2015 (see p.45). As part of our work on this topic, a working paper was produced on the interplay between gender, corruption and access to basic services. Experts from the UN Office on Drugs and Crime, the German development agency GIZ, and the British Institute of Development Studies contributed to the paper's production.

INTEGRITY SYSTEMS

Although an important tool in building integrity and fighting corruption, whistleblowing can come at a high price for those disclosing wrongdoing in an organisation. A policy position was produced by our chapters in the **Czech Republic, Ireland** and **Italy** to develop policies and processes to better protect whistleblowers. The paper drew on our study of whistleblower protection in 10 EU countries.

We also produced a working paper to tackle another integrity challenge that has surged recently: the 'revolving door' phenomenon. This movement of individuals, back and forth between public office and private companies, has plagued governments from Brazil to the United States, with recent scandals in the EU.

EXPERT ANSWERS

Since 2003, we have operated the U4 Anti-Corruption Resource Centre's online helpdesk facility, providing targeted and timely expert advice to staff of the international development agencies of Australia, Belgium, Canada, Germany, the Netherlands, Norway, Sweden and the UK.

In 2010, the U4 Helpdesk answered a record 34 queries from agency staff, each within a 10-day timeframe, through research reports called *Expert Answers*. Diverse issues were covered, such as the impact of corruption on indigenous people, integrity of carbon reduction incentives mechanisms and police reform. The service's reach within the broader anti-corruption community also expanded significantly, reflected in increased Helpdesk use and website traffic.

The Helpdesk is a powerful tool for knowledge creation and management. Focusing on the critical links between corruption, aid and development, it draws on the experience of a panel of experts, as well as on our own international network of chapters, contacts and senior advisers. It captures emerging trends and policy concerns among the international development community, keeping the anti-corruption movement at the cutting edge of the aid and corruption policy debate.

All Expert Answers are available at:
www.transparency.org
and at **www.u4.no**

ANTI-CORRUPTION RESEARCH NETWORK

A collaborative online platform, our Anti-Corruption Research Network features the latest in corruption research and fosters new corruption research partnerships across disciplines and regions. The network acts as an information service for academics and enables them to find and share information on research, datasets, corruption related curricula, jobs, events, funding opportunities and more.

A global group of young scholars serve as contributing editors, a quarterly newsletter is distributed to more than 5,000 subscribers, and research support activities include grants, paper competitions and travel sponsorship. The network places particular emphasis on engaging young scholars and researchers based in the global South. The site currently enjoys readership from more than 140 countries around the world. Membership is free and open to all.

www.corruptionresearchnetwork.org

CONTRIBUTIONS

// GOVERNMENTS, DEVELOPMENT ORGANISATIONS AND FOUNDATIONS

€500,000 and over

Australian Agency for International Development (AusAID)

Bill & Melinda Gates Foundation

Department for International Development (DFID), UK

European Commission

Federal Foreign Office, Germany

Ministry for Economic Cooperation and Development (BMZ), Germany

Ministry for Foreign Affairs of Finland

Ministry of Foreign Affairs, The Netherlands

Swedish International Development Cooperation Agency (Sida)

Between €200,000 and €499,999

Canadian International Development Agency (CIDA)

Irish Aid

Norwegian Agency for Development Cooperation (Norad)

Royal Danish Ministry of Foreign Affairs (Danida)

Swiss Agency for Development and Cooperation (SDC)

The Office of The National Anti-Corruption Commission, Thailand

TIDES Foundation, USA

U.S. Agency for International Development (USAID)

William and Flora Hewlett Foundation

Between €50,000 and €199,999

Agencia Española de Cooperación Internacional para el Desarrollo (AECID)

Christian Michelsen Institute (CMI), Norway

European Investment Bank (EIB)

French Ministry of Foreign Affairs

Norwegian Ministry of Foreign Affairs

OSI Development Foundation, Switzerland

Between €10,000 and €49,999

Comunidad de Madrid

Foreign & Commonwealth Office (FCO), UK

University of Konstanz

Please refer to the audited accounts 2010 for a detailed breakdown of the contributions and grants to Transparency International. Classification under the headlines corresponds to amounts recorded as income in the financial report for 2010.

