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TRANSPARENCY INTERNATIONAL
the global coalition against corruption



Annual Report 2008

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, Germany, TI raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle it.

www.transparency.org

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Foreword



In 1993, a few individuals began tackling corruption, giving birth to Transparency International (TI). Since then, the movement has spread to more than 90 countries fighting relentlessly to capture the world's collective conscience and bring about change.

The world today speaks to these efforts: the establishment of international anti-corruption conventions, the prosecution of corrupt leaders and seizures of their illicitly gained riches, national elections won and lost on tackling corruption, and companies' being held accountable for their behaviour at home and abroad. Where corruption has bred inequality, poverty and violence, TI has fought for justice, human dignity and security.

Now, as the devastating consequences of the global economic crisis reverberate around the world, with the poorest bearing the brunt, we are confronted with reshaping a global architecture. Those that fuelled the opacity, defective regulation and contempt for risk in the pursuit of profit betrayed voters, shareholders and the public's trust. Transparency, accountability and integrity must define this new system.

Against this backdrop, it is critical that governments deliver on the commitments they have made. Our 2008 *OECD Anti-Bribery Convention Progress Report* laid bare a dangerous lack of enforcement by too many of the world's exporting nations, while the 2008 *Bribe Payers Index* reveals that some companies continue to use bribery to win business abroad. The G8 countries' first anti-corruption accountability report at Toyako signified a step in the right direction, which TI has pushed for consistently, but their credibility will suffer unless commitments are matched with action. World leaders must unite to establish an effective review mechanism for the UN Convention against Corruption in 2009.

We have come far in 16 years, and each coming year will witness further victories, as TI continues to lead the fight against corruption worldwide.

Huguette Labelle
Chair



As a united global force, Transparency International (TI) moved forward during 2008 with strength and conviction at the local, regional and international level, decisively escalating the fight against corruption and winning ever more allies from government, the private sector and civil society.

By powerfully harnessing the local expertise of TI chapters, multi-country, regional and global TI initiatives have forged paths for national improvement and tackled priorities that transcend borders. From primary school education in Africa to political financing in Asia Pacific and international defence, the anti-corruption movement has worked together with steadfast determination to brand our issue on the world's social agenda and deliver lasting change.

Our innovative Advocacy and Legal Advice Centres continue to yield concrete individual and collective victories against corruption, delivering hope, justice and positive reform. Their explosive growth has seen the centres multiply in strength and numbers, taking root in new regions and connecting with, assisting and empowering broader populations.

TI's landmark studies on corruption risk in water and humanitarian assistance expose corruption's insidious reach, while our engagement with key partners in these areas to build practical solutions and push for reform underlines our inclusive approach. Similarly, by identifying best practice in oil and gas companies' revenue transparency, TI is working with the firms evaluated to raise the bar and engineer positive change. A specially tailored edition of the *Business Principles for Countering Bribery* was developed with businesses to arm small and medium enterprises against corruption risk at a time when transparency, integrity and public accountability are paramount.

To intensify this global momentum to the point that change is irreversible will be the defining challenge for an anti-corruption movement that is better positioned than ever to deliver.

Cobus de Swardt
Managing Director

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This report provides an insight into where and how the Transparency International movement was active in the fight against corruption in 2008.

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.

Please see www.transparency.org/chapters for their current status.



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Engaging government and business

Government and Politics

The problem

The growing in uence of money in politics means political corruption remains a core governance problem around the world. It undermines public trust in the democratic process and damages individual lives. In countries where democratic institutions remain fragile, political corruption diverts resources from providing basic social services for millions of poor and underprivileged people. Such corruption is not limited to electoral fraud – it includes the growing in uence of private rather than public interests in elections and the policy-making process.

Strong political parties that can compete for power in fair elections are essential to modern democracies. Political parties need resources for building solid organisations and canvassing public support, yet large donations have the potential to compromise the independence of elected officials, undermining democratic values and good governance. Laws and regulations cannot always prevent the undue influence of money and private interests in politics. Transparency is essential.

What we are doing about it

Transparency International (TI) builds transparency by empowering citizens, civil society and the media to oversee political financing and challenge irregularities. Working with political parties, parliaments, electoral authorities and other stakeholders, TI chapters monitor electoral campaigns, track the abuse of state resources and promote political party and electoral reforms.

Following the successful pilot of *Crinis* (ray of light), a tool that measures the transparency of political financing in Latin America, TI has expanded both its methodological and geographic scope in order to improve the measurement and effectiveness of countering political corruption in South Asia and Africa.

It represents just one of the many ways in which TI sets the stage for corruption-free elections and accountable public policy-making.



The Group of Eight (G8) Summit, Hokkaido Toyako, Japan

Ahead of the 2008 G8 Summit, TI issued its second annual G8 *Progress Report*, assessing the Group's action on key commitments to reduce corruption. The report concluded that G8 performance fell short of the mark, with serious adverse consequences for the global anti-corruption agenda. Canada, Japan and the UK's enforcement of their foreign bribery laws was low, and Germany, Italy and Japan continued to undermine the credibility of the UNCAC by not ratifying the convention. In a speech to G8 governments and global NGO representatives at the Civil G8 Dialogue (a forum for promoting civil society views), TI's Managing Director Cobus de Swardt emphasised that anti-corruption measures are integral to fighting both poverty and climate change. TI chapters in G8 countries urged leaders to provide their own progress report at the Summit.

They were rewarded with the unprecedented publication of the G8's *Accountability Report: Implementation Review of G8 Anti-Corruption Commitments*. The report examined each member's achievements in eight anti-corruption areas, including the global legal framework against corruption, fighting foreign corporate bribery, and transparency in trade and procurement. TI welcomed Russia's commitment to become a party to the OECD Anti-Bribery Convention, but in many areas the G8 did not fulfil past pledges. TI will continue to monitor and push for the implementation of the G8's anti-corruption promises.

The European Union

The TI Brussels Liaison office advocates for effective anti-corruption policies at EU level, within EU member states and in EU external action.

The fight against corruption needs to be a priority in the Union's enlargement process. Together with TI chapters in EU candidate and potential candidate countries, the Brussels office contributed anti-corruption monitoring results from South-Eastern Europe to EU progress reports. These highlighted the need for countries to promote anti-corruption and judicial reform, and to implement anti-corruption legislation before joining the Union.

In EU justice and home affairs, TI advocated for anti-corruption to become a priority. A Union-wide integrity reporting mechanism would ensure that anti-corruption reform and legislation are implemented and enforced in all member states. Based on experience in Bulgaria and Romania, TI supported the European Commission's special anti-corruption and judicial reform monitoring system.

TI also called for more transparency and accountability, and clear responsibilities between EU institutions and member states when spending EU funds, particularly those under 'shared management', such as structural funds. Following TI advocacy for the disclosure of EU funding recipients, a web-based disclosure system was established in 2008, in response to which TI developed further recommendations on increasing transparency.

At a TI workshop, 10 TI chapters, experts and EU representatives examined how to prevent corruption in the public procurement of EU funds in member states. Participants also developed materials for TI to use in training EU members' public officials in corruption risks and how to mitigate them.

Engaging government and business

Government and Politics

Africa and Middle East

TI Kenya released its 2008 *Kenya Bribery Index*, which found that 45 per cent of respondents reported to have paid bribes to speed up access to services, compared to 29 per cent last year. The index reflects Kenyans' experiences as they seek services from public institutions. Public and private sector representatives attended its launch and five follow-up meetings took place with institutions seeking to partner with the chapter to strengthen their internal integrity systems.

The **Kuwait Transparency Society** trained 30 male and female monitors for the country's 2008 elections, and distributed a 'good candidate checklist' to help voters make informed decisions. The chapter evaluated the elections and sent findings in English and Arabic to ministries, political groups, the judiciary and the media. It also introduced a *Public Sector Reform Perception Index* to evaluate public entities' transparency and accountability, and was invited by the head of the National Assembly to brief the committee for reform on its recommendations. Requests were received for replication of the index in Bahrain and Iraq.

The TI chapter in **Lebanon**, the **Lebanese Transparency Association**, launched its programme for monitoring campaign finances in the 2009 parliamentary elections. The programme aims to build local monitoring capacity, provide information on campaign financing and help civil society organisations plan advocacy campaigns for preventing conflicts of interest. A manual was developed to support 79 field monitors trained by the chapter in campaign finance.

The TI chapter **Transparency Mauritius** highlighted issues relating to the financing of political parties, by organising a public debate at the University of Mauritius. Speakers included the Director of the Joint Economic Council (the coordinating body of the country's private sector).

Vote-buying, the embezzlement of public funds and the award of tenders to party donors were among problems reported by the TI chapter in **Niger**, **l'Association Nigérienne de Lutte contre la Corruption**, in its study on transparency in political party financing. The chapter reviewed relevant laws and surveyed parties' accounting practices, income declaration, use of resources and awareness of the law. Party representatives attended the report's launch.

Transparency in Nigeria called on the Federal Government's Electoral Reform Committee to prevent people indicted for corruption from contesting elections to public offices. The chapter also advocated for the tougher application of party and campaign financing laws and that, in line with Nigeria's constitution, political parties should make fighting corruption a priority.

Following a Council of Ministers resolution, the TI chapter in **Palestine**, the **AMAN Coalition**, has been hosting a technical committee to develop a national plan to promote public sector transparency and accountability. The chapter held an accountability session on the 2008 budget with the Minister of Finance, attended by representatives of government, national and international institutions and the media, and is working with members of the Palestinian Parliamentarians against Corruption network to address gaps in legislation governing public institutions.

The TI chapter **National Accountability Group** in **Sierra Leone** carried out a voter education project to promote transparency and reduce electoral malpractices in the 2008 local council elections. The chapter created posters, produced radio slots, held rural voter education sessions, trained 20 election monitors and distributed 1,000 copies of its *Citizens' Handbook on Local Government.*

TI Zambia monitored the country's 2008 presidential elections, training monitors in 109 of the 150 constituencies. The monitors collected and analysed information on electoral malpractices, liaised with key institutions to improve transparency and carried out voter education activities. Despite new transparency mechanisms, the chapter concluded the elections were not free or fair.

Through its new *Youth Integrity Programme*, **TI Zimbabwe** contributed to civil society election observation by training more than 80 young people. Observers were trained on what electoral corruption entails and how to detect it. Findings are being used for further advocacy and the participants appreciated the role they played during these major elections. The chapter also added electoral corruption issues to the Zimbabwe Election Support Network questionnaire.

Americas

Poder Ciudadano, **Argentina's** TI chapter, launched an online database of information on how the executive branch purchases public advertising space. The free-access database aims to shed light on the relationship between the executive and the media, and is being extensively used by journalists, academia and civil society to create rankings and graphs that show whether the executive is favouring a particular media concern.



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The **Argentinian** and **Guatemalan** TI chapters, **Poder Ciudadano** and **Acción Ciudadana**, in collaboration with the Chilean civil society organisation Participa, released the first *Regional Index of Parliamentary Transparency*. The index places Argentina in the lead, with 40 per cent, while Chile obtained 32 per cent and Guatemala 17. The scores relate to the level at which the country's constitutional and legislative norms comply with 62 indicators of legislative transparency, access to information and citizen participation. The chapters hope that the index will allow comparative analysis across Latin America and help establish regional standards on parliamentary transparency and accountability.

In alliance with the Municipalities Association and two government and opposition think-tanks, the TI chapter **Chile Transparente** developed a municipal electoral expenditure manual. Distributed to over 5,000 candidates in the October 2008 municipal elections, the manual explained in simple and accessible language the financing and accountability rules of political campaigns. Candidates welcomed the manual in the financial administration of their campaigns.

The TI chapter **Transparencia por Colombia** published a study exploring 'state capture', analysing complex scenarios where legal and illegal actors seek to penetrate the state via different channels to pursue their particular interests. The study included the influence of drug trafficking, guerrillas, paramilitary groups and powerful private sector lobbies in Colombia, and opened debate among stakeholders on possible solutions.

The **National Foundation for Development (FUNDE)**, the TI chapter in **El Salvador**, monitored transparency in political party campaigning during the electoral period. The chapter succeeded in persuading all the presidential candidates to sign a commitment to transparency and the fight against corruption, with a TI representative as witness. The elected president agreed to 20 commitments, including a pledge to develop a National Transparency System from 2009–2024.

More than a million people – a remarkable 25 per cent of the population – participated in municipal forums held by the TI chapter in **Nicaragua**, **Ética y Transparencia**, to monitor the country's 2008 municipal elections. The forums brought together citizens, institutional representatives and candidates to discuss campaign proposals. Election observers had only limited access to proceedings, but the chapter reported that electoral fraud allegedly occurred in 40 municipalities, highlighting serious violations in transparency and vote counting procedures in almost all municipalities favouring the governing party.

The TI chapter in **Panama**, **Fundación para la Libertad Ciudadana**, released its first *Index of Integrity in Public Institutions*, examining the extent to which regulations preventing corruption and promoting transparency and citizen participation have been formally institutionalised in 33 public bodies. Nine institutions scored a high level of integrity, 22 a moderate level and two a low level. The index reflects the growing recognition of citizens' right to information about public

Government and Politics

institutions, and has already led several bodies to update their websites in compliance with Panama's Transparency Law.

To promote discussion on Uruguay's lack of legislation on political party financing, the TI chapter **Uruguay Transparente** organised a seminar on *Comparative legislation on political parties financing*, which included high-level government and civil society representatives from the Americas and Europe. The chapter prepared a publication on the seminar with the country's largest circulation newspaper *El País*, which it was distributed with for free. The publication consisted of questions and answers on political party financing legislation, a comparison with other countries and its importance to democracy.



Photo: Phillip Reed

During regional and local elections in 2008, the TI chapter **Transparencia Venezuela** demanded a solid commitment to fight corruption from candidates with its *Commitments for Successful and Transparent Management*. The 25 commitments included access to information, transparent budgeting and contracting procedures, and conflict of interest controls. Of more than 80 candidates who subscribed to the commitments, 17 were elected; others have subscribed since being elected. By late 2008, Transparencia Venezuela was developing tools to assess the fulfilment of the 25 issues and a training programme in transparent management for governors and their teams.

Transparencia Venezuela's *System of Indicators of Municipal Transparency* reported encouraging results. It evaluated management procedures, access to public information, and citizen participation and accountability in budgeting for 71 municipalities across the country. Although 26 municipalities had regressed, 43 had improved significantly, and eight scored more than 71 per cent – the highest result so far.

Asia Pacific

In 2008 TI chapters in **Bangladesh**, **Indonesia**, **Malaysia** and **Nepal** began using TI's *Crinis* tool to promote transparency in political finance. By raising public awareness of levels of transparency and accountability in party financing, the project aims to strengthen the legitimacy and credibility of political parties. Research will cover legislation around political financing, the role of office bearers in political parties and an analysis of political financial regulation.

Transparency Maldives coordinated the only nationwide, non-partisan domestic observation of the country's first multi-candidate presidential election, in October 2008. The chapter logged complaints sent via text message on its online database, as observers assessed electoral conduct according to international standards. Domestic and international observers, party monitors and the media were given unprecedented monitoring access and were able to watch voting and counting closely, finding both rounds of voting remarkably transparent – in contrast to previous elections. The Elections Commission also established an advisory committee of relevant stakeholders, including candidate representatives and civil society, to aid its decision-making.

A survey of 2,000 people's values around democracy and good governance by **Transparency Thailand**, showed that the value placed on honesty and integrity is seen to be compromised by personal gain: 53 per cent of respondents believe that 'too much honesty results in being taken advantage of'. Presented at a TI *Democracy Evening*, the results will be used to develop the chapter's programme on value change.

Europe and Central Asia

To promote political thinking among young people, **TI Armenia** produced a TV show in which high school students questioned presidential candidates – the country's first such show. Twenty one students (selected from more than 400 through a competition) questioned candidates on social, political, human rights, gender and security issues.

TI Armenia also conducted campaign finance monitoring in three major cities for the 2008 presidential elections. The project made recommendations to help ensure legitimate elections, analysed campaign events, revealed deficiencies in electoral legislation and recorded possible violations. Two candidates allegedly spent more on campaigning than allowed by the electoral code, and several violations over the use of administrative resources were reportedly uncovered.







Official investigations were begun into the prime minister and several ministers of the political entity Republika Srpska suspected of abusing public budgets, after two years' work by **TI Bosnia and Herzegovina**, seeking documentation and questioning major privatisations and public works. The chapter also filed a lawsuit with the Central Election Commission to establish conflicts of interest of the Federation's prime minister, which the country's court ordered the commission to act on, resulting in him being indicted for abuse of office.

In association with the Ministry for Administration and Administrative Reform, **TI Bulgaria** developed *Indicators for Transparency and Accountability* for public administration. The indicators cover civil service internal control mechanisms and civil society monitoring. The chapter also trained more than 60 public servants in regulating conflicts of interest and convened an expert group to monitor conflicts of interest in 76 municipal administrations and all regional administrations, ministries and state agencies. Key findings were presented to the Parliamentary Commission for the Fight against Corruption, to inform ongoing discussions on new conflict of interest legislation.

Following two documentaries made by Denmark's public broadcaster illustrating extensive nepotism and misuse of power in Greenland, **TI Denmark** organised two public meetings on corruption. With more than 200 participants, the meetings raised issues of an imbalanced power structure, political corruption and widespread nepotism, prompting the chapter to initiate further research.

Ahead of local elections, **TI France** asked candidates in 38 large cities to commit to anti-corruption measures around issues such as conflicts of interest, public procurement and whistleblowing mechanisms. More than 60 per cent of candidates made the commitment, 20 of whom were elected. TI France will monitor their implementation of anti-corruption proposals.

To build civil society capacity to monitor the use of administrative resources, and increase public awareness of abuses, **TI Georgia** monitored the 2008 presidential and parliamentary elections. The process included interviews with party leaders, election monitors and representatives of state institutions, and analysis of the allocation of state funds, political advertising and media coverage of candidates.

TI Italy's campaign for the reinstitution of the High Commissioner against Corruption included a three-year anti-corruption plan presented to each Italian ministry, covering 13 points, from ethics in school curricula to whistleblower protection. The chapter achieved success with the establishment of the Anti-corruption and Transparency Service in October 2008, and is pushing for its plan to be incorporated into the service's programme.

After Riga City Council was rocked by bribery scandals in 2008, **TI Latvia** produced the first systemic research on corruption risks in Latvia's municipalities. The chapter presented its conclusions to municipal representatives, the media and members of Riga's Anti-Corruption Commission, and will push for reforms to minimise the possibility of corruption in future municipal elections.

Engaging government and business

Government and Politics

"Corruption begets corruption, turning ruling elites into self-perpetuating cliques, destroying peoples' faith in government and law"

The New York Times editorial

TI Moldova's study into perceptions of conflict of interests at seven national public institutions found little understanding of the issue and low awareness of new legislation addressing it. Respondents claimed there was frequent nepotism, cronyism and use of public offices for personal purposes. The study recommended mechanisms to prevent conflicts of interest; 1000 copies were distributed to the media, public institutions, international organisations and local NGOs.

TI Moldova represented civil society in the country's working group for monitoring implementation of the National Anti-Corruption Strategy, verifying public institution reports on the strategy's implementation, commenting on draft laws and making recommendations on issues from improving institutional ethics to conflict of interest policies.

