

SPOTLIGHT STORY



Oil for food and other scandals - it pays to keep business clean and transparent

For multinational corporations, overseas business is where markets can be won. Using an agent with good contacts to local officials might prove useful for the company to win the bid in a large government project or to secure an order. However, greasing these contacts with facilitation payments, or more plainly bribes, brings business into the realm of criminal offence. >> read more

INTERVIEW OF THE MONTH



Arvid Halvorsen, Senior Vice President, Corporate Social Responsibility, Norsk Hydro

Norsk Hydro is a Norwegian energy and integrated aluminium company, based in Oslo. With operations in 40 countries and more than 35,000 staff, Norsk Hydro is truly multinational. Transparency Watch was able to speak with Mr. Arvid Halvorsen, Senior Vice President, Corporate Social Responsibility, on what Norsk Hydro is doing to fight corruption in its business practices. >> read more

ANTI-CORRUPTION WORK AROUND THE WORLD



Accion Ciudadana has launched a project to enhance transparency in Guatemalan elections. >> read more



Countering bribery in business and creating private sector integrity in the Middle East was the focus of a conference held in Amman. >> read more



The seventh United Nations Global Forum on Reinventing Government took place from 26 to 29 June with active participation of TI representatives. >> read more

NEWS FROM THE ANTI-CORRUPTION MOVEMENT

Reports from Transparency International's national chapters, members and Secretariat. Click here to read this month's highlights. >> read more

CORRUPTION IN THE NEWS



Prosecutors in Indonesia have filed a civil lawsuit against former President Suharto to recover state funds lost under his rule. >> read more



A Chilean judge has ruled that former President Fujimori will not be extradited to Peru. >> read more



US \$ 60,000 in cash was found in the office bathroom of Argentina's economy minister. >> read more

CORRUPTION IN QUOTES

"The verdict is a shame, it is very strange and it undoubtedly cannot compromise all of Chile's judicial power, which we consider autonomous." >> read more

SPOTLIGHT STORY

Oil for food and other scandals - it pays to keep business clean and transparent

By Inken Denker, Amber Poroznuk



For multinational corporations, overseas business is where markets can be won. Using an agent with good contacts to local officials might prove useful for the company to win the bid in a large government project or to secure an order. However, greasing these contacts with facilitation payments, or more plainly bribes, brings business into the realm of criminal offence.

Numerous allegations of corruption involving globally operating corporations have surfaced in the media recently. News stories trace the flow of large sums of corporate funds changing hands a number of times – from a company's secret bank account to local 'consultants', then forwarded to government officials, before ending up in a Swiss or Caribbean bank account.

One recent example that became publicly known is the case of senior officers from a state-owned Italian power generation company. These officers allegedly bribed government officials in several Arab countries to win contracts and in-turn received kickbacks from their German sub-contractors. Other examples include a large German telecommunications company admitting publicly to having made about half a million Euro (US \$ 650,000) in illegal 'facilitation' payments to foreign officials in several countries; or the American oil field service provider in Central Asia that was charged with paying bribes in exchange for orders. And this is not an extensive list.

Probably the most notable example, however, was the finding of a United Nations report in 2005. The report revealed that in the framework of the humanitarian Oil for Food Programme set up by the United Nations in 1995, more than 2000 companies had made illegal payments to the Iraqi government, worth an estimated US \$ 1.8 billion.

For a long time, bribery was accepted as a necessary evil for doing business overseas since it was legal and in a lot of countries even tax deductible. Slowly the business world is cleaning up its act, norms are shifting.

Addressing the international supply-side of bribery is no easy task, as different governments, judicial systems, cultures and private sector as well as government interests, are involved.

Two multilateral instruments have taken up this challenge: The Organisation for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (known as the OECD Anti-Bribery Convention) and the OECD Guidelines for Multinational Enterprises.

When the member states of the OECD drew up the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in 1997, for the first time paying a bribe abroad became a crime at home. The Anti-Bribery Convention is a legal instrument today ratified by 37 countries, making up a share of more than 60 percent of world exports. Transparency International is active in monitoring enforcement of this convention and in its annual [progress reports](#), the latest one published in July 2007, has called for stronger commitment by signatory governments.