// GLOBAL CORPORATIONS FOR TRANSPARENCY INTERNATIONAL

We seek to engage all sectors of society in the fight against corruption. The success of this endeavour is reflected in growing support from the private sector. The following companies participate in the Global Corporations for Transparency International (GCTI) initiative and contribute €50,000 or more annually. We gratefully acknowledge their support in 2010.

Anglo American

Deloitte*

Ernst & Young

Exxon Mobil*

General Electric*

Pfizer*

Procter & Gamble CEEMEA

SAP

Shell International

Tyco International*

*These companies provided financial support towards TI USA's activities. Please refer to www.transparency-usa.org for more details.

We also appreciate the generous contribution of Ernst & Young beyond their support within the GCTI initiative.

THANK YOU FOR
YOUR SUPPORT!

// OTHER PRIVATE SECTOR DONORS

BP International, HSBC Holdings, International Federation of Inspection Agencies, Norsk Hydro, PricewaterhouseCoopers, SGS

// ORGANISATIONS PARTICIPATING IN THE BUSINESS PRINCIPLES FOR COUNTERING BRIBERY (BPCB) STEERING COMMITTEE IN 2010

Corporate members

BP, General Electric, HSBC, Norsk Hydro, Organización Corona, PricewaterhouseCoopers, Rio Tinto, SAP, Shell International, SGS

Others

AccountAbility, The Conference Board, European Bank for Reconstruction and Development, International Federation of Consulting Engineers, International Federation of Inspection Agencies, Social Accountability International, Transparency International

// INDIVIDUALS AND OTHER DONORS

Accenture GmbH, Bundesanwaltschaft Switzerland, Giovanna Longo, Hanafi Hadjeres, Hans-Jörg Elshorst, J.W. Christmas, Johann Peter Jessen, John Cheung, Nextep, Patrick Kinsch, Rolf Hellenbrand, William F. Biggs

We express our sincere gratitude to those who donated up to €1,000 in 2010.

// PRO BONO RECOGNITION

We extend our gratitude to the many individuals and organisations that provided voluntary, pro bono, and in-kind services, in particular Dow Jones Factiva and Microsoft for their generosity. We greatly value the pro bono legal assistance of Covington and Burling LLP throughout 2010.

// MAKE A DONATION

The support we receive from individuals is extremely valuable. If you would like to support the international anti-corruption movement or a particular TI chapter, you can donate by credit card or by bank transfer.

Online

Donate online using PAYPAL or your VISA or MasterCard. Please visit the secure online donations page at www.transparency.org/donate

Bank transfer

Please use the following account information:

For donations in Euro

Account No: 09 33 21 45 00

For donations in US-Dollar

Account-No: 09 33 21 45 00/ 400

For donations in British Pounds

Account-No: 09 33 21 45 00/ 006

Account holder

Transparency International e. V.

Bank name: Dresdner Bank AG

Bank code: 100 800 00

SWIFT code: DRES DE FF 100

IBAN: DE64 1008 0000 0933 2145 00

Bank address: Theodor-Heuss-Platz 6, 10877 Berlin

Please note: When you make a donation by bank transfer, we will not automatically receive your mailing address from your bank. Please send us your contact details via e-mail, fax or regular mail to enable us to acknowledge receipt of your donation.

To discuss alternative ways to support us, such as donating stock, or to learn about our Endowment Fund, please contact:

Patrick Mahassen

Resources Director

Telephone: +49 30 3438 2039

E-mail: pmahassen@transparency.org

FINANCIALS

INCOME	2010	2009	2008
Government	13,649	10,260	7,555
International organisations	366	622	919
Foundations	2,749	2,214	789
Private sector	690	654	1,120
Individuals	82	45	46
Other	491	442	453
Total Income	18,027	14,237	10,882

EXPENDITURE	2010	2009	2008
International Group			
Africa & Middle East	4,660	3,172	1,310
Americas	1,178	777	995
Asia & Pacific	1,599	1,188	735
Europe & Central Asia	2,726	1,916	1,024
	10,163	7,053	4,064
Advocacy Group			
Communications	1,263	977	811
Global Programmes	3,465	3,517	2,147
Policy & Research	1,396	1,085	1,625
Special Projects and other	669	306	377
	6,793	5,885	4,960
Governance & Other	835	1,007	1,613
Total Expenditure	17,790	13,945	10,637
Transfer to designated reserves	237	292	245
Total	18,027	14,237	10,882

Amounts in thousand (€)

Transparency International e.V. (TI) is a not-for-profit association registered in Berlin, Germany*, and is tax exempt. In compliance with its charter, TI serves solely charitable purposes. TI's audited accounts are available at www.transparency.org/finances.