At the country's largest anti-corruption conference organised by the TI partner in **Montenegro**, **MANS**, the authorities committed to improve reporting on the implementation of anti-corruption reforms, after MANS' shadow reports, distributed to numerous stakeholders, increased awareness of shortcomings in the official reporting system.

In response to issues arising in the implementation of the Law on Political Party Financing, the TI chapter in **Serbia**, **Transparentnost Srbija**, recommended amendments to the Ministry of Finance's draft budget, which were accepted by parliament.



Engaging government and business

International Conventions

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The situation

In an increasingly globalised world, international conventions play a key role in addressing the cross-border nature of corruption. In establishing mutually acceptable rules and norms, and facilitating anti-corruption cooperation between states, international conventions provide a legal framework for action – at a global level, as with the UN Convention against Corruption (UNCAC) and the OECD Anti-Bribery Convention, or at a regional level.

The ratification and implementation of such conventions indicates states' political commitment to address corruption collectively though measures in specific areas. These include procurement, public financial management, judicial integrity, access to information, whistleblower protection, money laundering, criminal law enforcement against bribery and other offences, and the recovery of stolen assets. International conventions set standards that allow citizens and peer states to assess the progress of individual states in fulfilling their role as members of the international community.

What we are doing about it

Transparency International (TI) has continued its concerted efforts to promote an effective intergovernmental review mechanism for UNCAC, without which this key global agreement will be seriously undermined. TI's recommendations call for an impartial, transparent and cost-effective process that includes civil society input. As part of its campaign, TI has co-organised the global CSO Coalition for UNCAC and provided it with secretariat support, including advocacy work at the January UNCAC Conference of States Parties in Bali.

To monitor the enforcement of the OECD Anti-Bribery Convention, TI released its fourth TI *Progress Report*, which analyses the performance of 34 OECD countries. In particular, it emphasised a lack of enforcement in the UK. The report also presented details of important cases and investigations involving multinational companies, such as AWB, BAE Systems Plc, CBK Power Company/IMPSA/EME, Halliburton and Siemens. Its advocacy for the enforcement of the Convention remains ongoing.

Engaging government and business

International Conventions

Africa and Middle East
In a joint initiative with the Ministry of Justice and the Kenya Anti-Corruption Commission, **TI Kenya** analysed key legal and institutional gaps in Kenyan law related to the UNCAC. A draft *Gap Analysis Report* was prepared and will be forwarded to relevant public institutions.

The TI chapter **Transparency in Nigeria** met with officials from anti-corruption agencies and government ministries to advocate for Nigerian support of an effective UNCAC review process.

The TI chapter **AMAN Coalition**, held two workshops for 55 representatives from government, parliament and civil society to discuss its study of **Palestinian** legislative compliance with the UNCAC. Participants demanded that the government publish an annual report about its progress in fighting corruption, and called for an independent commission against corruption.

Americas
TI chapters from **Argentina**, **Canada**, **Chile**, **Mexico** and the **USA** assessed implementation levels of the OECD Convention against Foreign Bribery in their respective countries.

TI chapters across the region completed the second round of the follow-up mechanism of the Inter-American Convention against Corruption (IACAC). The round evaluated parts of the convention including public contracting, whistleblower protection and the hiring of public officials, as well as how governments had implemented the recommendations of the first round. Thirty-five civil society organisations took part, concluding that although progress was made on translating the convention into national legislation, less was achieved in turning the legislation into policy and practice.

In 2006, six presidents and official representatives from **Central America** and the **Dominican Republic** signed the Guatemala Declaration for a Corruption-Free Region. Two years on, TI chapters and contacts, with civil society and state representatives of signatory countries, assessed its implementation. They found regional progress on access to information legislation, public contracting and the establishment of anti-corruption bodies in all countries. But challenges remain in implementing the legislation and addressing serious gaps in political transparency, whistleblower protection and preventing corruption in poverty alleviation programmes.

Argentina's TI chapter, **Poder Ciudadano**, launched a website mapping implementation of international anti-corruption conventions at provincial, regional and national levels. The site provides a systematic appraisal of on-the-ground integration of convention provisions into both legislation and practice. It will continue to incorporate material from new provinces and countries, to strengthen its use in advocacy around implementing the conventions.

The **Haitian** TI chapter, **La Fondation Héritage pour Haiti**, drafted legislation covering the lobbying of public agents and government officials, political party financing and whistleblower protection. These laws are needed to reinforce Haiti's legal anti-corruption framework and harmonise it with UNCAC prescriptions. The drafts are being reviewed by legal experts and will be submitted to the Haitian parliament's Anti-Corruption Commission.

Nicaragua's municipal authorities are better prepared to apply the IACAC thanks to workshops run by the TI chapter **Ética y Transparencia**. The training reached around 600 people directly, and many more via a campaign including radio slots.

The TI chapter **Transparencia Venezuela** launched an online platform through which specialists, students, academia and the general public can access information on government progress in implementing the anti-corruption conventions to which Venezuela is signatory (such as the IACAC and UNCAC). A 'traffic light' system of colour-coding allows users to ascertain easily where progress has been made and where challenges remain.



"I call on member countries to work urgently with us to address major corporate governance failures. This will be a vital step to reinforcing market integrity"

Angel Gurría,
Secretary-General, OECD

Asia Pacific

After ratification of the UNCAC, **TI Korea (South)** adopted a plan to monitor government implementation of the convention. The chapter gave a presentation on the Guards of UNCAC project in its *Anti-Corruption Activist* workshop, and held an expert forum on UNCAC Gap Analysis, to raise awareness and understanding of the convention, and strengthen the civil society coalition supporting it.

Consistent lobbying efforts by **TI Malaysia** led to the ratification of the UNCAC in 2008, while **Transparency Solomon Islands** secured a commitment from its government to accede to the convention in early 2009. The chapter's advocacy efforts led the government to create a special Task Force against Corruption (with TI representation), which is working on an anti-corruption policy, making recommendations on anti-corruption reform and monitoring their effectiveness.

Europe and Central Asia

TI Germany launched an online campaign for UNCAC ratification. Chapter members were asked to use the interactive website to query their Federal MP about the issue. Fifty parliamentarians answered and the campaign succeeded in raising UNCAC's profile (**www.abgeordnetenwatch.de**).

The Greek government ratified and began to implement the UNCAC in 2008, following a sustained effort by **TI Greece**.

TI Ireland promoted implementation of the OECD Anti-Bribery Convention, leading to new anti-corruption legislation aimed at outlawing overseas bribery and promoting whistleblower protection.

Through high-level advocacy, media conferences and TV shows, the TI chapter **Civic Foundation Transparency Kazakhstan** pushed successfully for ratification of international anti-corruption conventions. After UNCAC ratification, the chapter made recommendations for the convention to be implemented into national legislation.

Engaging government and business

Access to Information



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The problem

Information opens the doors of mutual trust between citizens and their governments. When the state conducts business and makes decisions behind closed doors, it creates distrust and a space in which impunity can thrive. When citizens are denied information held by the state, they are denied their right as voters and taxpayers to hold their governments to account, properly participate in the political process and make informed decisions.

What we are doing about it

During the past 20 years, more than 80 countries have adopted access to information laws. By supporting new access to information laws, monitoring existing ones, and applying them to foster transparency in sectors like education, health and tax revenue, Transparency International (TI) works to ensure that citizens have their right to information acknowledged and protected.

Africa and Middle East

The **Bahrain Transparency Society** continued to press for free access to information. The chapter is participating in a joint project on access to information in selected Arab countries, organised by the Center for the Freedom of Expression in Morocco, and has commented on draft laws on access to information and property declaration by officials.

Within the Coalition for Freedom of Information Legislation, the TI chapter **Ghana Integrity Initiative** made a presentation to government officials, civil society representatives and the media at a public forum on World Freedom of Information Day. The chapter highlighted access to information legislation as an anti-corruption tool, and called on the government to bring such legislation (pending in Ghana since 2002) before parliament, including the coalition's recommendations.

TI Israel examined the transparency and accessibility of information on local authority websites in Israel's 15 largest cities. The chapter used an index based on the country's Access to Information Law, with additional criteria. The authorities' grades were widely publicised in the media; several subsequently improved their websites. The chapter will grade these improvements and assess additional authorities in 2009.

TI Israel assessed transparency levels in five major government ministry budgets and provided the Budget Department with recommendations for each, several of which are to be adopted. The Budget Department distributed the recommendations internally for reference in assembling future budgets. The chapter will appraise all subsequent government ministry budgets.

With members of the Freedom of Information Network, **TI Kenya** commemorated World Freedom of Information Day by lobbying the government to enact a freedom of information law. In partnership with the African Parliamentarians Network against Corruption, the chapter advocated successfully in parliament for the bill, which is expected to become law in 2009.

Working with citizens, civil society organisations, civil servants and mayors, the TI chapter in **Madagascar**, **TI Initiative Madagascar**, promoted communal budget transparency in four communes. The programme included training in transparency, accountability and integrity for more than 100 civil servants.

Experts, journalists and heads of human rights organisations attended a two-day event organised by the TI chapter in **Morocco**, **Transparency Maroc**, on access to information in **Algeria**, **Mauritania**, **Morocco** and **Tunisia**. Participants emphasised the role of technology in facilitating access to information. The chapter also supported the Open Budget Initiative, which evaluates public access to budget information and processes worldwide. Morocco's government was found to provide minimal information on budgetary and financial activities.

At a Senate public hearing on a Freedom of Information Bill, the TI chapter **Transparency in Nigeria** gave a presentation highlighting that as a party to the UN Convention against Corruption, Nigeria is obliged to have an access to information law.

Americas

Argentina's TI chapter, **Poder Ciudadano**, launched *Bibliocívica*, the country's first online library of information from various civil society organisations (CSOs) for use by journalists, academia and other CSOs.

In August 2008, **Chile's** first Freedom of Information Act was passed, enshrining the principle of transparency within public office and establishing the process by which citizens can exercise their right to access information. According to **Chile Transparente**, which played an important role in advocating for the law, the legislation puts Chile among the world's leading countries regarding access to information – especially in its provision for a regulatory Council for Transparency. The chapter will monitor the law's implementation closely.

As part of a project to strengthen civil society participation in current institutional reforms, **Participación Ciudadana**, the **Dominican Republic's** TI chapter, released its second study monitoring the introduction of electronic government. Using a points system to rank government websites by user-friendliness and how well they comply with freedom of information law, the study found much room for improvement. It called for greater interactivity and facilities for completing administrative procedures online.

Following a decade of advocacy by **Acción Ciudadana**, **Guatemala's** TI chapter, the country's first Freedom of Information Law was passed by a large majority. The law guarantees public access to information about the administration and public spending, and provides for sanctions for non-compliance. While welcoming the law, the chapter points out that it simply represents the formalisation of a constitutional right, and calls for public vigilance to ensure the law is properly implemented.

In the absence of freedom of information legislation, the TI chapter **Transparencia Venezuela**, with other civil society organisations, gathered together concerned stakeholders to increase public awareness of the right to access to information. The coalition held simultaneous activities in 10 cities, including workshops in universities, councils, journalist associations, the private sector and national administrations. Draft freedom of information legislation was presented to the National Assembly and legislative councils. The activities gained significant media coverage and generated momentum for the draft to become law.

Engaging government and business

Access to Information



"Information is powerful, people gather information, sift it, verify it and put it out and you can't strangle that"

Bob Woodward,
journalist

Asia Pacific

Following a collaborative research exercise with the Open Budget Initiative, **TI Fiji** plans to work with stakeholders towards greater transparency in state budgeting, with more effective community participation. The research project assessed the transparency of the 2007 state budget process: Fiji scored very poorly, with 12 points out of a possible 100.

To kick off a nationwide awareness campaign, **TI Malaysia** held a Freedom of Information forum, followed by a 'train-the-trainer' seminar and a six-month publicity roadshow. Initial contacts have been made with two state governments to promote freedom of information legislation.

Transparency Thailand developed a software programme that enables citizens to find information on politicians' assets and liabilities. Recognised as a major tool for accessing public information, the programme was formally given to the National Counter-Corruption Commission for use and further development.

Europe and Central Asia

More than 1,000 people attended **TI Croatia's** rock concert on International Right to Know Day in September, where key clauses of relevant laws were projected onto screens and leaflets distributed. The concert concluded the chapter's second *We Have the Right to Know!* campaign, involving country-wide events to promote freedom of information and citizens' rights.

TI Czech Republic's *Transparent Municipal Budgets* project helped the public understand local budgetary processes and contributed to control mechanisms. The chapter prepared a step-by-step guide to municipal budgeting and mapped budgeting procedures for many municipalities, highlighting weaknesses and frequent failures to fulfil obligations under the Freedom of Information Act.

Almost 8,000 requests for information were submitted to public institutions by TI's partner in **Montenegro**, **MANS**, three-quarters of which received responses – a significant improvement on previous years. When no response was given, MANS appealed to the administrative court, which ruled in its favour in 94 per cent of cases.

TI Norway organised a half-day seminar on *Transparency in Public Affairs*, focusing on access to information, whistleblowing and good public governance. The seminar examined whether current access to information rules provide sufficient protection against corruption and adequately guarantee citizens' right to know. Participants concluded that legislation is not sufficient: thorough implementation is vital.

The TI chapter in **Serbia**, **Transparentnost Srbija**, monitored the implementation of the Law on Free Access to Information and found that public institutions' online information directories are often incomplete. The chapter ranked the directories of 81 leading government institutions, making recommendations for improvements at a press conference. Many subsequently upgraded their directories.



Engaging government and business

Public Procurement

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The problem

In many countries, public procurement costs account for 15–30 per cent of gross domestic product. Such significant amounts of money, combined with insufficient safeguards against corruption in procurement processes, mean enormous sums of public funding are misspent by governments worldwide each year. As a result, funds allocated to basic public services such as water, health and education are diverted, with a devastating impact on people's lives. In addition, government credibility is undermined and opportunities for the private sector to compete on a level playing field are reduced.

What we are doing about it

Transparency International (TI) has been working to promote transparent and accountable public procurement for more than 10 years. In 2008, TI started an evaluation process of the best-known of its procurement tools, *Integrity Pacts* (signed agreements committing institutions or organisations to ethical behaviour in procurement), with a view to enhancing their effectiveness and coverage.

Through *Integrity Pacts* and other tools and initiatives, almost 50 TI chapters around the world are working on procurement issues. In 2008, TI joined the International Technical Advisory Group of the World Bank's pilot programme to promote Country Systems in Procurement. Through this and other initiatives, such as the Construction Sector Transparency Initiative (p.49) and the Hydro Sustainability Assessment Forum, TI continues to engage with international organisations to advocate for good procurement practices.

Engaging government and business

Public Procurement

"Corruption is a cancer that steals from the poor, eats away at governance and moral fibre, and destroys trust"

Robert Zoellick,
President, World Bank

Africa and Middle East

The Bahrain Transparency Society met with the government minister presiding over the Supreme Council on Tender and agreed on follow-up scrutiny of government tenders. The chapter also held a seminar to compare government tender systems in the six Gulf Cooperation Council countries.

The TI chapter in **Morocco**, **Transparency Maroc**, organised a public finance group to examine public procurement legislation. At a subsequent conference the group highlighted progress and shortcomings, including a lack of civil society consultation and weak internal oversight mechanisms.

Ministry of Finance staff and members of public procurement tender committees attended training seminars run by the TI chapter in **Palestine**, the **AMAN Coalition**, on best practices under Palestine's Public Procurement Laws. The chapter produced a public procurement report aimed at ensuring compliance with international standards in Palestine's legal framework. Fifty public officials attended workshops on the report and their recommendations were passed to the executive.

Americas

In **Argentina**, the TI chapter **Poder Ciudadano** signed agreements with the City of Buenos Aires and a nearby municipality to monitor public contracting processes, with the aim of increasing transparency and citizens' involvement. The chapter gave technical assistance in a bridge construction project and a contracting process for waste collection, enabling high public participation and the adoption of many citizens' recommendations.

TI Canada facilitated two 12-member study tours from Henan Province, China, with 35 Canadian organisations and individuals from government, the private sector, civil society and the media. The Chinese participants learned about Canadian practices, resulting in several transparency recommendations to Henan's government. Members of TI Canada subsequently travelled to the province to hold a seminar on increasing transparency and accountability in public procurement.

To help small and medium-sized municipalities manage procurement processes transparently, the TI chapter **Transparencia por Colombia** published a guide on public procurement procedures. The guide was distributed all over the country with the help of the Colombian Federation of Municipalities and can be downloaded online (**www.transparenciacolombia.org.co**).

From the dealership for licence plates to the purchase of an embassy, **Mexico's** TI chapter **Transparencia Mexicana** monitored a wide range of public contracting processes by both state and federal governments. In doing so, the chapter established a monitoring methodology and worked with professionals from different disciplines who helped oversee the processes.

Ética y Transparencia, the TI chapter in **Nicaragua**, issued two reports about its work to monitor public procurement and promote budget transparency since 2006. The chapter has set up 43 citizen evaluation committees, enabling people to monitor municipal budgets and management. It also published an evaluation of 25 municipalities' contracting processes, reporting that 70 per cent of municipalities failed to comply with legal requirements.



Asia Pacific

TI China completed its project *Promoting Transparent Procurement and Strengthening Corporative Responsibility*. The project aimed to increase public awareness on the importance of good corporate governance and the role of business in curbing corruption in the construction sector, and improve the corporate governance system in State-owned Enterprises (SOEs) in the sector to international best practices. The project's capacity building workshop on *Business Integrity and Integrity in Procurement* drew 35 participants from the top five construction companies in China, and a further training workshop built the capacity of local actors from the SOEs, public construction institutions and government officials in the application of both international and domestic best practice. As part of the project, both TI's *Business Principles for Countering Bribery* and *Implementation Guide* were translated into Chinese and published. A handbook on *Integrity in China's Construction Sector* is being produced.

TI Indonesia continued its work to develop integrity systems in four cities and regions across the country. The chapter promoted the implementation of integrity pacts, established complaint handling mechanisms and set up independent monitoring organisations with community involvement to assess the outcome of *Integrity Pact* implementation. Due to TI Indonesia's work to facilitate the implementation of an *Integrity Pact* with the National Commission for General Elections, an independent monitoring organisation has been established to monitor procurement activities around the general elections. The organisation, composed of a coalition of national anti-corruption NGOs, has reported irregularities in the procurement of vote ballots, as well as software and IT equipment, which has resulted in an investigation by the Corruption Eradication Commission.

From holding training workshops for procurement officials to monitoring regulatory compliance in public procurement advertisements, **TI Pakistan** promoted transparent procurement processes across the country. Activities also included vetting the tenders of public sector organisations who have signed Memoranda of Understanding with the chapter, and pursuing complaints made against public sector organisations for non-compliance with rules.

Europe and Central Asia

In cooperation with the Hungarian Business Leaders Forum, **TI Hungary** prepared to launch *Integrity Pacts*, after the government accepted the chapter's proposal and codified the pacts in the new Public Procurement Act.

After the Municipality of Monza adopted *Integrity Pacts*, **TI Italy** organised a five-day workshop for more than 100 public officials and stakeholders to prepare for implementation. The workshops earned prominent local media coverage, fuelling the chapter's campaign for pacts to be adopted in other municipalities.

TI Norway gave anti-corruption training in Hanoi, Vietnam, for 35 participants from the Ministry of Planning and Steering Committee on Anti-Corruption. At participants' request, the course focused on corruption risks in public procurement. One participant will continue training with the chapter in Oslo.