TI is a founding signatory of the INGO Accountability Charter and is working towards full compliance.

* Transparency International e.V. Reg. No VR 13598 B, Amtsgericht Berlin

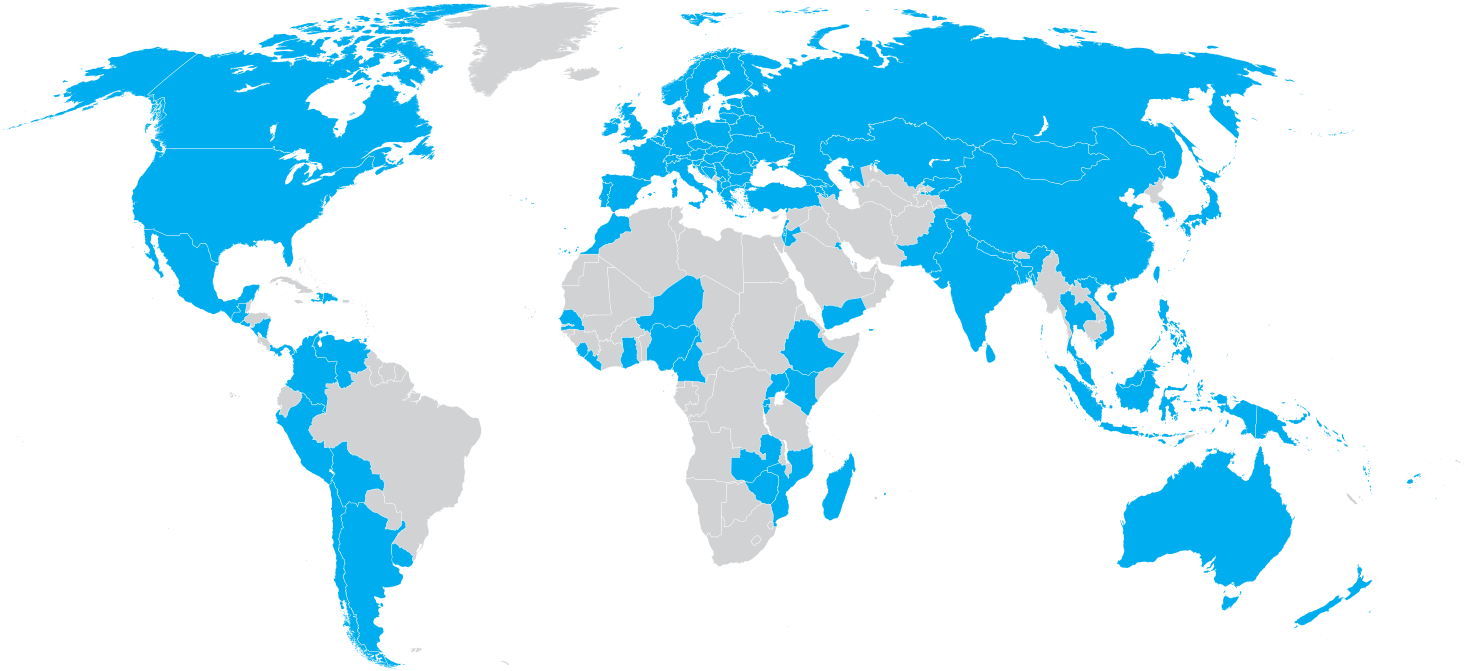
2010

WHERE THE
MONEY
COMES FROM



WHERE THE
MONEY GOES

A GLOBAL MOVEMENT



TRANSPARENCY INTERNATIONAL has an innovative organisational structure to ensure and protect both the movement's integrity, cohesion and reputation, and the diversity and richness of opinion and actions within the movement. Our anti-corruption coalition unites independent and locally governed TI chapters, as well as working with local partners around the world. Our chapters are accredited according to a set of objective standards in three stages: from national contact to national chapter in formation and finally to fully accredited national chapter status. Fully accredited national chapters pass through a review process every three years, which aims at ensuring the continuous compliance with our standards and strengthening the work of the chapters.

In 2010, TI **Albania**, **Bahrain** Transparency Society, **Kuwait** Transparency Society, Future without Corruption - TI **Kyrgyzstan**, TI **Sierra Leone**, TI **Spain** and **Uruguay** Transparente received full national chapter status.

Accredited as a national chapter in formation were: Center for Transparency and Accountability in **Liberia**, Association Pour la Promotion de la Transparence (**Luxembourg**) and DRUSTVO Integriteta - Association for Ethics in Public Service (**Slovenia**).

The newly established national contact: Transparência e Integridade, Associação Cívica (**Portugal**).

Held in November in Bangkok, our 2010 Annual Membership Meeting brought together Transparency International representatives from more than 100 countries. In addition to electing new board members, we collectively passed three resolutions: we called on governments to respond quickly to requests for information regarding stolen and frozen asset cases and for greater action from the international community to tighten money-laundering laws; we condemned attacks against journalists and civic activists around the world and specifically called upon Russian authorities to investigate and prevent such attacks; we supported the establishment of an award in the name of Amalia Kostanyan, the late chair of TI Armenia, to recognise excellence within the Transparency International community.

NATIONAL CHAPTERS

NATIONAL CHAPTERS IN FORMATION

NATIONAL CONTACTS

AFRICA AND MIDDLE EAST

Bahrain	Morocco	Liberia	Burundi
Cameroon	Niger	Mozambique	Ethiopia
Ghana	Nigeria*	Rwanda	Jordan
Israel	Palestine		Yemen
Kenya	Senegal		
Kuwait	Sierra Leone		
Lebanon	Uganda		
Madagascar	Zambia		
Mauritius	Zimbabwe		

AMERICAS

Argentina	Mexico	El Salvador	Bolivia
Canada	Nicaragua		
Chile	Panama		
Colombia	Peru		
Dominican Republic	Trinidad and Tobago		
Guatemala	Uruguay		
Haiti	USA		
	Venezuela		

ASIA PACIFIC

Australia	Pakistan		Maldives
Bangladesh	Papua New Guinea		Vietnam
China	Philippines		
Fiji	Solomon Islands		
India	South Korea		
Indonesia	Sri Lanka		
Japan	Taiwan		
Malaysia	Thailand		
Nepal	Vanuatu		
New Zealand			

EUROPE AND CENTRAL ASIA

Albania	Ireland	FYR Macedonia	Belarus
Armenia	Italy	Luxemburg	Kosovo
Austria	Kazakhstan	Mongolia	Portugal
Azerbaijan	Kyrgyz Republic	Slovenia	Ukraine
Belgium	Latvia	Turkey	
Bosnia and Herzegovina	Lithuania		
Bulgaria	Moldova		
Croatia	Netherlands		
Czech Republic	Norway		
Denmark	Poland		
Estonia	Romania		
Finland	Russia		
France	Serbia		
Georgia	Slovak Republic		
Germany	Spain		
Greece	Sweden		
Hungary	Switzerland		
	UK		

Chapter accreditation status as of 31 December 2010. Please refer to www.transparency.org/chapters for current status and chapters' individual contact details.

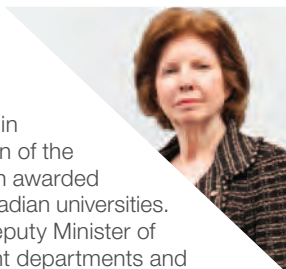
The designations national contact, national chapter in formation and national chapter do not imply any view on TI's part as to sovereignty or independent status. They are used to clarify an organisation's accreditation status within the TI movement.