The TI chapter in **Serbia**, **Transparentnost Srbija**, monitored the implementation of a Public Procurement Law. The chapter identified public entities failing to fulfil procurement reporting obligations and sent initiatives to more than 100 public prosecutors to start proceedings against them, generating high public interest and uncovering flaws in procurement law implementation.

Engaging government and business

Private Sector



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The problem

The business case against corruption is indisputable. Recent corporate scandals show that rather than securing contracts and lucrative profits, corrupt practices distort competition, adversely affect development and the poor, and result in hefty fines and reputational damage. In a globalised world, accountability must be guaranteed across borders and reach all the way down supply chains. The days when companies operating in countries with widespread corruption could simply cite local conditions as an excuse are over.

What we are doing about it

Recognising the challenges corruption poses to companies, Transparency International (TI) works with multinationals and other stakeholders to develop a range of effective and practical tools for use by business. An updated version of the *Business Principles for Countering Bribery*, a dedicated anti-bribery code, was prepared for publication in 2009, to ensure its continued relevance in the field of best practices.

As more than 95 per cent of global business is carried out by small and medium-sized enterprises (SMEs), TI produced an SME edition of the *Business Principles for Countering Bribery* and encouraged larger companies to promote this tool to SMEs in their supply chains. TI also developed an interactive self-assessment tool *Enablon ABS* with Enablon, a company specialising in corporate responsibility software.

To encourage companies to improve transparency in their anti-bribery and corruption measures, TI worked on analysing the extent and quality of the reporting practices of some 500 global companies. The results appear in TI's *Transparency in Reporting on Anti-Corruption: Report on Corporate Practices*, which was published in 2009. TI continued to work with the UN Global Compact, the world's largest corporate responsibility initiative with some 6,000 participating companies and organisations, chairing a taskforce on reporting progress in implementing the 10th Principle against Corruption. TI also led an initiative with the accounting profession and the World Economic Forum to develop a *Framework for the Voluntary Independent Assurance of Corporate Anti-Bribery Programmes.*

Co-operation with other organisations led to the launch of *Fighting Corruption through Collective Action – a Guide for Business* that showcases successful collaboration between business and stakeholders to fight corruption.



Africa and Middle East

The Bahrain Transparency Society issued a statement of support to a declaration by the Crown Prince on the need for legislation to counter corruption in the public and private sectors. The chapter has repeatedly highlighted the lack of transparency in the private sector and plans a joint workshop with the Ministry of Commerce on corporate governance.

Americas

The TI chapter **Transparencia por Colombia** worked with 10 privately owned public service providers to pilot a system for measuring transparency in the sector. Through surveys and stakeholder interviews with staff, customers and shareholders, companies were assessed on disclosure of information, quality of customer service, business practices, corporate ethics and internal regulation, with scores ranging widely. The project now aims to develop transparency policies for the entire sector.

Some 100 stakeholders from the local construction sector attended a training workshop on preventing corruption in construction projects, hosted jointly by the **Trinidad and Tobago Transparency Institute**, the country's TI chapter, and the Chamber of Industry and Commerce. The workshop resulted in the formation of a stakeholder group to establish an Anti-corruption Forum for the local construction sector, to be co-ordinated by the chapter.

Asia Pacific

TI Australia and **TI Japan** actively engaged with the private sector through meetings with major companies, workshops and increased outreach with corporate members. They have worked with leading companies to improve corporate governance and encouraged them to adopt stronger measures to ensure integrity.

TI Indonesia conducted research to map corruption risks in public procurement, focusing on the identification of regulatory gaps and assessing local business associations' influence on the procurement process. The study reported that certain business associations exercise a near monopoly over public contracting. Consequently, it identified key areas of the regulatory framework in need of reform, and the need for national regulation on business associations. The chapter arranged a series of focus group discussions with national business associations and regulating agencies to draft a national strategy on how to engage the private sector in curbing corruption. A forum was established with key business associations that agreed to engage in joint advocacy for necessary reforms.

Since 2004, **TI Japan** has marked Anti-Corruption Day by highlighting the '10 Worst Corruption Scandals of the Year.' Among the stories reported in 2008 were: contaminated food distribution scams and Japan's first major foreign bribery prosecution. The event received coverage by TV and other media.

TI Sri Lanka expanded its accountability programme for the private sector in 2008, following its seminar *Building Integrity and Transparency in Business Relationships* and a roundtable discussion about the impact of the global financial crisis on the country. The programme includes coalition building with different partners and raising awareness of integrity principles.

The **Taiwanese** chapter **TI Chinese Taipei** co-hosted a conference with the Ministry of Justice which drew around 200 participants. Subsequently, the Office of Government Ethics announced a three-step plan to raise awareness of corporate integrity and ethics, encourage companies to improve risk management and adopt codes of ethics and monitoring mechanisms. An assessment system will be established to enable the public to hold business to account, which the chapter will monitor. As an additional incentive for companies, preferential bank rates are available for those that can demonstrate having good systems in place.



Engaging government and business

Private Sector

"There is no defence for corruption. Corrupt payments destroy business opportunities and drag down economic growth... Corruption undermines both free politics and free markets"

Financial Times editorial

Photo: Phillip Reed

Europe and Central Asia

TI Albania produced a report on corruption in the country's property sector, containing detailed analysis of relevant legislation, the sources of corruption, its impact on economic development and recommendations for improvement. The chapter distributed 10,000 copies of a guide on property rights and several TV channels aired talk shows based on the study, available online (**www.tia.al**).

TI Belgium's conference on *Soft Corruption in Capital and Banking Markets* attracted more than 100 attendants, and sparked widespread discussion with coverage in both the Flemish and French language press.

Together with NGO partners, **TI France** highlighted the role of tax havens in the global financial crisis and in facilitating corruption. The chapter made several recommendations to end abuses, e.g. a legal obligation for multinationals to detail tax haven activities in their annual reports. Several are under international discussion.

TI Lithuania completed the first ever study of transparency and accountability in the country's construction sector. The project examined practices in both the construction and real estate sectors, exposing corruption-prone procedures and identifying solutions to aid transparency.

With TI chapters from **Latvia** and **Sweden**, **TI Lithuania** ran a project to promote private sector accountability and the development of ethics tools. Following a panel discussion with leading Lithuanian companies, the chapter prepared a comprehensive analysis of Lithuanian business practices regarding codes of ethics.

Transparency-Zero Corruption Macedonia, the TI chapter in **FYR Macedonia**, awarded certificates for good corporate management to 19 companies from the banking, IT and manufacturing sectors. Entrants answered a questionnaire to prove, among other criteria, that they work transparently, respect human and employee rights, and support projects to improve community life and environmental issues.

At a workshop for Small and Medium Enterprises (SMEs), **TI Switzerland** used case studies and group discussions to introduce the SME edition of TI's *Business Principles for Countering Bribery*. The chapter also published a glossary of the Swiss financial system, addressing questions such as international tax evasion, defining key terms and covering leading banking institutions and critical voices in civil society.



Engaging government and business

Defence

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The problem

Global defence is big business with annual expenditure estimated by SIPRI to exceed more than US $1 trillion. Yet the defence establishment has historically been one of the least open of any government organisation. The secrecy that necessarily veils some defence activities often extends more widely than can be justified, making the sector particularly vulnerable to the abuse of corruption.

Fighting corruption and building integrity leads to a cleaner defence and security sector, which can play a crucial role in reducing corruption throughout government. Strengthening the transparency of defence allows better use of national resources, which can be allocated to defence or investments in health, education or infrastructure.

Defence companies benefit from the opportunity to compete on a more level playing field free of corruption and bribery, and from reputation gains associated with promoting best practice and reform. For governments and the military, corruption has an impact on operational effectiveness and reduces public trust in the armed forces.

What we are doing about it

Transparency International's (TI) *Defence against Corruption* programme, led by **Transparency International-UK**, brings together governments, defence companies, multilateral organisations and civil society to determine the best solutions to corruption in the defence sector.

TI contributed to the development of a curriculum for senior defence officials and military officers in NATO's *Building Integrity Training Module* and carried out follow-up work with participants to maintain momentum for reform. It also helped develop an *Integrity Self-Assessment Process*, involving a detailed country questionnaire and a follow-up visit by NATO and TI experts. Successfully piloted in **Bosnia-Herzegovina**, **Norway** and **Ukraine**, the process was refined and is ready for application in 2009.

The EU, International Monetary Fund, NATO and World Bank were among attendees at a TI *Defence against Corruption* conference in Geneva, held to increase multilateral organisations' involvement in building integrity in defence. Fifty-five participants, from 22 nations, made substantial progress on key issues: applying public financial management tools to defence and security budgets; civil society oversight of defence budgets; and the development of a global integrity alliance in defence.

Engaging government and business

Defence



"The security sector is increasingly becoming the last refuge of the corrupt"

John Githongo,
Principal, The Policy Practice Kenya;
former Permanent Secretary for Governance and Ethics in the Office of the President of Kenya

TI's international workshops at the UK's Royal College of Defence Studies included the development of national strategies for tackling corruption and strategies for rebuilding public trust in the armed forces.

Substantial research was also generated, including on defence establishment ethics and business conduct, defence corruption in Sub-Saharan Africa and defence procurement.

Progress was made towards an international defence industry anti-corruption consortium, facilitated by TI, including efforts to align US and European defence industry standards in business ethics and anti-bribery. All major defence companies in the EU have now signed up to these standards.

Africa and Middle East

The **Bahrain Transparency Society** voiced concern over the lack of transparency in the defence and security sector (confidential by royal decree) at a workshop on the state budget, organised in cooperation with the Chamber of Deputies and the Shura Council. It reiterated its concerns during a joint meeting with the Parliamentary Finance Committee, as well as to journalists, and will continue to pursue the issue.

The TI chapter **AMAN Coalition** published research on reported corrupt practices among **Palestinian** security forces, which was discussed at a workshop with 30 stakeholders. The chapter passed its recommendations to the executive authority.

Asia Pacific

TI Korea (South) continued to play a pivotal role in the country's first legally-underpinned defence ombudsman system. The chapter's Secretary General was one of the ombudsmen of the Defence Acquisition Programme Administration, with power to investigate petitions from the defence industry on issues considered illegal, unfair or not transparent. In 2008, the Ombudsmen received 27 new cases – a sizeable increase from six in 2006.

Europe and Central Asia

TI-UK also contributed significantly to a report by the Woolf Committee, which was commissioned by BAE Systems to review the company's business ethics. The chapter submitted its own detailed analysis of the Woolf recommendations to the company. These are available at **www.defenceagainstcorruption.org**.

Judiciary



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The problem

A healthy judiciary is essential to realising people's rights to justice and equality. A judiciary that can be bought or in uenced debases democracy, violates fundamental human rights and sends a blunt message to citizens: impunity rules.

Corruption can enter at every stage of the judicial system, from petty bribery by court clerks to political interference in the judicial process. Regardless of the level that corruption occurs its effects are the same: resentment, apathy and despair. A corrupt judiciary simultaneously punishes the poor and arms the powerful with the belief that they can act as they choose. A strong judiciary is critical to ensuring fairness in society, providing oversight of government and maintaining a balance of powers.

What we are doing about it

Following the publication of its 2007 *Global Corruption Report* on corruption in judicial systems, Transparency International (TI) has continued to advocate strongly for judicial transparency, accountability and discipline, fairness in appointments and decent terms and conditions. A functioning judiciary is fundamental to TI's work as a whole, for corruption can only be systemically tackled when a judiciary is able to serve as a preventive force and effectively deal with its symptoms.

Africa and Middle East

The **Bahrain Transparency Society** continued to monitor freedom of expression in the country, observing all political or freedom of expression trials, including those of journalists. As a member of the *Coalition for Civil Rights*, the chapter also attended meetings for defendants, their lawyers and relatives.

The **Kuwait Transparency Society** translated TI's 2007 *Global Corruption Report* on the judiciary into Arabic. The chapter also formulated specific recommendations to strengthen transparency in the country's judicial system.

The **Palestinian** TI chapter, the **AMAN Coalition**, worked with judges and representatives from the Higher Judiciary Council to draft a code of conduct for Council employees and refine an existing judicial code of conduct.

Engaging government and business

Judiciary

Americas

Together with 13 civil society partners, the TI chapter **Transparencia por Colombia** established a coalition to oversee the nomination and election of judges. The Visible Election of the Constitutional Court coalition addresses the roles of citizens and those making nominations and decisions, advocating for a transparent process that ensures the best-qualified candidates are selected. Through its website



(**www.eleccionvisible.com**) the coalition has provided candidates' CVs, updated the public on the election process, created space for citizens to report irregularities and increased awareness of the Constitutional Court's role.

The TI chapter in **Mexico**, **Transparencia Mexicana**, signed a cooperation agreement allowing it to monitor procurement processes within the judiciary. The agreement gives TI oversight of a public fund that finances the hiring of Electoral Tribunal magistrates and initiatives to strengthen the implementation of the law. The chapter works with professionals from various sectors as social witnesses.

Asia Pacific

To further strengthen integrity in the Fijian judiciary, **TI Fiji** held workshops around the country for representatives of community organisations and members of the judiciary. In addition to improving cooperation between the agencies, the workshops raised community awareness about available judicial services.

Members of the Malaysian Bar hold a very low opinion of the judiciary, found **TI Malaysia** when it surveyed 339 barristers in 2008. Only one of the interviewees held the judiciary in high esteem, and many claimed that both the Inferior and Superior Courts are susceptible to bribes. The survey illustrates that the chapter needs to continue its advocacy with the authorities – especially on the appointment of judges and building judicial accountability.

Europe and Central Asia

To bolster judicial transparency, integrity, anti-corruption measures and implementation of an access to information law, **TI Albania** brought together judges, prosecutors, lawyers and civil society to prepare anti-corruption strategies for Albania's four main District Courts. The project helped build a network of legal professionals committed to fighting corruption, and increased public awareness of using the access to information law to obtain court documents.

TI Austria welcomed the government's decision to introduce a new Central Public Prosecutor's Department for the Prosecution of Corruption. But the Department remains subject to directives from the Austrian Ministry of Justice, which the chapter strongly opposes, as it could compromise the independence of the public prosecutor – a leading point in its list of demands from the future government, published ahead of the 2008 national elections.

At a conference organised by **TI Czech Republic** to evaluate the performance of the country's judiciary, four expert panels focused on various stakeholders: the general public, judges, prosecutors and solicitors. A summary of the discussions was published, including recommendations for improving the integrity of the justice system, ranging from individual to systemic changes.

Under its *Judicial Integrity Programme*, **TI Hungary** began advocacy to address issues, such as delays in court cases and the allegedly biased selection of judges, including the first ever roundtable discussion between high-level stakeholders on policy recommendations. The programme aims to improve transparency in the country's judicial system by advocating for legal amendments, raising awareness among professionals and the public, and training judges in corruption risks.

To promote judicial transparency and independence, **TI Romania** published a *Guide for Integrity in Court Management*. Through a panel of experts and local monitors, the chapter analysed the judicial system's administrative capacity, producing a set of monitoring tools for the courts' administrative practice.

Securing basic needs
Poverty and Development



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The problem

Both a cause and a consequence of poverty, corruption has been recognised as being the greatest obstacle to reducing poverty. It robs resources from already hard-pressed households - even a small bribe can mean that a family must go without food or a sick child will lack medicine. Weak or non-existent accountability systems mean that aid can be siphoned off into private pockets, increasing the gap between rich and poor. Corruption excludes the poor and marginalised people from participating in decisions about their lives and can lead to resignation and apathy, undermining citizens' engagement in their societies.

What we are doing about it

In prioritising poverty reduction, Transparency International (TI) shines a light on corruption in public decisions that prevent an equitable and sustainable use of public resources – delaying and obstructing reforms that could offer people living in poverty a way out. Democracy, decentralisation and participatory development approaches all offer opportunities for their empowerment, yet it is increasingly recognised that these opportunities are captured by narrow interests. By stifling the authentic representation and participation of disadvantaged communities, they are denied a voice in their own societies.

TI works in partnership with civil society and disadvantaged people to mobilise and sustain the political will for corruption-free and inclusive development. Due to an increased public awareness of the impact of corruption, governments have added anti-corruption commitments to their promises to reduce poverty. TI empowers disadvantaged populations to hold their governments to account on these promises. Innovative anti-corruption approaches can be used by communities – particularly disadvantaged groups – to make their voices count and prevent corruption in decisions that affect their access to public goods and services.

From national policy and budget formulation to the local level delivery of basic services, TI continues to tackle corruption throughout the decision-making cycle. By addressing the policy level along with engaging at the local user level, TI forges links between lack of access, ownership rights, regulatory frameworks and the provision of public goods and services.



Securing basic needs

Poverty and Development

Africa and Middle East
At a workshop organised by the **Palestinian** TI chapter, the **AMAN Coalition**, 30 participants discussed the chapter's research paper on anti-poverty policies and obstacles to economic growth. The paper highlighted the direct impact of corruption on poor and marginalised people, including increased costs for public services, restricted access to basic services and the reduced quality of those services.

Americas
The **Dominican Republic's** TI chapter, **Participación Ciudadana**, evaluated the government's flagship social welfare programme for corruption risks, which will support an estimated 1.6 million people living in poverty. The evaluation mapped limitations in management structures and made recommendations to improve transparency and reduce corruption risks, including a Council of Ethics, a greater role for community organisations and training in transparency for programme staff.

Acción Cuidadana, the TI chapter in **Guatemala**, was invited to evaluate the transparency and accountability mechanisms of a government social welfare programme for families. Recommendations included increased transparency on the programme's website, better public communication and improvements to the complaints mechanism. The chapter then trained civil society representatives and programme beneficiaries to carry out social audits to ensure government implementation of the recommendations.

Asia Pacific
Each year almost four million Indian families living in poverty have to bribe officials for access to basic public services, according to a **TI India** study. Indian Vice President Shri M. Hamid Ansari attended the study's launch. The study forms part of the chapter's *Project Pahal*, which aims to improve governance and empower citizens through tools that will help them access public services without facing corruption. Following field research into the types of corruption people encounter, TI India provided training in transparency measures for government officials, teachers, health workers, opinion leaders, NGOs and community based organisations. The next step involves advocacy for good governance tools, such as social audits and citizen charters.

Europe and Central Asia
TI-UK organised three workshops to increase awareness of the links between aid, corruption and poverty, attended by the media, academia and the private sector. Participants concluded that civil society should play a larger role in encouraging donors and recipient governments to be transparent about aid budgets and disbursements, and in monitoring aid effectiveness. The chapter also convened an expert group to develop recommendations on helping developing countries recover stolen assets.

"...if you want to really and truly end poverty, you must make corruption history first"

Sorious Samura,
BAFTA award-winning documentary maker

Securing basic needs

Humanitarian Assistance



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The problem

Corruption undermines the very spirit of humanitarian assistance: to help those in greatest need, the victims of natural disasters and civil con icts. The costs of corruption in humanitarian relief and reconstruction – whether through fraud, manipulation of beneficiary targeting, provision of substandard goods and services or the diversion of relief resources – can effectively mean communities destroyed and lives lost.

What we are doing about it

Transparency International (TI) has improved the diagnosis of corruption risks in humanitarian assistance by engaging key humanitarian organisations (Action Aid, CARE International/US, Catholic Relief Services, Islamic Relief Worldwide, Lutheran World Federation, Save the Children US and World Vision International) as partners, supported by a team of experts in humanitarian policy research from the Feinstein International Center (FIC) of Tufts University and the Humanitarian Policy Group (HPG) of the Overseas Development Institute.