*currently suspended

BOARD OF DIRECTORS

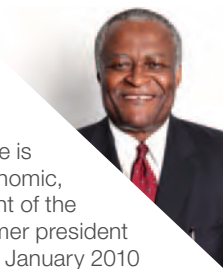
Huguette Labelle Chair Canada

Huguette Labelle holds a PhD in Education. She is a Companion of the Order of Canada and has been awarded honorary degrees from 12 Canadian universities. She worked for 19 years as Deputy Minister of different Canadian Government departments and has served on more than 20 boards. She is Chancellor of the University of Ottawa, Chair of CRC Sogema, Board Member of the UN Global Compact, member of the Group of External Advisors for the World Bank Governance and Anti-Corruption Strategy Implementation, member of the ADB Advisory Group on Climate Change and Sustainable Development, and serves on additional boards. She was elected as TI's Chair in 2005 and again in 2008.



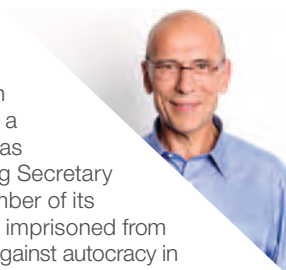
Akere Muna Vice-Chair Cameroon

Akere Muna, former president of TI Cameroon, is a lawyer by training. He is President of the African Union's Economic, Social and Cultural Council, President of the Pan African Lawyers Union, and former president of the Cameroon Bar Association. In January 2010 he was elected to the Panel of Eminent Persons, which oversees the African Peer Review process. He serves on several national commissions on legal reform and curbing corruption. Actively involved in the TI working group that helped draft the AU Convention on Preventing and Combating Corruption, he authored a guide to the Convention. He was elected Vice-Chair of TI's Board in 2005 and again in 2008.



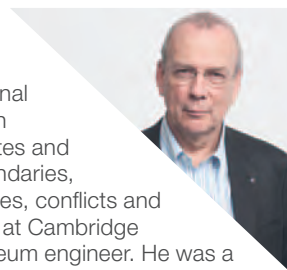
Sion Assidon Morocco

Sion Assidon, a mathematician and economist by training and a businessman by profession, was Transparency Maroc's founding Secretary General and is currently a member of its National Council. Assidon was imprisoned from 1972 to 1984 for campaigning against autocracy in Morocco. He is active in several civil society organisations in the Moroccan civil rights movement, including AMRASH, which works for sustainable development in villages of the Atlas mountains, and Espace Associatif, which promotes the work of civil society in Morocco. Assidon was elected to the TI Board in 2005 and again in 2008.



Jeremy Carver United Kingdom

Jeremy Carver is an international lawyer, with long experience in representing and advising states and governments on treaties, boundaries, resource development, disputes, conflicts and other legal issues. He studied at Cambridge University to become a petroleum engineer. He was a partner at Clifford Chance for 30 years, and is currently a consultant and Head of International Law with the firm. He was a Trustee/Director of TI-UK from 2001-2009 and is currently President of the International Law Association, British Branch; as well as Co-Chair of International Rescue Committee UK, a leading humanitarian agency. Carver was elected to the TI Board in 2009.



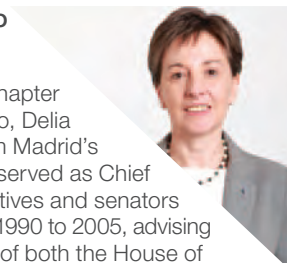
Boris Divjak Bosnia-Herzegovina

Boris Divjak is an economist by profession and holds a Masters degree in International Studies from the University of Reading. He joined TI in 2000 as founder and Chair of the Board of TI Bosnia-Herzegovina. He has researched and designed recommendations for legislation; worked on public procurement and aid related corruption; trained government officials, civil society organisations and the media. He prepared and implemented surveys and polls, including monitoring and analysis. His work has been geographically centred in the Balkans. Divjak is currently working as Operations Officer for the International Finance Corporation in Washington. He was elected to the TI Board in 2005 and again in 2008, and chairs the Membership Accreditation Committee.



Delia Matilde Ferreira Rubio Argentina

The former President of TI's chapter in Argentina, Poder Ciudadano, Delia Matilde has a PhD in Law from Madrid's Complutense University. She served as Chief Advisor for several representatives and senators at the National Congress from 1990 to 2005, advising the Constitutional Committee of both the House of Representatives and the Senate, and also served as Chief Advisor at the National Accounting Office for two years. She has consulted on anti-corruption related issues with various international organisations and NGOs around the world. She has authored numerous publications such as on democratic culture and political institutions, comparative politics, and public and parliamentary ethics. She was elected to TI's Board in 2008.



Rueben Lifuka
Zambia

Rueben Lifuka is an architect and environmental consultant in private practice. He holds undergraduate and postgraduate qualifications in Architecture, Project Management and Integrated Environmental Management. He is the founder and Chief Executive of Dialogue Africa – a private organisational development and environmental management consultancy firm. He is also the President of TI Zambia and serves on the boards of several other organisations, including Build IT International – Zambia, the Zambian Governance Foundation and the Centre for Trade Policy and Development. He is also a member of the Town and Country Planning Tribunal in Zambia. Lifuka was elected to the TI Board in 2008.



Sergej Muravjov
Lithuania

Sergej Muravjov is the Executive Director of TI Lithuania. He joined the chapter in 2005 and has overseen its steady growth and broader engagement. Muravjov has been involved in numerous TI initiatives and advocated for a more effective UN Convention against Corruption at the 2009 Conference of State Parties. He has published extensively on transparency, corruption and good governance, and has edited several books on public and private sector accountability. He has conducted consultancy tasks for the European Commission, UN Development Programme and the UK Department for International Development. Muravjov was elected to the TI Board in 2009.



Jacques Terray
France

Jacques Terray has been director and vice-chairman of TI France from 2003 to date. He holds degrees from the Sorbonne Law School and the Columbia Law School. On graduating, he joined the Paris law firm Gide, where he became the head of the banking and finance department. Terray was also French counsel to the worldwide derivatives association, the ISDA, until his retirement in 2002. He was influential in the creation of the euro and advised the Banque de France on its impact. He is a founding member of an NGO forum addressing tax havens', and contributes to TI's work on financial transparency in issues relating to the G8 and G20. Terray joined the TI board in 2010.



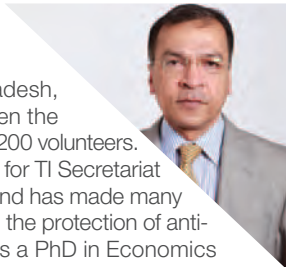
J. C. Weliamuna
Sri Lanka

One of Sri Lanka's leading public interest lawyers, Weliamuna holds a Master of Laws from the University of Colombo, where he works as a visiting lecturer. He is also an Eisenhower and a Senior Ashoka Fellow. After establishing his legal career in commercial law, Weliamuna moved into the fields of constitutional and human rights law, and became an active contributor to local and foreign media on governance and human rights challenges in Sri Lanka. He also served as an elected bureau member of the South Asians for Human Rights movement. In 2002 he became TI Sri Lanka's first Executive Director, where he served until 2010. Weliamuna was elected to TI's Board in 2010.



Iftekhar Zaman
Bangladesh

Executive Director of TI Bangladesh, Mr Zaman's leadership has seen the chapter grow to 269 staff and 5,200 volunteers. He has been a resource person for TI Secretariat work in the Asia Pacific region and has made many contributions, including towards the protection of anti-corruption advocates. He holds a PhD in Economics and has worked with the Department of International Relations of the University of Tokyo as a post-doctoral fellow. The main areas of his expertise and experience are development, governance and corruption, politics, security and regional cooperation, on which he has published extensively. He is also involved with numerous other civil society initiatives. He was elected to the TI Board in 2008.



Gérard Zovighian
Lebanon

Gérard Zovighian is Vice-Chair and founding member of the the Lebanese Transparency Association. An auditor and Managing Partner of BDO Fiduciaire du Moyen Orient in Lebanon, he has worked as an auditor in Paris for Price-Waterhouse and in London for BDO. He has had various professional roles, including as a member of the Lebanese Association of Certified Public Accountants, a lawyer of the Paris Bar, a Member of the Chambre Nationale des Conseillers Financiers, an adviser to the Beirut Chamber of Commerce and Industry, and adviser to the Board of the Order of Malta, as Knight of the Order. He was elected to the TI Board in 2005 and again in 2008.