A final research report, *Preventing Corruption in Humanitarian Operations*, was published in July 2008. Through interviews with staff of TI's seven partner agencies, the study documents perceptions of corruption and its consequences in humanitarian operations. The report was complemented by two case studies surveying aid recipients, particularly on non-financial manifestations of corruption, and set out a number of recommendations for humanitarian aid providers.

During 2008, TI also researched and analysed anti-corruption practices already in place within the humanitarian community for its anticipated *Handbook on Preventing Corruption in Humanitarian Assistance*. A range of good practice examples and tools have been prepared and the handbook is due for publication in late 2009. Additional best practices have been gathered from other sources, such as the private sector, development aid and humanitarian accountability initiatives.

In parallel, TI is increasing its efforts to engage other key humanitarian stakeholders in the anti-corruption debate and to mainstream addressing corruption risks in the humanitarian strategic agenda.

Securing basic needs

Humanitarian Assistance







Americas

A year after **Peru's** devastating earthquake in Ica in 2007, the Peruvian TI chapter **Proética** assessed the reconstruction process. The evaluation reported insufficient coordination between different levels of government, a lack of trust between all entities involved in resource management and inadequate capacity in public officials. It also highlighted a lack of public information in the process. Proética has since worked to improve communication, via the media, public events, volunteer groups and a website. Its findings will be published in a handbook in 2009 to help actors in future disasters.

Asia Pacific

In Aceh, **TI Indonesia** continues to promote good governance in post-tsunami recovery programmes, supporting the public monitoring of reconstruction projects, facilitating the community complaints-handling process and providing recommendations for the improvement of aid coordination and feedback mechanisms.



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Europe and Central Asia

To increase transparency in aid allocation decisions, **TI Georgia** mapped and monitored foreign aid flows, provided public information and built a popular foundation for advocacy. The chapter compiled detailed aid information into a searchable database, which encouraged Georgia's Finance Ministry to publicise its own aid tracking data online; the databases are now being used by Georgian civil society to monitor aid flows.

TI Ireland continues its work with Irish development agencies and Irish Aid to train development NGOs on anti-corruption initiatives.



Securing basic needs

Access to Public Services

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The problem

Poor governance creates opportunities for the diversion of funds intended to provide basic public services. Where transparency and accountability mechanisms are weak or insufficient, public funds meant to provide equal opportunities of access to health care and education to disadvantaged populations are vulnerable to corruption.

Around the world 115 million children do not go to school, according to World Bank estimates. Although a fundamental human right, corruption can turn education into the preserve of the privileged. When knowledge and diplomas are only available to the highest bidder or funds meant for schools are misappropriated, children are denied the path to a better future and are taught to be corrupt from the classroom.

From counterfeiting and diluting drugs to bribing for life saving medical attention, corruption in the health sector is a lethal phenomenon. Efforts to confront global health challenges, such as HIV/AIDS, malaria and maternal mortality, can all fall victim to the disease of corruption, which contravenes the very principle of healthcare.

What we are doing about it

Transparency International (TI) works with a range of stakeholders to ensure the transparent and accountable management of public service delivery. TI maps risks and identifies solutions in partnership with citizens as the users of services and the public and private sectors providing them. While TI principally works to empower citizens to demand accountability in the delivery of public services, it also provides anti-corruption expertise to strengthen the performance and integrity of the public sector. Building civil society coalitions enables TI to create momentum for change.

Through strong evidence based advocacy, TI puts pressure on governments to adopt recommendations on public disclosure and anti-corruption mechanisms. The public sector continues to be of central importance in delivering education and health to citizens, in particular to those unable to afford private alternatives. Raising awareness of rights and higher benchmark performance in the public sector has proven successful for preventing corruption. Using change tools, such as *Development Pacts*, TI is able to set in motion concrete changes that increase integrity and performance in the delivery of basic public services.

Securing basic needs

Access to Public Services



Africa and Middle East
TI chapters in **Cameroon**, **Ghana**, **Kenya**, **Nigeria**, **Senegal**, **South Africa**, **Uganda** and **Zambia** launched a three-year programme, *Transparency and Integrity in Service Delivery in Africa*. Based on participatory research and advocacy, the programme supports African civil society in demanding transparent and accountable financial management in the education, health and water sectors. It includes knowledge exchange, peer learning and tailored capacity building for TI chapters.

Since 2007, the three-year *Africa Education Watch* programme has promoted transparency and accountability in primary education. Implemented by TI chapters in **Ghana**, **Madagascar**, **Morocco**, **Niger**, **Senegal**, **Sierra Leone** and **Uganda**, the programme aims to generate local demand for improved service delivery. It includes a national assessment, the development of national coalitions, and advocacy campaigns based on the assessment reports.

All chapters implemented a survey in their respective countries covering at least 60 schools each. Questionnaires were submitted to head teachers, district education officers, heads of Parent-Teacher Associations and to around 1,000 parents and tutors. National reports presenting the findings and recommendations are to be launched in 2009.

TI Kenya's *Citizen Demand Programme* helps empower citizens to engage actively with public service delivery institutions that espouse integrity.

Americas
Mexico's TI chapter, **Transparencia Mexicana**, was invited to monitor implementation of an action plan designed to raise standards in Mexico's education system. Created by the Alliance for Quality in Education (a joint programme between the federal government and the National Union of Education Workers), the plan covers the modernisation of schools and facilities; raising professionalism in teachers and educational authorities; pastoral care for pupils; curriculum content and evaluation. The chapter also helped design transparency tools that allowed more than 900 head teachers to present academic and financial results for the school year.

More than 197 million bribes were allegedly paid in order for Mexicans to access public services, according to Transparencia Mexicana's 2008 *National Survey on Corruption and Good Governance*.

Mexico's TI chapter measured how often heads of households reported paying bribes while dealing with 35 public services. By quantifying the cost of corruption to citizens, the survey attracted wide media coverage: for the poorest households this would equate to a tax of up to 18 per cent of their income.

Asia Pacific

As part of **TI Bangladesh's** campaign for health policy reform, the government Health Affairs Advisor, leading health professionals and NGO activists took part in an advocacy roundtable on public health service governance. A documentary on corruption in the health service was produced and the chapter gave the government feedback on its draft health policy. Recommendations included the proactive disclosure of information in public hospitals and provisions for citizen oversight to ensure accountable service delivery. The chapter also published a study exposing reports of grassroots corruption in primary education, including undue political influence, the illegal collection of fees and irregularities in the distribution of scholarships.

TI Bangladesh's biennial *National Household Survey on Corruption* measured the nature and extent of corruption in essential services as experienced by 5,000 households. According to respondents, corruption is still on the increase in education, health, land administration, local government and NGOs, despite the government's anti-graft drive. Although a corruption decrease in sectors such as law enforcement and the judiciary was registered, two-thirds of households still report experiencing some form of corruption in daily life.

In partnership with grassroots NGOs, **TI India** launched *Development Pacts* in the states of Bihar, Rajasthan and Uttar Pradesh. The pacts bring together vulnerable people and their political representatives in a mutual commitment to corruption-free local development, enabling communities to hold authorities to account over key election commitments in areas such as roads, water, schools or hospitals. The pacts are due to be signed during 2009.

As a benchmark for future improvements for the Ministry of Education, **TI Sri Lanka** interviewed 1,000 households, 100 teachers and 100 education officers in the first study of its kind on the forms and extent of corruption in education. Preliminary findings suggest that respondents believe the education system has deteriorated due to politicisation, unlawful appointments and transfers of teachers and principals. School admissions are perceived to be highly corrupt. The report and a position paper on corruption in education will be published in 2009.

Europe and Central Asia

Following the government initiation of hospital privatisation, **TI Georgia** worked to promote civil society monitoring of secondary healthcare reform. The chapter reviewed and monitored implementation of privatisation agreements, trained journalists in healthcare reform issues and provided recommendations in transparency to relevant government ministries.

The TI chapter **Transparency Kazakhstan** ran an advocacy campaign, *Education without Corruption*, aimed at teachers and students, placing posters with its anti-corruption hotline number in 20 universities and putting information about its legal advice centre on their websites.

Of 200 students interviewed from five universities, 128 said they had encountered corruption.

Having analysed reported problems of integrity in the country's secondary education system, **Transparency-Zero Corruption Macedonia**, the TI chapter in **FYR Macedonia**, submitted recommendations to the Ministry of Education. These included principles for examining students and teachers, and the establishment of a working group to identify regulatory flaws. The chapter is currently awaiting a response from the Ministry.



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Securing basic needs

Water

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The problem

One in six people on the planet don't have access to clean drinking water. In addition to meeting the water and sanitation needs of the world's six billion people, the water sector is responsible for providing 40 per cent of the world's food requirements through irrigation, and generating approximately 19 per cent of the world's electricity, according to the World Health Organization.

The special characteristics of the water sector in many countries (including monopolies, high levels of discretion and low levels of accountability) make it susceptible to corruption. Yet successfully addressing the sector's corruption issues could contribute significantly towards meeting the Millennium Development Goals, as well as increasing global access to electricity.

What we are doing about it

Transparency International (TI) activities in the water sector range from multi-stakeholder dialogues to advocacy and awareness-raising activities. Through participating in the Hydro Sustainability Assessment Forum, TI will contribute to developing benchmarks and guidelines to support sustainable hydroelectric projects – which in turn will promote good governance and curb corruption.

Building on the messages of the 2008 *Global Corruption Report*, TI, in collaboration with the World Bank Institute, managed the preparation of the report *Improving Transparency, Integrity and Accountability in Water Supply and Sanitation: Action, Learning and Experiences*. TI also teamed up with Spain's Botin Foundation and other stakeholders in producing the publication *Water and Ethics*, which was published in 2009.

Africa and Middle East

Through **TI Kenya's** *Citizen Demand Programme* a water integrity proposal was developed for joint implementation by the chapter, a partner NGO and community-based organisations in Kenya's Eastern Province.

Asia Pacific

TI Korea (South) held a water integrity workshop to apply its *Korean Pact on Anti-Corruption and Transparency* (K-PACT) to the water sector. The government both regulates and has a monopoly over the country's water supply, leaving the sector susceptible to corruption risk. TI Korea (South) plans to establish a network among major stakeholders to create an action plan for launching K-PACT.



Global Corruption Report 2008
The 2008 *Global Corruption Report* focused on corruption issues in the water sector, an area of central concern to human health, development and environmental sustainability. More than 30 scholars, water experts and practitioners were invited to explore corruption risks and provide practical policy solutions for the sector. The report also includes 35 country profiles with detailed updates on the status of the fight against corruption at national level.

The report shows that corruption is a cause and catalyst for a global water crisis that leaves more than a billion people without adequate access to safe drinking water. This has dramatic consequences for lives, livelihoods and development. Corruption affects all aspects of the water sector, from water resource management and drinking water services to irrigation and hydropower. The report presents a set of innovative policy tools and strategies to tackle corruption in the sector, highlighting that more transparency and accountability are key principles for stamping it out.

Published in June by Cambridge University Press, the report was distributed to key stakeholders in more than 100 countries and received widespread attention from print and broadcast media worldwide. Launch events included a press conference at the UN headquarters in New York, co-sponsored by the UNDP, and an expert panel discussion in Washington D.C.

The 2008 *Global Corruption Report* was produced in collaboration with the Water Integrity Network (WIN) (p. 49), a growing network of water stakeholders dedicated to the fight against corruption, of which TI is a founding member. The report's analysis and policy recommendations continue to inform a number of TI projects addressing water and corruption issues, as well as expanding WIN's advocacy, research and policy work.



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Securing basic needs

Natural Resources



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The problem

The "resources curse" has been for too long synonymous with countries rich in oil, gas, minerals and forests. A country rich in natural resources should be a blessing, but when profit takes exploitive priority over citizens' interests and environmental efforts, then lives, livelihoods and ecosystems are jeopardised.

Three and a half billion people live in countries rich in oil, gas and minerals, while almost 90 per cent of the world's poorest citizens depend on forests for their livelihood, according to World Bank estimates. Natural resources need to work for the benefit of countries' citizens, as well as addressing environmental and climate concerns.

What we are doing about it

Good governance in natural resources leads to sustainable economic growth, development and poverty reduction. Through working with governments, international institutions, the private sector and civil society to promote transparency and accountability, Transparency International (TI) seeks to turn the resource curse into the blessing it should represent.

Promoting Revenue Transparency

The 2008 *Report on Revenue Transparency of Oil and Gas Companies* evaluates 42 leading oil and gas companies from around the world on their current policies, management systems and performance in revenue transparency in their upstream operations. The report involved extensive engagement with several key stakeholders, including the companies themselves.

The project provides solid information to companies, investors, governments and civil society, contributing to increased accountability in natural resource wealth. It finds that companies do not always report sufficiently on payments to governments where they operate.

Given the prominence of natural resource scarcity on the global agenda, TI believes it can make a major contribution to transparency and accountability in this area by working with companies to improve reporting on revenue payments. In 2008, TI re-engaged with companies in order to discuss the methodology for the next edition, due in 2011. It also organised and moderated an event on the extractive industries during the 2008 UN *Conference on Financing for Development* in Doha, Qatar.



In addition, the *Promoting Revenue Transparency* project supports the most prominent multi-stakeholder effort to promote revenue transparency, the Extractive Industries Transparency Initiative (EITI), and collaborates with other key partners, including CAFOD, Care, Publish What You Pay Network, Revenue Watch Institute and Secours Catholique-Caritas France.

Project research and outreach also involves the participation of many TI chapters, such as **Australia**, **Austria**, **Azerbaijan**, **Canada**, **France**, **Indonesia**, **Italy**, **Japan**, **Kazakhstan**, **Malaysia**, **Mexico**, **Nigeria**, **Norway**, the **UK**, **USA** and **Venezuela**, many of which are the location of either oil and gas company headquarters or operations, or both.

Africa and Middle East

In collaboration with the local EITI secretariat, the TI chapter **TI Initiative Madagascar** carried out awareness raising and advocacy activities.

Forum Civil, the TI chapter in **Senegal**, in collaboration with OXFAM, held a workshop to promote its research report *Governance and Corruption in the Management of Natural and Environmental Resources*. Many stakeholders such as the State, the Senate and civil society participated in the workshop. An agreement was signed with the Luxembourg Agency for Development Cooperation to further promote policy reform in the regions where the agency operates.

Asia Pacific

TI Bangladesh published a study exposing reports of corruption in the forestry sector. The 16-month study on forest conservation and management shone a spotlight on officials reportedly engaged in illegal logging worth millions of dollars a year, and an auction system for the appointment of high-level jobs, in which the person who pays the biggest bribe receives the job. Following the release of the report a dozen top forestry officials were detained on corruption charges.

TI Indonesia welcomed the government's announcement that it intends to work towards compliance with the EITI and to make an application to become an EITI candidate.

Europe and Central Asia

At a conference organised by **TI-UK** and the think tank Chatham House, more than 50 experts examined links between Europe's energy security and corruption in Eurasia. Issues included low transparency in oil and gas company ownership, and how to bring Russia into the EITI.

Empowering change
Protecting and Advancing Rights



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Hikmet planned to convert the front room of his small apartment into a flower shop. After the fall of Communism in Azerbaijan, almost every other ground-floor apartment on his Baku street had been converted into small shops by their residents.

Considering it as a means to supplement his veteran's pension, which was barely enough to cover his food and heating costs, Hikmet approached the municipality to apply for planning permission. Shortly after, he was contacted informally by an individual who offered to 'ensure his planning application was accepted' in return for US $10,000, a figure that far outstripped his annual pension. Hikmet refused, and shortly afterwards his application to open the flower shop was deferred.

Hikmet approached Transparency International Azerbaijan. He was concerned that his application had not been successful because he did not pay the bribe. With their legal advice and support, Hikmet appealed against the decision in court, which ordered the municipality to process his application fairly. After some time, Hikmet was given permission to open his flower shop. This action marked an important step forward in post-communist Azerbaijan, setting an important precedent for citizen's being willing to use the judicial system to hold authorities to account.



This case is one of hundreds processed by Transparency International's Advocacy and Legal Advice Centre at TI Azerbaijan. The centres, now in 33 countries, provide assistance to victims and witnesses of corruption, helping them to pursue their complaints.



Photo: Participación Ciudadana
(Dominican Republic – anti-corruption march)

Through Advocacy and Legal Advice Centres (ALACs), Transparency International (TI) chapters around the world offer free assistance and advice to victims and witnesses of corruption. Based on citizens' experience, they also advocate for structural change through institutional, procedural and administrative anti-corruption reforms.

Over the year, tens of thousands of people have called the centres' corruption hotlines, recounted their experiences, and received advice and legal support. From pensioners to entrepreneurs, clients span all sectors of society, and the diversity of their allegations – ranging from small bribes to multi-million dollar fraud – shows the pervasive nature of corruption. Based on these individual experiences, the centres go on to build effective, credible advocacy campaigns that are rooted in concrete evidence while preserving strict client confidentiality.

In the TI multi-stakeholder tradition, the centres aim to develop working partnerships with government institutions responsible for preventing corruption, through dialogue and informal feedback. Some centres advise government institutions and departments on how best to respond to citizens' corruption complaints. Experience shows that over time, as a centre proves itself a constructive and persistent presence, government institutions become increasingly responsive to ALAC supported complaints. Virtually all the centres have positive relations with relevant ministries, and the number of active relationships continues to grow.

Piloted in 2003 in the Balkans, ALACs have flourished in eastern and south-eastern Europe. In 2008 the network expanded significantly to 32 centres operating in 23 countries, with new ones in **Armenia**, **Kazakhstan**, **Kosovo**, **Kyrgyzstan** and **Russia**. **Guatemala**, **Morocco**, **Palestine** and **Zambia** also successfully pioneered the approach in their regions, and 20 more TI chapters plan to launch centres in 2009, from **Fiji** and **Lebanon**, to **Nepal**, **Rwanda** and **Uruguay**.

A global results tracking mechanism was created in 2008 to measure the ALACs' effectiveness at translating information from individual cases into systemic anti-corruption change. Learning will be shared regionally and cross-regionally to further guide and strengthen the ALAC community.

Empowering change

Protecting and Advancing Rights

Africa and Middle East

TI's *Mediterranean Advocacy and Legal Advice Centres* programme established ALACs in **Lebanon**, **Morocco** and **Palestine**. The programme tackles public apathy and the lack of complaint mechanisms for victims and witnesses of corruption. As well as addressing individual cases, the centres will run high-profile publicity campaigns to promote systemic change and improve national integrity.

Representatives from **TI Cameroon** met with Cameroon Prime Minister M. Ephraim Inoni to discuss the *Change Habits, Oppose Corruption* programme, the forthcoming appointment of members of the elections management body and the role of civil society in the mechanisms of the fight against corruption in the country.

From 2006–2008, the TI chapter **Ghana Integrity Initiative** ran *Increasing Transparency and Accountability in Ghana*. Achievements included 'train-the-trainer' workshops on conflicts of interest for public officers and civil society representatives; radio programmes on the country's assets declaration and conflict of interest regulations; and the first roundtable meeting between key accountability institutions.

TI Kenya's ALAC initiative began with signing Memoranda of Understanding with several rights-based institutions, including the Federation of Women Lawyers. Public institutions such as the Kenya Anti-Corruption Commission also expressed interest. The chapter also promoted the Proceeds of Crime and Anti-Money Laundering Bill, to help asset recovery in corruption cases.

Through town hall meetings, street forums, radio shows, text messages and T-shirt distributions, TI's partner, the **Center for Transparency and Accountability in Liberia**, promoted the National Anti-Corruption Strategy. It also lobbied the legislature over an access to information law, a code of conduct for public officials and the establishment of a Liberian Anti-Corruption Commission (which was achieved).

The **Palestinian** TI chapter, the **AMAN Coalition**, held a workshop to discuss draft regulations on conflicts of interest and whistleblower protection. Participants from the Cabinet, Legislative Council, various ministries and NGOs proposed amendments to the regulations and to related articles in the Palestinian Penal Code. The chapter submitted the draft regulations for Cabinet ratification.

The TI partner **Transparency Rwanda** plans to launch its first ALAC in 2009 and has ambitious plans to establish 13 ALACs across the country in coming years. The chapter will work in collaboration with relevant government institutions, the police, Rwandan Lawyers without Frontiers and university legal clinics.

Americas

In the absence of whistleblower legislation, the TI chapter in **Paraguay**, **Transparencia Paraguay** set up a service to help citizens report violations of the electoral code in 2008's presidential elections. As a result of the reports received, there are now 71 open cases on electoral crimes, for the first time since the code came into force 15 year ago. Of those cases, four have been charged, two filed and five rejected. The outstanding cases remain open.

Asia Pacific

Whistling while they Work is a major public sector research survey from a group of Australian organisations including **TI Australia**, which will form the basis for new whistleblower protection laws. The chapter has worked to build solid relationships with Federal Ministers responsible for integrity and corruption issues, and made submissions to major inquiries into whistleblower protection and stronger anti-corruption oversight of law enforcement agencies.

TI Bangladesh's in-house and satellite *Advice and Information Desks* (AI-Desks) continued to work in 36 locations across the country during 2008, helping people confront corruption in key public sectors from education and health, to law enforcement and land administration – as well as some non-government services such as micro-finance. AI-Desks are staffed by volunteer activists (including many from the chapter's youth engagement programme), with help from relevant professionals when needed.

TI chapters in **Fiji**, **Nepal**, **Pakistan**, **Papua New Guinea** and **Vanuatu** worked with the TI Secretariat to establish ALACs in their respective countries. The centres will be launched in 2009 to help victims of corruption report and resolve their complaints and bring about systemic improvements in the fight against corruption.

"Corruption is a major cause of human rights violations and it has a domino effect resulting in conflicts, entrenched marginalisation, greater poverty, the dismantling of institutions, the subversion of justice..."

Irene Khan, Secretary General,
Amnesty International

Europe and Central Asia

The government awarded **TI Czech Republic** the contract to operate the country's anti-corruption hotline, which enables citizens to submit complaints. In 2008 the hotline provided free legal advice to more than 600 people.

TI Denmark initiated dialogue with stakeholders including trade unions, the media and employers' organisations on the development of a formal whistleblower institution in Denmark, to secure fair and unbiased handling of whistleblowers.

TI Hungary compiled draft legislation on whistleblower protection, which the government introduced as a bill.

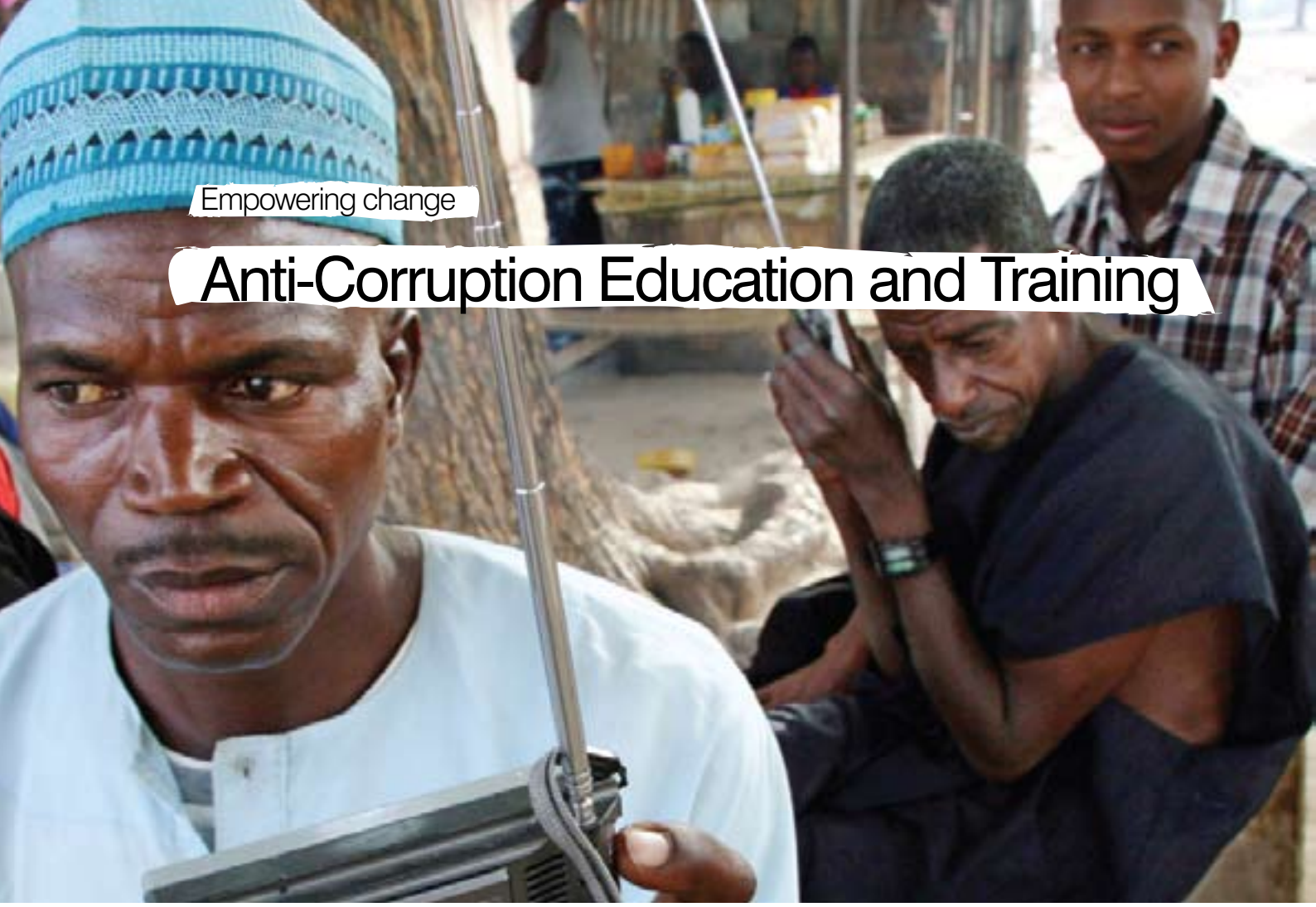
The TI chapter **Transparency Kazakhstan** opened two ALACs, which have received government support in resolving individual cases and in making systemic changes, e.g. a state anti-corruption hotline and the creation of a Council on the Rule of Law. ALAC staff educated people in fighting corruption through a practical guide, training in remote districts and mass media campaigns.

During **TI Moldova's** concert *Say NO to Corruption!*, popular performers denounced corruption to an audience of 5,000. The concert was widely publicised by Radio KISS-FM and student volunteers distributed leaflets, calendars and TI publications. The chapter also made a 20-minute documentary on political party financing, broadcast ahead of Moldova's 2009 elections, and ran anti-corruption spots and competitions on KISS-FM.

The TI partner in **Montenegro, MANS**, gave free legal assistance to more than 60 people wanting information from public institutions, and to more than 270 citizens and groups in general, initiating legal procedures in nearly 60 per cent of reported cases of corruption. MANS also submitted to the prosecution 20 corruption cases reported in the media.

TI Netherlands worked actively to increase its visibility in government and business circles. Preparations began for three conferences in 2009, the first of which is on whistleblowing and will feed into the current legislative agenda.

The **Center for Anti-Corruption Research and Initiative, TI Russia**, launched an online office containing information on legal procedures, step-by-step instructions and contact details for sectors considered affected by corruption, such as the police. The service was developed in consultation with media, NGO and legal sector advisors. By early 2009, the site had attracted almost 20,000 visitors. The chapter also launched two anti-corruption helpdesks to provide free legal information, including an online office (**www.askjournal.ru**).



Empowering change

Anti-Corruption Education and Training

© Tugela Ridley/IRIN

During 2008, the Transparency International (TI) Secretariat welcomed more than 500 visitors to its offices in Berlin for presentations on corruption and TI's work around the world. The diverse groups included journalists, lawyers, students and NGO representatives from all around the world.

Africa and Middle East

TI's partner in **Burundi**, **ABUCO**, opened an information and documentation centre that has received more than 500 visitors. In addition to a library used extensively by academics and students, it provides audiovisual anti-corruption materials, including films, songs, cartoons and poems collected through a competition. ABUCO also organised training for 80 anti-corruption activists, and a 'train-the-trainer' forum.

TI's partner **Transparency Ethiopia** started a weekly Amharic radio programme to provide a platform for public, government, private sector and civil society discussion on corruption. The chapter also commissioned an anti-corruption film shown to around 1,000 students from Addis Ababa University, and is working with Ethiopia's Federal Ethics and Anti-Corruption Commission to increase public awareness of corruption through quarterly panel discussions.

Under its *Promoting Democracy and Good Governance* project, the TI chapter **Ghana Integrity Initiative** held nine two-day regional workshops for public officials, political parties, civil society, and religious and youth leaders. The chapter has secured funding to build on the project for the next three years and plans to conduct a national survey on citizens' perception of corruption.

From basic lectures to in-depth courses, **TI Israel** educated more than 1,000 people from the public, private and NGO sectors in 2008. Courses ranged from business ethics to assessing corruption levels. The chapter also organised conferences on transparency in academia, research into transparency, and ethics among boards of directors.

To inform citizens of their rights, **TI Kenya** published a booklet, based on research into traffic regulations, police powers of arrest and detention, and court procedures (all of which provide opportunities for bribery). Owing to high demand, the booklet will be re-launched countrywide.

The TI chapter in **Morocco**, **Transparency Maroc**, worked on a guide to give people practical information on administrative procedures and advice based on corruption victims' experiences. The chapter sends its *Transparency News* (in Arabic and French) to journalists, NGOs, government officials, embassies and partner organisations.

As part of a partnership with the Ministry of Education, **Transparency Maroc** launched a study on how the values of integrity and good governance are portrayed in schoolbooks.

More than 150 law students attended training on **Palestine's** legal framework for combating corruption, organised by the TI chapter in Palestine, the **AMAN Coalition**. They examined causes and forms of corruption, the UN Convention against Corruption, and made recommendations for combating corruption. The chapter also worked with 12 youth institutions to raise awareness of the UN convention and build their capacity to combat corruption.

For four years, the TI chapter in **Sierra Leone**, the **National Accountability Group**, has supported and trained 25 rural women's groups, helping members (who have never been to school) to monitor community development drives through book-keeping and report writing. At an evaluation session, the women demonstrated their success and received recognition from local authorities.

TI Zambia received a positive public response to its three anti-corruption TV documentaries on TI's Advocacy and Legal Advice Centres, the media's role in fighting corruption and financial transparency. The chapter also held workshops to engage government, civil society, the private sector and rural communities in monitoring public service provision and identifying anti-corruption strategies.

Americas

The TI chapter **Chile Transparente** earned the support of UNESCO and the Ministry for Education for its initiative *Training in Values and Citizenship*. Piloted with 450 pupils in eight Santiago schools, the ongoing project aims to incorporate the teaching of values to children in primary education.

The **Haitian** TI chapter, **La Fondation Héritage pour Haiti**, launched a network of Committees of Citizens against Corruption. The chapter prepared Creole training materials and held workshops for 71 grassroots group leaders. Fifty-eight participants from all eight communities involved agreed to set up committees. Further training will enable them to educate their communities about corruption, empowering people to monitor governance at national and local levels, and to advocate for reforms to promote transparency. The chapter plans for the network to evolve into a nationwide platform within three years. In order to reach new audiences, the chapter also re-broadcast its 2007 anti-corruption radio soap opera on Port-au-Prince's Radio Kiskeya and on 41 community radio stations, reaching more than 2.5 million listeners.



Photo: K-PACT

Asia Pacific

TI China heads a network of national research in universities on the development of integrity curricula. The first annual workshop was held in August with more than 100 participants from 20 universities. The next one is scheduled for August 2009 where ideas for the implementation of the curriculum will be exchanged and further developed.

As part of its *Youth Integrity Programme*, **TI Korea (South)** sent students to visit civil society organisations in Cambodia and take part in workshops with Cambodian students on the links between poverty and corruption. The chapter also held nine monthly anti-corruption lectures to increase the engagement of its members with the TI global movement and strengthen the country's anti-corruption network.

TI Nepal's *Campaign in Schools* helped to foster an anti-corruption culture among future generations, promoting the importance of integrity and solidarity. Support groups engaged in activities such as publishing anti-corruption education material to strengthen moral values of school students, and integrating accountability and good governance concepts. To expand the campaign, TI Nepal student clubs were formed in different schools.

Empowering change

Anti-Corruption Education and Training

Through its *Child's View of Corruption* programme, **TI Pakistan** held poster, essay, and drama competitions for 8,000 schoolchildren (half of whom were girls). The winners were honoured at an awards ceremony and winning entries were posted on the chapter's website. The competition provided motivation for youths to participate in anti-corruption activities, including two workshops, two lectures and a debate competition.

TI Papua New Guinea produced teaching resource kits providing lessons about corruption and the functioning of civil society, parliament, the executive and the judiciary. The chapter also ran a week-long Youth Democracy Camp where 55 students from 25 schools learned skills in human rights advocacy, debating and communication, and the promotion of good governance and leadership. Several students were involved in two radio programmes on human rights and corruption, which the chapter hosted to commemorate International Human Rights Day.

To help the media fulfil its anti-corruption watchdog role, **TI Sri Lanka** trained 21 national reporters in investigative journalism, in partnership with the Sri Lanka College of Journalism, and held a regional workshop on investigative journalism for a further 27 national and regional print and electronic media journalists.

More than 500 youths attended camps organised by **Transparency Thailand's** new *Youth Society for Democracy and Good Governance* to raise awareness of corruption and democracy. A pilot programme was also conducted in six schools, introducing concepts of anti-corruption, democracy and good governance into their curricula.

TI Vanuatu trained journalists in investigative reporting, resulting in 25 radio programmes on the fight against corruption and civic participation – with an overwhelmingly positive public response.

Europe and Central Asia

TI Azerbaijan helped the Ministry of Education develop an anti-corruption action plan, creating a tailor-made course for teachers in schools and universities in five cities.

Lectures, games and role playing helped participants at **TI Latvia's** summer camp tackle issues including corruption, party financing and good governance. The chapter also gave lectures to more than 350 high school students, organised teacher seminars and produced an educational supplement on good governance and anti-corruption issues.

TI Moldova reached almost 4,000 citizens through its anti-corruption workshops. To build a network of people to conduct anti-corruption workshops in rural areas, it ran 'train-the-trainer' sessions. The best 10 participants were selected to lead 98 workshops. The chapter held a further 63 workshops on the national anti-corruption legal framework, the petition system (for requests or complaints to institutions) and addressing conflicts of interest.

A **TI Mongolia** team travelled more than 26,000 km to carry out nationwide training for judges on preventing corruption in public procurement and judicial systems. Delivered by academic and legal experts, the training reached 80 per cent of Mongolia's judges and 310 law clerks and court workers. The team also distributed literature on freedom of information and conflict of interest resolution.

Empowering change

Recognising Leadership



(Roman Shleynov / David Leigh)
Photos: Oliver Martin

Integrity Awards 2008
Each year Transparency International's (TI) *Integrity Awards* recognise the work of individuals and organisations whose untiring and courageous efforts provide inspiration to the anti-corruption movement. Past winners range from accountants and public prosecutors to government officials and pharmacologists. Their backgrounds may be diverse, but the message is clear: corruption can be beaten.

The 2008 *Integrity Awards* honoured two remarkable investigative journalists, David Leigh, Investigations Editor at the Guardian (UK), and Roman Shleynov, Investigations Editor at Novaya Gazeta (Russia). Tribute was paid to their painstaking research and resolute exposure of corruption in defiance of bureaucratic obstacles and the risk of legal action against them.

At the awards ceremony in London, key note speaker Irene Khan, Secretary General of Amnesty International, joined TI Chair Huguette Labelle in praising the courage and determination of the winners, underlining the importance of their work for laying bare both corruption and human rights abuses.

Underlining the great personal risk individuals can face by speaking out against corruption, homage was paid to one of TI's first *Integrity Award* winners, Sri Lankan newspaper editor Lasantha Wickramatunga, who was brutally murdered in January 2009.

> "They have navigated through murky waters and investigated powerful forces to penetrate secret webs, expose failed accountability and show how corruption diminishes the functioning of our societies"
>
> Huguette Labelle
> Chair, Transparency International

Empowering change

Recognising Leadership



Photo: Liao Ran

Africa and Middle East

TI Israel granted its annual *Transparency Shield* to seven local authorities working towards promoting a code of ethics. The chapter itself received an award from the country's National Council for Social Development, for promoting transparency and ethics to the Israeli public, and ethical codes in the private sector.

At its *Transparency Festival*, the **AMAN Coalition**, the TI chapter in **Palestine**, gave awards to two journalists for investigative reporting (on expired and counterfeit food and medicines, and urban sprawl in agricultural areas), and to a whistleblower who exposed corruption in the Palestinian Broadcasting Corporation. The chapter featured in the Arab Reform Forum's 20 best NGOs and received the 2008 Welfare Association Award for Achievement by a Palestinian NGO.

Americas

TI's regional awards for the *Best Investigative Journalism Report on Corruption* attracted 170 entries from 16 Latin American countries. Held in partnership with the Instituto Prensa y Sociedad (the Press and Society Institute), the awards promote the investigative reporting of corruption cases and are the only ones of their kind in the region. The winning entries were two series of investigative articles exposing illicit personal enrichment by a director of the world's largest dam in Paraguay, and the strong influence of a Peruvian drug trafficking family on the country's political sphere and the judiciary.

Laura Alonso, head of the TI chapter in **Argentina, Poder Ciudadano**, won the Vital Voices Global Leadership award. Every year the international NGO honours the work of remarkable women who pioneer social, economic and political change, and inspire others to become champions for progress. As one of Latin America's most prominent activists for open, accountable government, Alonso received the award in the Political Participation category.

Asia Pacific

Individuals who fight corruption were honoured at **TI Sri Lanka's** fifth *National Integrity Awards* (pictured left). From over 70 nominations, the two winners were a TV documentary-maker who investigated corruption and governance issues, and a schoolteacher fighting corruption in education despite death threats and overwhelming challenges.

Transparency Thailand hosted awards for outstanding investigative journalism on corruption. The first of their type in the country, the awards aim to promote media stories relating to corruption, and raise public awareness of corruption issues. The winning team, from the *Prachachat Turakij* newspaper, uncovered corruption in a housing project for the poor involving a minister and politicians.

The French Government awarded the Chevalier de la Légion d'Honneur to **TI Vanuatu** CEO Blandine Boulekone and Chair Marie-Noëlle Ferrieux-Patterson, in recognition of their work for anti-corruption and women's rights.