ADVISORY COUNCIL

The Advisory Council is a group of individuals with extensive experience in the areas of TI's work and recognised personal integrity from diverse geographical, cultural and professional backgrounds. The Advisory Council is appointed by the Board of Directors to advise the Board and to support the work of the organisation.

Peter Eigen
Chairman of the Advisory Council
Germany

Founder and former chair,
Transparency International
EITI Special Representative
Member, African Progress Panel

Paul Batchelor
United Kingdom

Chairman, Crown Agents
Former deputy chair, Global Geographies,
PricewaterhouseCoopers

Peter Berry
United Kingdom

Former chairman, Crown Agents

John Brademas
USA

President Emeritus, New York University

Jimmy Carter
USA

Former president

Ugo Draetta
Italy

Professor, International Law, Catholic University, Milan
Former vice president, General Electric Company

Dolores L. Español
Philippines

Former presiding Judge of Regional Trial Court

Dieter Frisch
Germany

Former director general for Development,
European Commission

Ekaterina Genieva
Russia

Director General, State Library
for Foreign Literature, Moscow

John Githongo
Kenya

Vice president of Policy and Advocacy,
World Vision International
Former permanent secretary, Ethics and Governance
in the office of the President, Kenya

Fritz Heimann
USA

Founding Member, Transparency International

Kamal Hossain
Bangladesh

Former Minister of Foreign Affairs

Irene Kahn
Bangladesh

Former Secretary General, Amnesty International
Chancellor of the University of Salford, UK

Goh Kun
Korea (South)

Former prime minister
Former mayor of Seoul

Pascal Lamy
France

Director General, World Trade Organisation
President, Fondation Notre Europe
Former trade commissioner, European Union

Ronald MacLean Abaroa
Bolivia

Former mayor of La Paz
Former minister of Foreign Affairs

Ira Millstein
USA

Senior Partner, Weil, Gotshal & Manges

Festus Mogae
Botswana

Former president

Miklós Németh
Hungary

Former prime minister
Former vice president,
European Bank for Reconstruction and Development

John Noonan
USA

Federal Court of Appeals Judge

Olusegun Obasanjo
Nigeria

Former president

Ahmedou Ould-Abdallah
Mauritania

Special Representative of the
UN Secretary General for West Africa
Former executive secretary, Global Coalition for Africa

Khun Anand Panyarachun
Thailand

Former prime minister
Chairman, Siam Commercial Bank PCL

Mary Robinson
Ireland

Former president
Former UN High Commissioner for Human Rights

Peter Rooke
Australia

Former partner, Clifford Chance

Hartmut Ruppel
Namibia

Board of Trustees of the Members of Parliament,
Former attorney general

Augustine Ruzindana
Uganda

Former member of parliament

Soli J. Sorabjee
India

Former attorney general

Virginia Tsouderos
Greece

Former deputy minister of Foreign Affairs

Jessica Tuchman Mathews
USA

President of the Carnegie Endowment
for International Peace

Frank Vogl
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OUR FUTURE DIRECTION

OUR STRATEGY 2015 WILL GUIDE THE ACTION OF THE ENTIRE TRANSPARENCY INTERNATIONAL MOVEMENT FOR THE NEXT FIVE YEARS. THESE ARE THE SIX STRATEGIC PRIORITIES THAT WE WILL PURSUE TOGETHER:

1 PEOPLE

Increased empowerment of people and partners around the world to take action against corruption

2 INSTITUTIONS

Improved implementation of anti-corruption programmes in leading institutions, businesses and the international financial system

3 LAWS

More effective enforcement of laws and standards around the world and reduced impunity for corrupt acts

4 VALUES

Higher levels of integrity demonstrated by organisations and people, especially youth and those in leadership positions around the world

5 NETWORK

Strengthened ability to work together

6 IMPACT

Enhance responsiveness, presence, performance and impact at all levels

www.transparency.org/strategy2015

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