Europe and Central Asia

At the Romanian PR Awards, **TI Romania** won the Silver Award for Excellence for its targeted public awareness campaign *Improving the Fight against Corruption*. The award acknowledged the campaign's creativity, its development through 17 cities, the number of actors involved and the variety of media, including a website, conferences, debates, promotions, advertising and TV programmes.

TI Sweden's 2008 whistleblower prize was won by the owner of a small glass company for his tips to the Swedish Competition Authority about Europe's plate glass cartel, resulting in a total fine of €487 million (US $722 million) for four global glass companies.



Photo: IACC

Empowering change

Forging Alliances

13th International Anti-Corruption Conference (IACC)

"On a global scale, our fates are intimately linked" declared the final communiqué of the 13th International Anti-Corruption Conference. Under the theme *Global Transparency: Fighting Corruption for a Sustainable Future*, the conference brought together the human rights, environmental and anti-corruption movements to explore how corruption undermines all facets of sustainability.

More than 1500 participants and 100 journalists from over 140 countries gathered in Athens, Greece, for the biennial conference – considered the world's leading anti-corruption forum. Royalty, heads of state, civil society, business and government representatives, academics and compliance experts explored the roles of good governance and accountability in four thematic streams: peace and security, natural resources and energy, climate change, and sustainable globalisation.

Prominent speakers included Ngozi Okonjo Iweala, Managing Director of the World Bank; Siim Kallas, Vice-President of the European Commission; Mary Robinson, ex-President of Ireland and former UN High Commissioner for Human Rights; and Irene Khan, Secretary General of Amnesty International.

Plenary sessions were complemented by more than 50 special sessions examining issues ranging from strategies against gender-related corruption to dismantling illicit networks and using social media to build transparency.

The event was the first global conference (**www.iacconference.org**) to highlight the links between corruption and the financial crisis, and to propose solutions for a new transparent financial system.

"The Athens conference came at a significant moment, as the global financial crisis reveals the many liabilities of the present economic and social order... participants were committed not just to the values of sustainability, justice and peace...but to applying these values through new global standards. This is exactly what is needed now..."

HRH Prince El Hassan bin Talal of Jordan.

Empowering change

Forging Alliances

"Everyone has a role to play, not only governments, but also parliamentarians, businesses, civil society, the media and the average citizen. Corruption hurts us all, therefore fighting it is a shared responsibility"

Antonio Maria Costa,
Executive Director, UN Office on Drugs and Crime

Africa and Middle East

TI Cameroon examined the African Union's African Peer Review Mechanism as part of a Johannesburg workshop on *The State of Governance in Africa*. The mechanism is designed to ensure that states conform to agreed political, economic and corporate governance standards. The chapter also participated in training on *Integrity Reforms, Strategies and Approaches* held by the Governance of Natural Resources Policy Lab in Hungary.

In partnership with the NGO Global Integrity,TI's partner, the **Center for Transparency and Accountability in Liberia**, developed the *Liberia Local Governance Toolkit*, which assesses the existence, accessibility and effectiveness of county anti-corruption mechanisms. The toolkit covers issues such as transparency in budget processes, media freedom, asset disclosure requirements and conflict of interest regulation (**www.liberialocalgovernance.org**). To drive national anti-corruption momentum and advocacy with local government, the chapter also established Integrity Clubs in four major cities – the first in a planned countrywide network of clubs. It also held six anti-corruption forums in communities and universities, attracting Liberians from all backgrounds to discuss governance issues.

The TI chapter in **Senegal**, **Forum Civil**, established a partnership with the civil society organisation CIVICUS to implement and coordinate the *Civil Society Index* in Senegal, a needs assessment and action planning tool for civil society around the world that aims to create a knowledge base and strengthen civil society initiatives. A field study phase was implemented by 18 researchers who interviewed 1,500 people in six regions of the country. A draft country report has been produced and will be published in 2009.

In collaboration with the Ministry of Presidential and Public Affairs, the TI chapter in **Sierra Leone**, the **National Accountability Group**, organised a two-day workshop for 150 media, civil society and local council participants, to empower civil society to promote the African Union's African Peer Review Mechanism.

TI Zambia co-sponsored a 15-day *Walk against Corruption* by two Lusaka-based activists. Covering more than 350 km and attracting strong media coverage, the walkers urged Zambians to take an active personal role in fighting corruption.

Americas

After 10 years' working together to reinforce their impact, TI chapters in Latin America began a process in 2006 to give a more strategic perspective to regional initiatives. As a result, in 2008, the **TI Secretariat's Americas Department** launched *TILAC-2012*, a new strategy for TI in Latin America and the Spanish-speaking Caribbean. By increasing transparency and accountability in Latin American political and administrative systems, the strategy aims to reduce social and economic inequalities, improve the quality of public policies and strengthen the legitimacy of democratic institutions. It focuses on collective efforts by governments, the private sector and civil society in three broad areas: shared learning, organisational development, and regional advocacy on political systems, poverty and international anti-corruption agreements (**www.transparency.org/tilac**).

TI signed a cooperation agreement with the Justice Studies Center of the Americas, to combat judicial corruption. The agreement establishes a general framework for information exchange and joint activities such as conferences, seminars and workshops.

Six **Bolivian** NGOs came together to form **Transparencia Bolivia**, an umbrella organisation which became a TI national contact in December 2008. The coalition's founding members represent a broad political spectrum. Given Bolivia's highly polarised social and political context, its formation is a notable achievement.

Greed and the importance of primary education in civic responsibilities were among the topics discussed by senior panelists from academia and legal institutions at a symposium held by **TI Canada** on *The Anatomy of Corruption in Canada: its Causes and Prevention.* Panelists addressed the psychological aspects of corruption, including why people in high office take risks, what makes people in power think they are above the law, and what in the culture of others in power actively discourages them from corruption. Three international anti-corruption lawyers then reported on the chapter's work to tackle the perceived deficiencies in Canada's anti-corruption laws with regard to domestic and foreign public officials. Using a current corruption inquiry as a model, **TI Canada** and **TI USA** are collaborating on a comparative analysis of their respective countries' legal approaches to corruption.

The TI chapter **Transparencia por Colombia** continued to build the fund *Citizens Taking Care of the Public Good*, which supports citizen oversight initiatives financially, technically and politically, and promotes a culture of accountability. The fund allows close, ongoing mentoring of civil society alliances that carry out citizen oversight activities, and works to strengthen regional organisations that promote citizen participation. During the year, the chapter successfully engaged more partners in the initiative.

Panama's *Active Democracy Network* was created to abolish a National Security Decree approved by the executive without consultation, in violation of the constitution. Coordinated by the TI chapter in **Panama**, **Fundación para la Libertad Ciudadana**, the network carried out advocacy and public awareness activities to highlight the negative impact of such decrees. Three candidates in the 2009 presidential elections have already agreed to abolish the decree if they win.

Asia Pacific

The **TI Secretariat's Asia Pacific Department** continued to contribute to regional anti-corruption initiatives such as the Asian Development Bank (ADB)/OECD Anti-Corruption Initiative and the Asia-Pacific Economic Cooperation (APEC) Anti-Corruption and Transparency Taskforce, providing civil society input to meetings and reports. Representatives from TI chapters, the TI Secretariat and senior advisors also spoke at APEC and ADB/OECD events, raising awareness of TI's work at both national and regional levels.

TI Bangladesh organised gender mainstreaming seminars, workshops and roundtable discussions, and marked International Women's Day with the launch of a campaign to establish women's rights. Based on the belief that women's empowerment can help fight corruption, while reducing corruption can help empower women, campaign activities included rallies, seminars, debates and cultural events at both national and local levels.

As a member of the Anti-Corruption Civil Society Network, **TI Korea (South)** organised press conferences calling for better anti-corruption policies, with the participation of more than 300 civil society organisations. The chapter also held anti-corruption activist workshops to promote civil society coalition work.

Empowering change

Forging Alliances

To help halt the illegal trade in Nepal's wildlife, **TI Nepal** has been working on a project for the conservation of animals and their habitats, funded by WWF. The project focuses on the identification of strengths and weaknesses in policies and institutions related to governance issues in the protection of ecosystems, and an accountability assessment of the responsible authorities.

Demonstrating how TI chapters can work together, **TI New Zealand** continued to implement the *Pacific Support Programme* in 2008. This capacity-building programme greatly assisted chapters in **Fiji**, **Papua New Guinea**, the **Solomon Islands** and **Vanuatu** by providing critical resources and technical advice on chapter administration and management.

More than 1,500 people representing 78 organisations participated in **TI Papua New Guinea's** *Sir Anthony Siaguru Walk against Corruption*, further strengthening the chapter's links with the country's corporate, government and community sectors, as well as mobilising social support for the fight against corruption in the community. **Transparency Solomon Islands** successfully replicated this approach in December 2008 in commemoration of Anti-Corruption Day.

TI Philippines ran orientation workshops for prospective new members from across society, including business, civil society and academia. The workshops heightened awareness of anti-corruption programmes, tools and activities, and increased TI's outreach to different sectors of the community.

TI Sri Lanka held four one-day workshops to help public officials confront corrupt practices. After initial field surveys to identify governance issues in the selected area, the workshops were planned with input from participants so as to provide an open forum for discussion and the development of viable solutions. At one workshop on tackling water contamination and the ineffectiveness of the public officials responsible, the officials concerned announced new solutions to the problem.

Several thousand people attended a series of public anti-corruption events in December 2008 held by **Taiwan's TI Chinese Taipei** and the Taipei city authority's Department of Government Ethics to mark Taipei's Anti-Corruption Month. The free events included the inaugural meeting of the Volunteers against Corruption coalition, an exhibition on anti-corruption classes at universities and a debate competition.

The **TI Secretariat** facilitated the emergence of a TI national contact in **Vietnam**, **Towards Transparency**, by contributing to the government's draft national anti-corruption strategy, presenting its feedback at multi-stakeholder dialogues and meeting with different stakeholders in the country to raise awareness of TI and its potential to assist in anti-corruption efforts.

Europe and Central Asia

TI Estonia coordinated the establishment of a network of NGOs to foster civil society's capacity to identify and prevent corruption. Members receive an electronic newsletter and can attend regular seminars on corruption-related issues.

Forty public prosecutors from specialised business crime and corruption departments gathered to exchange expertise before **TI Germany's** biennial conference, *The Criminal Prosecution of Corruption*. The Berlin conference was opened by Germany's Minister of Justice and was the best attended yet.

TI Greece brought together citizens, politicians and business people in its *Open Social Alliance for Integrity and Transparency*. Outputs included the *Ten Commandments for Active Citizens* – such as 'we have a right to know'.

With the Kyrgyzstan Government and Anti-Corruption Agency, **TI Kyrgyzstan** organised a two-day conference, *Fighting Corruption: Problems and Perspectives*. Speakers (including the prime minister) addressed representatives from government, NGOs and business, as well as international experts. Discussions covered legislation and institutional changes needed in the public, private and judicial sectors, and fed into an Anti-Corruption Action Plan for 2008–2010.

Transparency-Zero Corruption Macedonia, the TI chapter in **FYR Macedonia**, formed the Macedonia Zero Corruption Coalition, bringing together 18 NGOs to strengthen civil society involvement in the fight against corruption and the development of good governance systems.

Construction Sector Transparency Initiative (CoST)

The Construction Sector Transparency Initiative (CoST) is an international initiative designed to increase transparency and accountability in the construction sector. By facilitating the disclosure of specific project information, CoST enables stakeholders to make informed judgements about the cost and quality of infrastructure. CoST provides the necessary structure for these disclosures to be analysed, ensuring that they are comprehensible to all stakeholders.

Initiated and supported by the UK's Department for International Development and the World Bank in September 2008, CoST involves stakeholders from a wide range of groups, including procuring bodies, public financial management bodies, construction companies and associations, and civil society. With TI as the Chair of the International Advisory Group, CoST is being piloted over a two-year period in seven countries: Ethiopia, Malawi, Philippines, Tanzania, the UK, Vietnam, and Zambia.

www.constructiontransparency.org

Water Integrity Network

The Water Integrity Network (WIN) is an independent organisation founded in 2006 by prominent water sector organisations and Transparency International to promote integrity in the water sector.

After the successful launch of TI's 2008 Global Corruption Report on water, the WIN used the momentum created by this landmark publication to further its advocacy work. In line with its *Strategic Framework for Action 2009-2015*, the WIN continued to build strategic partnerships such as with the Global Water Partnership, International Water Association, Stockholm International Water Institute and others. The WIN also engaged in dialogues with potential financial partners. By the end of 2008, the governments of Germany, the Netherlands, Sweden and Switzerland reiterated their interest in supporting WIN in the implementation of its *Strategic Framework for Action*.

Since its inception, the WIN has held events at each Stockholm World Water Week (SWWW), the leading annual global forum for water experts. In August, the network gathered a variety of sector specialists experienced in how corruption undermines the water sector for a panel discussion during the SWWW. Speakers such as Margaret Catley-Carlson from UNSGAB and David Tickner from the WWF emphasised WIN's message that corruption in the water sector costs lives.

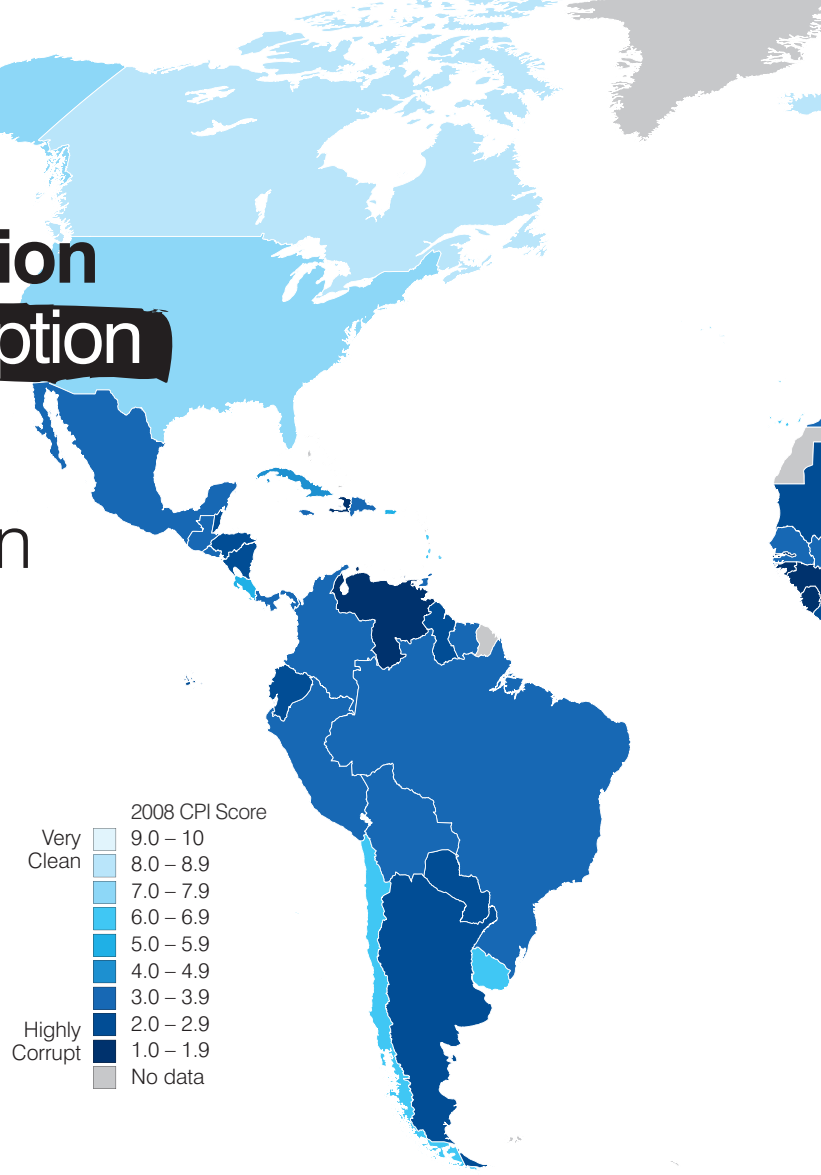
The first elections for the WIN International Steering Committee (ISC) were held in September. Ramesh Kumar Sharma (Rural Water Supply and Sanitation Fund Development Board Nepal) and Melody Ogwezzy (Community Integrity Initiative Nigeria) were newly elected ISC members. With their extensive experience on grassroots action in Nepal and Nigeria respectively, their valuable advice and support will be an asset.

Through the WIN Small Grants Fund, 16 grants were awarded across Latin America, Africa and South and East Asia to stimulate activities on the ground. These activities included advocacy for increased institutional transparency and accountability, research and documentation for good-practice, establishing effective water monitoring committees and enacting 'access rights' for community participation. The WIN also started a new project to collect, document and support existing water integrity initiatives at the local, national and global level (WIN Case Information Sheets). Examples include the introduction of a Citizens Director at a water utility in Bolivia, Access to Information policies of a Colombian water regulator and community meetings on water entitlements in Uganda. The WIN also published an advocacy guide to further support local water integrity efforts.

www.waterintegritynetwork.net

Diagnosing corruption
Measuring Corruption

The 2008 Corruption Perceptions Index measures the perceived levels of public-sector corruption in 180 countries around the world



Corruption Perceptions Index

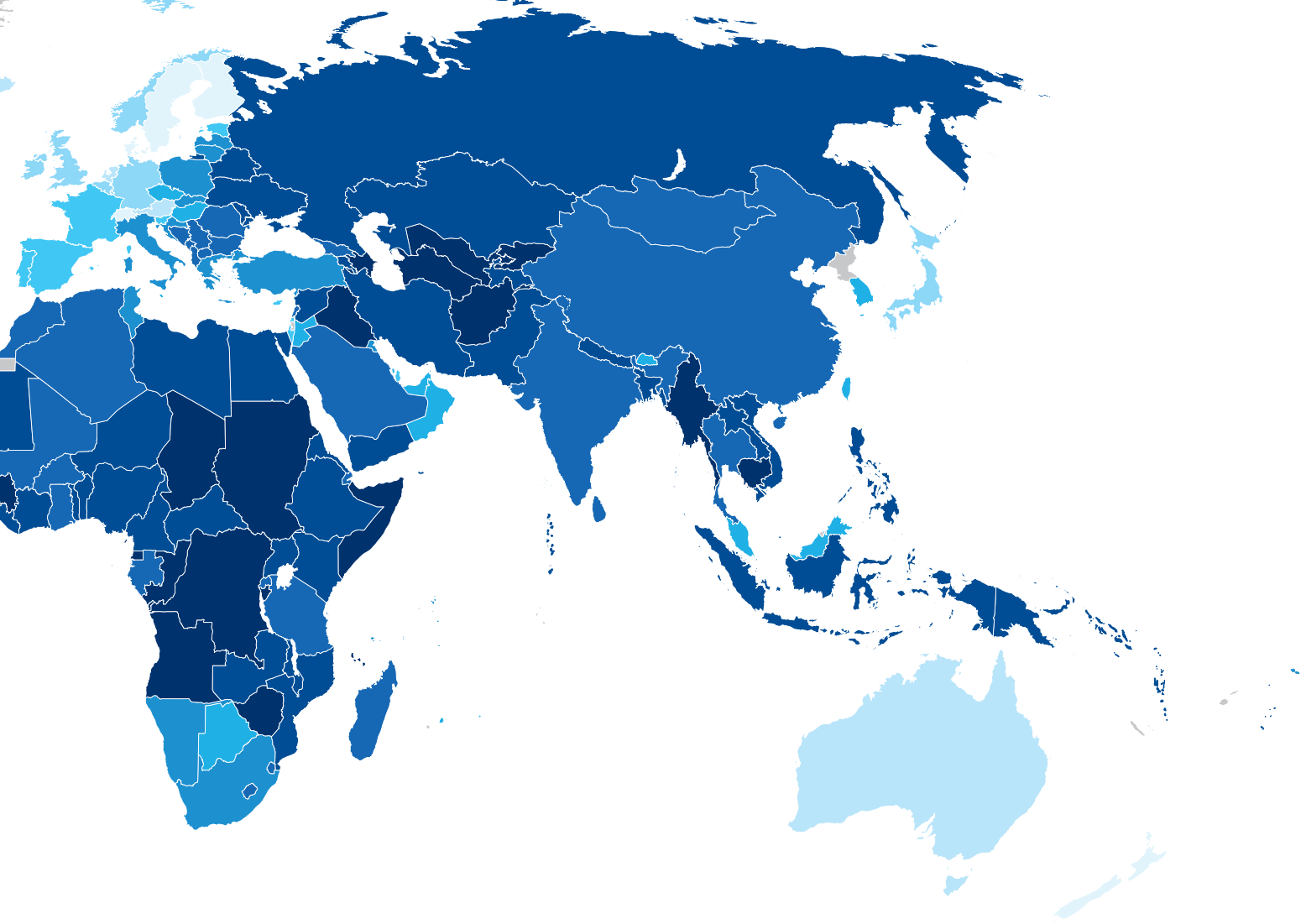
Highlighting once again the fatal link between poverty, failed institutions and graft, Transparency International (TI) released its annual *Corruption Perceptions Index* (CPI) in September. The CPI measures the levels of public-sector corruption in a country, as seen by country analysts and business people.

Covering 180 countries and territories (as in 2007), the 2008 CPI draws on information from 13 different polls and surveys from 11 independent institutions. Questions cover both the administrative and political aspects of corruption, including topics such as the bribery of public officials, kickbacks in public procurement, the embezzlement of public funds, and the strength and effectiveness of anti-corruption efforts.

The index scores countries on a scale from zero (highly corrupt) to ten (very clean). Denmark, New Zealand and Sweden shared the highest score at 9.3, followed immediately by Singapore at 9.2. Bringing up the rear is Somalia at 1.0, slightly trailing Iraq and Myanmar at 1.3 and Haiti at 1.4.

In comparison to the 2007 CPI, significant declines were evident in the scores of Bulgaria, Burundi, Maldives, Norway and the UK. Significant improvements were seen in Albania, Cyprus, Georgia, Mauritius, Nigeria, Oman, Qatar, the Republic of Korea, Tonga and Turkey.

Rank	Country/ Territory	2008 CPI Score
1	Denmark	9.3
1	New Zealand	9.3
1	Sweden	9.3
4	Singapore	9.2
5	Finland	9.0
5	Switzerland	9.0
7	Iceland	8.9
7	Netherlands	8.9
9	Australia	8.7
9	Canada	8.7
11	Luxembourg	8.3
12	Austria	8.1
12	Hong-Kong	8.1
14	Germany	7.9
14	Norway	7.9
16	Ireland	7.7
16	UK	7.7
18	Belgium	7.3
18	Japan	7.3
18	USA	7.3
21	Saint Lucia	7.1
22	Barbados	7.0
23	Chile	6.9
23	France	6.9
23	Uruguay	6.9
26	Slovenia	6.7
27	Estonia	6.6
28	Qatar	6.5
28	Saint Vincent and the Grenadines	6.5
28	Spain	6.5
31	Cyprus	6.4
32	Portugal	6.1
33	Dominica	6.0
33	Israel	6.0
35	UAE	5.9
36	Botswana	5.8
36	Malta	5.8
36	Puerto Rico	5.8
39	Taiwan	5.7
40	Republic of Korea	5.6
41	Mauritius	5.5
41	Oman	5.5
43	Bahrain	5.4
43	Macao	5.4
45	Bhutan	5.2
45	Czech Republic	5.2
47	Cape Verde	5.1
47	Costa Rica	5.1
47	Hungary	5.1
47	Jordan	5.1
47	Malaysia	5.1
52	Latvia	5.0
52	Slovakia	5.0
54	South Africa	4.9
55	Italy	4.8
55	Seychelles	4.8
57	Greece	4.7
58	Lithuania	4.6
58	Poland	4.6
58	Turkey	4.6
61	Namibia	4.5



Rank	Country/ Territory	2008 CPI Score
62	Croatia	4.4
62	Samoa	4.4
62	Tunisia	4.4
65	Cuba	4.3
65	Kuwait	4.3
67	El Salvador	3.9
67	Georgia	3.9
67	Ghana	3.9
70	Colombia	3.8
70	Romania	3.8
72	Bulgaria	3.6
72	China	3.6
72	FYR Macedonia	3.6
72	Mexico	3.6
72	Peru	3.6
72	Suriname	3.6
72	Swaziland	3.6
72	Trinidad and Tobago	3.6
80	Brazil	3.5
80	Burkina Faso	3.5
80	Morocco	3.5
80	Saudi Arabia	3.5
80	Thailand	3.5
85	Albania	3.4
85	India	3.4
85	Madagascar	3.4
85	Montenegro	3.4
85	Panama	3.4
85	Senegal	3.4
85	Serbia	3.4
92	Algeria	3.2
92	Bosnia and Herzegovina	3.2
92	Lesotho	3.2
92	Sri Lanka	3.2
96	Benin	3.1
96	Gabon	3.1
96	Guatemala	3.1
96	Jamaica	3.1
96	Kiribati	3.1
96	Mali	3.1
102	Bolivia	3.0
102	Djibouti	3.0
102	Dominican Republic	3.0
102	Lebanon	3.0
102	Mongolia	3.0
102	Rwanda	3.0
102	Tanzania	3.0
109	Argentina	2.9
109	Armenia	2.9
109	Belize	2.9
109	Moldova	2.9
109	Solomon Islands	2.9
109	Vanuatu	2.9
115	Egypt	2.8
115	Malawi	2.8
115	Maldives	2.8
115	Mauritania	2.8
115	Niger	2.8
115	Zambia	2.8
121	Nepal	2.7
121	Nigeria	2.7
121	Sao Tome and Principe	2.7
121	Togo	2.7
121	Vietnam	2.7
126	Eritrea	2.6
126	Ethiopia	2.6
126	Guyana	2.6
126	Honduras	2.6
126	Indonesia	2.6
126	Libya	2.6
126	Mozambique	2.6
126	Uganda	2.6
134	Comoros	2.5
134	Nicaragua	2.5
134	Pakistan	2.5
134	Ukraine	2.5
138	Liberia	2.4
138	Paraguay	2.4
138	Tonga	2.4
141	Cameroon	2.3
141	Iran	2.3
141	Philippines	2.3
141	Yemen	2.3
145	Kazakhstan	2.2
145	Timor-Leste	2.2
147	Bangladesh	2.1
147	Kenya	2.1
147	Russia	2.1
147	Syria	2.1
151	Belarus	2.0
151	Central African Republic	2.0
151	Côte d´Ivoire	2.0
151	Ecuador	2.0
151	Laos	2.0
151	Papua New Guinea	2.0
151	Tajikistan	2.0
158	Angola	1.9
158	Azerbaijan	1.9
158	Burundi	1.9
158	Congo, Republic	1.9
158	Gambia	1.9
158	Guinea-Bissau	1.9
158	Sierra Leone	1.9
158	Venezuela	1.9
166	Cambodia	1.8
166	Kyrgyzstan	1.8
166	Turkmenistan	1.8
166	Uzbekistan	1.8
166	Zimbabwe	1.8
171	Congo, Democratic Republic	1.7
171	Equatorial Guinea	1.7
173	Chad	1.6
173	Guinea	1.6
173	Sudan	1.6
176	Afghanistan	1.5
177	Haiti	1.4
178	Iraq	1.3
178	Myanmar	1.3
180	Somalia	1.0

Bribe Payers Index

In December, Transparency International launched the fourth edition of its *Bribe Payers Index* (BPI), a global measurement tool that assesses the supply side of corruption. The message of the BPI was clear: the world's leading economies must do more to crackdown on exporting corruption.

Twenty-two leading international and regional exporting countries are ranked in the 2008 BPI, according to the likelihood of their firms to bribe abroad. The 2008 index is based on the responses of 2,742 senior business executives from companies in 26 developed and developing countries.

Belgium and Canada shared first place with a score of 8.8 out of a very clean 10, indicating that their firms are seen as least likely to bribe abroad. The Netherlands and Switzerland shared third place, each with a score of 8.7. At the other end of the spectrum, Russia ranked last with a score of 5.9, just below China (6.5), Mexico (6.6) and India (6.8).

The Bribe Payers Survey, which serves as the basis for the BPI, also looks at the likelihood of firms in 19 specific sectors to engage in bribery. In a unique sectoral ranking, companies in public works contracts and construction, real estate and property development, oil and gas, heavy manufacturing, and mining, were seen to bribe officials most frequently. The cleanest sectors, in terms of bribery of public officials, were identified as information technology, fisheries, and banking and finance.

As the same time, the *Bribe Payers Survey* found that very few senior business executives were aware of the leading international legal framework to stop bribery, the OECD Anti-Bribery Convention. Knowledge of the convention was most limited in Western Europe and the USA.

Africa and Middle East

The TI partner in **Ethiopia**, **Transparency Ethiopia**, launched its 2008 *Corruption Perception Survey* in Addis Ababa. The majority of respondents claimed that corruption had happened in all public sectors during the past two years, but hoped it would fall in the next two.

Palestine's TI chapter, the **AMAN Coalition**, began work on the *Palestinian Corruption Perception Index*, developing indicators to measure corruption levels and legal compliance in public, private and non-governmental sectors. Specialists reviewed the draft index and workshops will be held with local stakeholders to finalise the indicators. The index will be published in 2009.

Americas

The **Peruvian** TI chapter **Proética** released the results of its fifth *National Opinion Poll on Corruption*, reporting a marked downturn in public perceptions of corruption. The government is seen as showing 'little' to 'very little' commitment to fighting corruption, and less than one-tenth of respondents envisaged reductions by 2011; the majority thought the problem would remain constant or increase. This disenchantment, accompanied by a high tolerance of corrupt practices, adds urgency to Proética's work in leading civil society to fight corruption.

Europe and Central Asia

According to **TI Greece's** national survey measuring corruption, more than 13 per cent of Greeks resorted to bribery during 2008, with the money going mainly to hospitals, tax offices and urban planning departments.

TI Spain's first *Municipalities Transparency Index* measured transparency and access to information in Spain's 100 largest municipalities. Through 80 indicators, it found that larger town councils performed best and medium-sized ones worst.

Bribe Payers Index 2008

Rank	Country/ Territory	BPI 2008 Score	Standard Deviation	Confidence Interval 95% Lower Bound	Upper Bound
1	Belgium	8.8	2.00	8.5	9.0
1	Canada	8.8	1.80	8.5	9.0
3	Netherlands	8.7	1.98	8.4	8.9
3	Switzerland	8.7	1.98	8.4	8.9
5	Germany	8.6	2.14	8.4	8.8
5	Japan	8.6	2.11	8.3	8.8
5	UK	8.6	2.10	8.4	8.7
8	Australia	8.5	2.23	8.2	8.7
9	France	8.1	2.48	7.9	8.3
9	Singapore	8.1	2.60	7.8	8.4
9	USA	8.1	2.43	7.9	8.3
12	Spain	7.9	2.49	7.6	8.1
13	Hong Kong	7.6	2.67	7.3	7.9
14	Republic of Korea	7.5	2.79	7.1	7.8
14	South Africa	7.5	2.78	7.1	8.0
14	Taiwan	7.5	2.76	7.1	7.8
17	Brazil	7.4	2.78	7.0	7.7
17	Italy	7.4	2.89	7.1	7.7
19	India	6.8	3.31	6.4	7.3
20	Mexico	6.6	2.97	6.1	7.2
21	China	6.5	3.35	6.2	6.8
22	Russia	5.9	3.66	5.2	6.6

Scores range from 0 to 100. The higher the score for a country, the lower the likelihood of companies from this country to engage in bribery when doing business abroad.



Diagnosing corruption

National Integrity Systems

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National Integrity System **(NIS) studies evaluate a country's key institutions, laws and practices that contribute to integrity, transparency and accountability in society. By assessing the strengths and weaknesses of a country's integrity system, anti-corruption advocacy and reform efforts can be better targeted and the overall effectiveness of anti-corruption efforts maximised. In 2008, NIS studies were conducted in Egypt, Ireland, Lebanon, Morocco and Palestine.**

The NIS methodology was revised and expanded significantly during 2008 to improve the tool's relevance for evidence-based anti-corruption work by civil society. Pilot tests of the new methodology by TI chapters in **Guatemala** and **Panama** confirmed the soundness of the overall redesign and areas requiring further strengthening.

As a result of the wide interest in using the redesigned NIS tool by TI chapters, TI plans a major roll-out of NIS assessments in 2009–2010 that will help build a comprehensive knowledge-base of the successes and shortcomings in the fight against corruption around the world.

Africa and Middle East

Between 2007–2010, TI's programme *Promoting Transparency and Enhancing Integrity in the Arab Region* will support anti-corruption initiatives in the Middle East and North Africa. Implemented in **Egypt**, **Lebanon**, **Morocco** and **Palestine**, the programme combines research (including NIS reports and analysis of the UN Convention against Corruption implementation), anti-corruption advocacy, follow-up activities and tools for reporting on corruption. The programme aims to provide target audiences with up-to-date information to enable informed decision making and support reform efforts.

The TI partner **Transparency Rwanda** conducted integrity studies to assess strategies to prevent corruption within the country's judiciary and leading institutions, and the integrity of town planning services in the capital, Kigali.

Asia Pacific

During 2008, **Transparency Maldives** carried out a NIS study into how integrity systems and structures operate in the country, which will be used as a foundation to advance its anti-corruption advocacy projects. The research will be published in 2009.

Europe and Central Asia

TI Ireland completed its NIS study in 2008 after almost three years' research. The first comprehensive study of safeguards against corruption in Ireland, it will inform future domestic anti-corruption campaigns and has already led to a Senate motion calling on the government to accept its key recommendations.

Diagnosing corruption

Driving Policy Change



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Transparency International Policy Development
Through developing policy positions and working papers, Transparency International's (TI) Secretariat spearheaded important policy development initiatives in new areas and with new partners.

Policy positions and working papers have been used to deepen partnerships with stakeholders and counterparts – nationally, regionally and globally. Their production and dissemination are increasingly coordinated to support TI's effective engagement in related conferences, meetings and events. A new peer review system has seen exchanges with ActionAid, the Christian Michelsen Institute, the EU, the World Bank and others. Most of the papers have been translated into multiple languages to reach broad audiences.

Poverty
A working paper was produced ahead of the annual Spring Meetings of the World Bank and International Monetary Fund to emphasise how poverty is caused and facilitated by corruption. The paper provided a platform for projects and discussions by TI chapters from **Peru** to **Zambia**, and for discussions with multilateral and bilateral donors, and civil society partners. It also provided key input to TI's position in global meetings on aid effectiveness (in Accra) and financing for development (in Doha).

Human Rights
TI collaborated with Amnesty International, Human Rights Watch and the International Council on Human Rights Policy to develop a working paper on human rights and corruption. A roundtable discussion between these organisations and TI chapters from **Ireland**, **Malaysia** and **Morocco** led to the production of the paper, as well as deeper partnerships with TI's counterparts in the human rights movement.

Security

Ahead of the 13th International Anti-Corruption Conference, TI's Secretariat worked with TI chapters in **Colombia**, **Lebanon**, **Palestine**, the **UK** and **USA** to profile the way in which corruption ignites and magnifies the dangers that national security policies try to address. A working paper was launched at the conference.

In addition, policy papers were produced to accompany the launches of the 2008 *Global Corruption Report* on water and corruption, and the 2008 *Report on Revenue Transparency of Oil and Gas Companies*.

To support policy development, a plain language guide to anti-corruption terms was drafted. TI chapters from **Bangladesh**, **Kenya**, **Lebanon**, **Romania**, the **Republic of Korea** and **Zambia** helped test the guide's terms with local stakeholders, including the media, parliaments and civil society.

U4 Anti-Corruption Helpdesk

Through the U4 Anti-Corruption Resource Centre (ACRC) Helpdesk, TI provides expert advice to seven international development agencies in Belgium, Canada, Germany, the Netherlands, Norway, Sweden and the UK. Established in 2003, the ACRC Helpdesk provided targeted and timely answers in 2008 to 25 queries from U4 partner agency staff, both at headquarters and field offices worldwide.

Helpdesk queries and answers, called Expert Answers, focus on the critical relationships between corruption, anti-corruption efforts, development and international development assistance, as experienced by aid practitioners. Recurring themes in 2008 included:

- Methodologies for measuring corruption (Political Economy Analysis, measuring progress and corruption trends)
- Natural resource management (land administration)
- UN Convention against Corruption-related subjects (technical assistance, review mechanisms, mutual legal assistance)
- The link between security and anti-corruption agendas (post-conflict countries, organised crime and corruption, governance in deteriorating environments, countries with serious narcotic problems)
- Country-level governance assessments (Burkina Faso, Mali, Pakistan, Rwanda, Zambia).

All U4 Expert Answers are available at:
www.transparency.org

or the U4 Anti-Corruption Resource Centre website:
www.u4.no/helpdesk/main.cfm

The U4 Helpdesk manages and supports a panel of experts and a wide network of people who contribute to answers as required. It monitors trends, keeps up to date with policy concerns within the development community and enables TI to stay at the cutting edge of corruption-related issues.



Building momentum
Contributions

Thank you for your contribution!

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Governments, Development Organisations and Foundations

€500,000 and over

Australian Agency for International Development (AusAID)

Department for International Development, UK (DFID)

Irish Aid

Ministry for Economic Cooperation and Development (BMZ), Germany*

Ministry of Foreign Affairs, The Netherlands

Swedish International Development Cooperation Agency (Sida)

Between €200,000 and € 499,999

Canadian International Development Agency (CIDA)

Government of Greece (for 13th IACC)

Norwegian Agency for Development Cooperation (Norad)

OSI Development Foundation, Switzerland

Royal Danish Ministry of Foreign Affairs (Danida)

Stockholm International Water Institute (SIWI), Sweden

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)

Bill & Melinda Gates Foundation

Christian Michelsen Institute (CMI), Norway

Federal Foreign Office, Germany

French Ministry of Foreign Affairs

German Corporation for Technical Cooperation (GTZ), Germany

Ministry for Foreign Affairs of Finland

Organisation Internationale de la Francophonie

Revenue Watch Institute

Swiss Agency for Development and Cooperation (SDC)

Between €10,000 and €49,999

Catholic Agency for Overseas Development (CAFOD)

Center for International Private Enterprise (CIPE), USA

Comunidad de Madrid

European Bank for Reconstruction and Development (EBRD)

European Commission

Food and Agriculture Organization of UN (FAO)

Foreign & Commonwealth Office, UK (FCO)

Legatum Global Development

The Philanthropic Collaborative

The World Bank (IBRD)

* This included a contribution to the Extractive Industries Transparency Initiative (EITI).

Please refer to the audited accounts 2008 for a detailed breakdown of the contributions to TI. Classification under the headlines corresponds to amounts recorded as income in the financial report for 2008.

Global Corporations for Transparency International

TI seeks 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. TI gratefully acknowledges their support in 2008.

Anglo American, Deloitte & Touche*, Ernst & Young, ExxonMobil*, General Electric*, Merck*, Nexen Inc., Norsk Hydro, PricewaterhouseCoopers*, Procter & Gamble, SAP, Shell International, Tyco*, Wal-Mart*

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

TI also appreciates the generous contributions of Ernst & Young and SAP beyond their support within the GCTI initiative.

Other Private Sector Donors

Casals & Associates Inc., FLUIR, KPMG AG, SGS AG

Organisations participating in the Business Principles for Countering Bribery (BPCB) steering committee in 2008

Corporate members

BP plc, F&C Asset Management plc, HSBC, General Electric, Norsk Hydro ASA, Organización Corona SA, PricewaterhouseCoopers, Rio Tinto plc, SAP, Shell International, SGS, Sika AG, Tata Sons Ltd

Others

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

Individuals and Other Donors

Bettina von Bogen, Bilderhaus Gschwendt, Care International, Corporacion Andina de Fomento, Giovanna Longo, Indigo Networks, Instituto Prensa y Sociedad, Inter-American Development Bank, J.W. Christmas, Judith Schultz, K-Pact Council, Medicines Transparency, Rolf Hellenbrand, Secours Catholique, Seoul Metropolitan Government, William F. Biggs, Wirtschaftsclub Saar-Pfalz-Moselle e.V.

TI expresses its sincere gratitude to those who donated up to €1,000 in 2008.

Pro Bono

TI extends its gratitude to the many individuals and organisations that provided voluntary, pro bono, and in-kind services, in particular Dow Jones Factiva and Kroll for their generosity. TI greatly values the pro bono legal assistance provided by Covington and Burling throughout 2008.

Make a donation

The support TI receives from individuals is extremely valuable. If you would like to support the international anti-corruption movement, you may donate to TI by credit card or by bank transfer.

Online
Donate to TI online using your VISA or Master Card. 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 donate to TI 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 of supporting TI, such as donating stock, or to learn about the TI Endowment Fund, please contact:

Patrick Mahassen
Resources Director
Telephone: +49 30 3438 2039
E-mail: pmahassen@transparency.org



Building momentum

Financials

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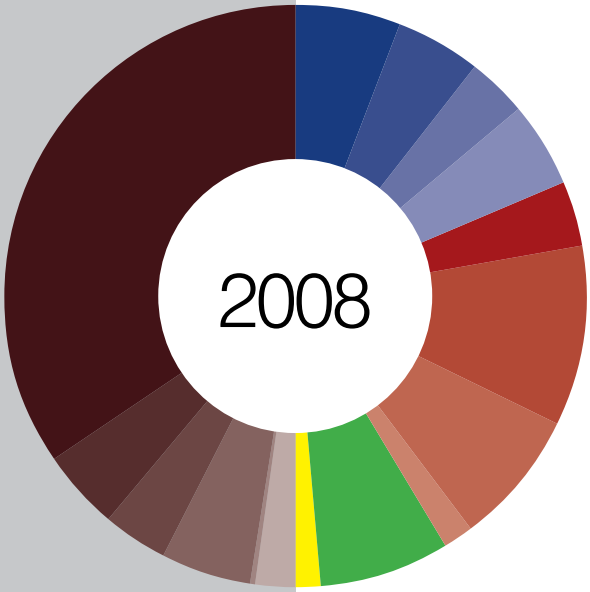
Income*	2008	2007
Governmental	7,555	7,097
International Organisations	919	686
Foundations	789	705
Private Sector	1,120	242
Individuals	46	47
Other	453	316
Total	10,882	9,093

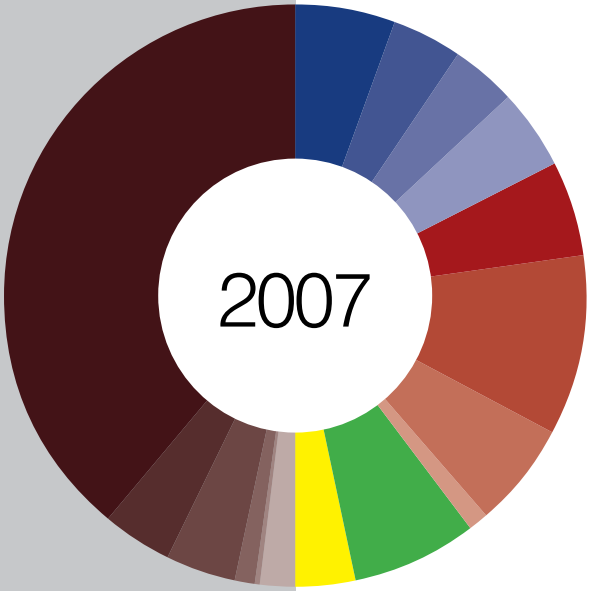
Expenditure	2008	2007
International Group		
Africa & Middle East	1,310	1,012
Americas	995	725
Asia & Pacific	735	686
Europe & Central Asia	1,024	790
Total	**4,064**	**3,213**
Advocacy Group		
Communications	811	941
Global Programmes	2,147	1,816
Policy & Research	1,625	1,094
Special Projects & Other	377	171
Total	**4,960**	**4,022**
Governance & Other	1,613	1,257
Total Expenditure	**10,637**	**8,492**
Allocated to designated Reserves	245	601
Total	**10,882**	**9,093**

Amounts in thousand (€)

* As of 2008, the TI Secretariat reports to the International Financial Reporting Standards on a voluntary basis. Groupings and allocations have been revised in comparison to previous annual reports.

Income Expenditure





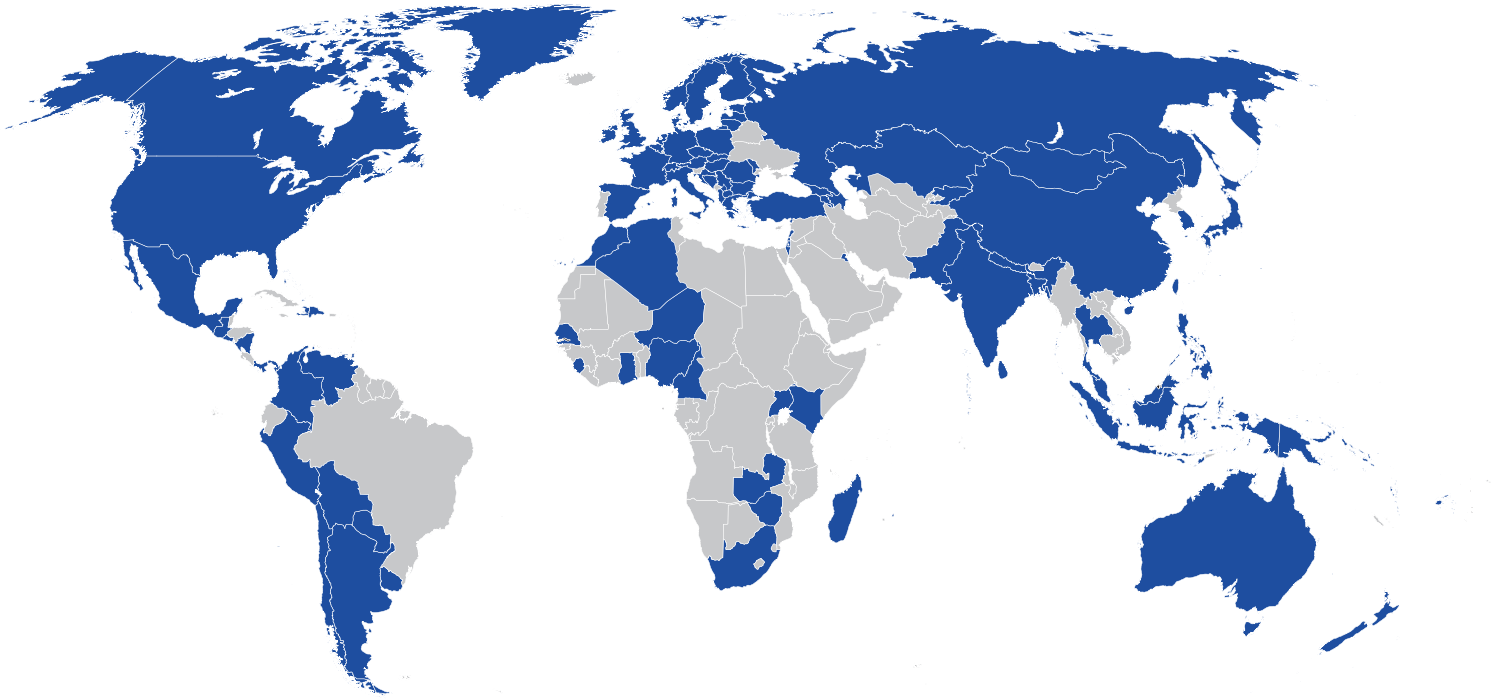
Transparency International e.V. (TI) is a not-for-profit association registered in Berlin, Germany*, and is tax exempt. In compliance with its charter, TI serves solely charitable purposes. TI's audited accounts are available at **www.transparency.org/finances**.

In 2009 TI plans to release its first *Global Reporting Initiative* (GRI) report for the International Secretariat for 2008. GRI is an integrated framework supporting sustainability reporting on a voluntary basis by organisations globally.

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

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

A global movement
Transparency International around the World



Africa and Middle East

National Chapters		National Chapters in Formation	National Contacts
Cameroon	Niger	Algeria	
Ghana	Nigeria	Bahrain	
Israel	Palestine	Kuwait	
Kenya	Senegal	Sierra Leone	
Lebanon	South Africa		
Madagascar	Uganda		
Mauritius	Zambia		
Morocco	Zimbabwe		

Americas

National Chapters		National Chapters in Formation	National Contacts
Argentina	Nicaragua	Uruguay	Bolivia
Canada	Panama		El Salvador
Chile	Paraguay[1]		
Colombia	Peru		
Dominican Republic	Trinidad & Tobago		
Guatemala	USA		
Haiti	Venezuela		
Mexico			

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.

Chapter accreditation status as of 31 December 2008. Please refer to **www.transparency.org/chapters** for current status and chapters' individual contact details.

[1] Transparencia Paraguay was suspended by the TI Board of Directors on 4 December 2008 in mutual agreeement with the chapter

[2] Agreement signed December 2007

Transparency International (TI) 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. The TI anti-corruption coalition unites independent and locally governed TI chapters, as well as working with local partners around the world.

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 TI's standards and strengthening the work of the chapters.

The movement is growing from year to year. In 2008, chapters that received full national chapter status were: **TI Austria**, **TI China**, **TI Chinese Taipei** in Taiwan, **Participación Ciudadana** in the Dominican Republic and **Grupo Cívico Etica y Transparencia** in Nicaragua.

Accredited as chapter in formation were: **Transparency Zero Corruption Macedonia** in FYR Macedonia and the **National Accountability Group** in Sierra Leone.

Newly established national contacts include: **Transparencia Bolivia**, the **National Foundation for Development** (FUNDE) in El Salvador and **Transparency Maldives**[2]**.**

Held in October in Athens, Greece, TI's 2008 Annual Membership Meeting brought together around 300 delegates, from more than 90 countries, making it the largest one to-date. In addition to electing a new board, the TI movement marked its 15th anniversary and passed resolutions on four critical issues: the global financial crisis, the UK's record on combating foreign bribery, the protection of civil society advocates and the weakening of anti-corruption initiatives in Republic of Korea.

Asia Pacific

National Chapters		National Chapters in Formation	National Contacts
Australia	Pakistan		Maldives[2]
Bangladesh	Papua New Guinea		
China	The Philippines		
Fiji	Republic of Korea		
India	Solomon Islands		
Indonesia	Sri Lanka		
Japan	Taiwan		
Malaysia	Thailand		
Nepal	Vanuatu		
New Zealand			

Europe and Central Asia

National Chapters			National Contacts in Formation	
Armenia	Ireland	Albania	Kosovo	
Austria	Italy	Hungary	Turkey	
Azerbaijan	Kazakhstan	Kyrgyzstan		
Belgium	Latvia	Macedonia (FYR)		
Bosnia-Herzegovina	Lithuania	Mongolia		
Bulgaria	Moldova	Spain		
Croatia	Norway			
Czech Republic	Poland			
Denmark	Romania			
Estonia	Russia			
Finland	Serbia			
France	Slovak Republic			
Georgia	Sweden			
Germany	Switzerland			
Greece	The Netherlands			
	UK			

A global movement

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 has served for 19 years as Deputy Minister of different Canadian Government departments and 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 several additional Boards. She was elected as TI's Chair 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. Mr 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. Mr Assidon was elected to TI's Board in 2005 and again in 2008.



John Devitt
Ireland

John Devitt is founder and CEO of TI Ireland. He is a communications specialist by training. A former press officer at the British Embassy in Dublin, he was also the first Irish member of its Public Diplomacy Committee. Before joining the TI movement he served as Trade Representative at the Irish Consulate in New Zealand. A graduate of European Studies at the University of Limerick and of Public Relations at the Public Relations Institute of Ireland, he is also a Research Associate of the School of Business, Trinity College Dublin. John Devitt was elected to the TI Board in 2007.



Akere Muna
Vice Chair
Cameroon

Akere T. Muna is founder and former President of Transparency International Cameroon. 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. He was a member of the National Ad-hoc Commission for the Fight against Corruption and serves on several national commissions on legal reform and curbing corruption. Actively involved in the TI working group that helped to draft the African Union 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.



Nancy Boswell
USA

Nancy Boswell has been TI USA's Managing Director since 1994 and is now its President. A lawyer, she has practiced public international and trade law, promoted women's and civil rights and advised on international financial matters. She is on the board of PACT, a capacity-building civil society organisation, the International Senior Lawyers Project, which provides pro bono advisory services on human rights and democracy, and co-chair of an American Bar Association committee on corruption. She is a civil society advisor to the US State Department and the US Trade Representative. She was elected to TI's Board in 2003 and re-elected in 2006.



Boris Divjak
Bosnia and 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 and 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. Mr Divjak is currently a Project Manager for the IFC in Azerbaijan. He was elected to the TI Board in 2005 and again in 2008, and chairs the Membership Accreditation Committee.



Delia Matilde Ferreira Rubio
Argentina
President of Poder Ciudadano, the TI chapter in Argentina, she 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 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. Mr. Lifuka was elected to TI's Board in 2008.



Iftekhar Zaman
Bangladesh
Executive Director of TI Bangladesh, his leadership has seen the chapter grow to 285 staff and 3000 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 international associations worldwide. He was elected to TI's Board in 2008.



Geo-Sung Kim
Republic of Korea
Geo-Sung Kim was the founding Secretary General of TI Korea (South). He is an ordained pastor and holds degrees in Theology and Sociology. He participated in the democracy and human rights movements in Korea and was twice imprisoned for his activities. Reverend Kim has served in various civil society organisations, and in 2006 received a Moran Medal of the Order of Civil Merit from his government for his contributions to the anti-corruption movement. Reverend Kim was a commissioner of the Korea Independent Commission against Corruption between 2005 and 2008, and is standing executive officer of the K-PACT council. He was first elected to TI's Board in 2004 and again in 2007.



Devendra Raj Panday
Nepal
Dr Panday holds a Ph.D. in Public and International Affairs from the University of Pittsburgh, USA. He served as Permanent Secretary of the Finance Ministry of Nepal and resigned when it became known that public resources were being misused. He became involved with civil society organisations in Nepal and served as Finance Minister from 1990-1991. Afterwards, he helped to establish TI Nepal and served as its President and Board Member. He has co-authored and edited books and articles on development, democracy and governance. He has been imprisoned several times, most recently for nearly 100 days in 2006. He was elected to TI's Board in 2006.



Gérard Zovighian
Lebanon
Gérard Zovighian is Vice Chair and founding member of TI's chapter in Lebanon. 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 advisor to the Beirut Chamber of Commerce and Industry, and advisor to the Board of the Order of Malta, as Knight of the Order. He was elected to TI's Board in 2005 and again in 2008.

A global movement

Advisory Council

The advisory council comprises individuals with extensive experience from diverse geographical, cultural and professional backgrounds. The council is appointed by the board of directors to advise the board and to support the work of Transparency International.

Peter Eigen
Germany
Chairman of the Advisory Council
Founder and former Chair of Transparency International
Chair of EITI and member of the African Progress Panel

Paul Batchelor
UK
Chairman of Crown Agents and former Deputy Chair of Global Geographies, PricewaterhouseCoopers

Peter Berry
UK
Former Chairman of Crown Agents

John Brademas
USA
President Emeritus of New York University

Jimmy Carter
USA
Former President

Ugo Draetta
Italy
Professor of International Law, Catholic University of Milan – Former Vice President of General Electric Company

Dolores L. Español
Philippines
Former presiding Judge of Regional Trial Court

Dieter Frisch
Germany
Former Director General for Development at the European Commission

Irene Khan
Bangladesh
Secretary General of Amnesty International

Goh Kun
Republic of Korea
Former Prime Minister and former Mayor of Seoul

Ekaterina Genieva
Russia
Director General of State Library for Foreign Literature, Moscow

John Githongo
Kenya
Vice president of policy and advocacy, World Vision International.
Former Permanent Secretary for Ethics and Governance in the office of the President, Kenya

Fritz Heimann
USA
Founding Member of Transparency International

Kamal Hossain
Bangladesh
Former Minister of Foreign Affairs

Pascal Lamy
France
Director General of the World Trade Organisation
President of Fondation Notre Europe and former Trade Commissioner of the European Union

Ronald MacLean Abaroa
Bolivia
Former Mayor of La Paz, Former Minister of Foreign Affairs

Hans Matthöfer
Germany
Former Minister of Finance, former CEO of Beteiligungsgesellschaft der Gewerkschaften

Ira Millstein
USA
Senior Partner of Weil, Gotshal & Manges

Festus Mogae
Botswana
Former President

Miklós Németh
Hungary
Former Prime Minister, former Vice President of the 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 of the Global Coalition for Africa

Khun Anand Panyarachun
Thailand
Former Prime Minister, Chairman of Saha-Union Plc.

Mary Robinson
Ireland
Former President and 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

Louis Schweitzer
France
Chairman of Renault

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
USA
Former Vice-Chairman of Transparency International, President of Vogl Communications, Inc

Joe Wanjui
Kenya
Chancellor of University of Nairobi

Richard von Weizsäcker
Germany
Former President

Michael Wiehen
Germany
Former Executive of the World Bank and Attorney

Senior Advisers

Transparency International would like to thank all those who volunteered their time, skills and hard work in 2008, in particular the following senior advisors:

Rüdiger Bandilla, Arun Duggal, Hansjörg Elshorst, Dieter Frisch, Roslyn Hees, Fritz Heimann, Chong San Lee, Kerstin Leitner, Donal O'Leary, Rosa Inés Ospina, Peter Rooke, Sylvia Schenk, José Ugaz, Michael Wiehen.

Our values:

Transparency
Accountability
Integrity
Solidarity
Courage
Justice
Democracy

Design: www.navig8.co.uk

Our vision:

A world in which government, politics, business, civil society and the daily lives of people are free of corruption.

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