Not to be confused with the Anti-Bribery Convention, the second instrument aimed at fighting the supply-side of bribery and corruption are the OECD Guidelines for Multinational Enterprises (Guidelines in short), which take a different approach. The Guidelines are not a legal instrument but rather a code of ethics. They represent the oldest and most comprehensive code of conduct for business, initially put into place in 1976, later revised in 2000, when detailed recommendations for combating bribery and related areas were added. Currently all 30 OECD members as well as nine other key countries with large shares in foreign direct investment, have signed on.

One of the revisions from 2000 that mark the uniqueness of the Guidelines, is the establishment of a monitoring mechanism – a National Contact Point (NCP) – in each signatory country. The NCP is established to promote and monitor compliance with enhanced anti-corruption standards and to deal with formal complaints of alleged breaches. The institutionalisation of a government body to officially deal with complaints brings the Guidelines farther away from being a purely voluntary system. Moreover, complaints on alleged violation of the Guidelines can be filed by 'any interested party'. This makes the agreement a valuable civil society tool.

Unfortunately, the possibility of making official complaints to the NCP so far has been highly underutilised. To date, about 130 cases have been filed worldwide 11 of them in Germany. One such

[complaint was filed by Transparency International's German chapter](#) in June 2007. Based on the findings of the UN report on the Oil for Food programme, the complaint alleged 57 major German companies of being among those that have paid kickbacks to the Iraqi government. The outcome of the complaint has yet to be seen, but the extensive media coverage on the complaint raises hopes that the so far highly underutilised Guidelines are finally becoming increasingly relevant.

The non-binding Guidelines for Multinational Enterprises rely on promoting the insight of companies that it pays to keep business clean and transparent. Corrupt practices might induce a profit in the short-term, but in the long run they will harm the company's reputation – and thereby its profits. Surprisingly, the press, following the release of the complaint of the 57 German companies involved in the UN Oil for Food scandal, focused their attention on the German government – noting that governments should do more to raise awareness of the Guidelines and monitoring the compliance to their recommendations.

Transparency International supports both the OECD Anti-Bribery Convention and the OECD Guidelines for Multinational Enterprises and has worked on the promotion of these tools. The movement has been very active in monitoring enforcement of the convention and it will step up its efforts to use the OECD Guidelines to fight bribery. While the complaint to German authorities was a big first step, there are still many to be taken for a world free of bribery.

INTERVIEW OF THE MONTH

Arvid Halvorsen, Senior Vice President, Corporate Social Responsibility,
Norsk Hydro

By Amber Poroznuk



Arvid Halvorsen joined Norsk Hydro in 1983 after 10 years of work experience with Phillips Petroleum Company and Kvaerner. His most recent jobs in the Hydro have been to head the Moscow Office from 2001-2004, and then to take up the post Senior Vice President, Corporate Social Responsibility in 2004. Mr. Halvorsen will be retiring from Norsk Hydro August 1st, but intends to continue to work in the field of Corporate Social Responsibility in other capacities.

Transparency Watch (TW): *You've been with Norsk Hydro since 1983. What changes has the company undergone in this time? Was there a moment where it was clear that there were transitions in the business norms and culture? What caused this?*

Arvid Halvorsen (AH): In the oil industry, which I know best, it has been a gradual development. In the 1970s, I saw suppliers coming into the offices of decision makers with televisions, cases of whiskeys and wines, in connection with award of contract. These kinds of things are not common anymore, at least not in Norway. In the early 1980s, such practices started to disappear. Now we send out letters each year to all our suppliers and ask them not to send Christmas presents to any of our employees or invite them to parties.

TW: *How are you involved with Transparency International (TI)?*

AH: I am a personal member and a member of the board of TI Norway. Norsk Hydro contributes financially to TI Norway. My predecessors at Norsk Hydro were also involved in the creation of the Business Principles for Countering Bribery (BPCB) and I have served in the Steering Committee for the Business Principles.

TW: *How do you use the Business Principles in your work in ensuring compliance in Norsk Hydro's work?*

AH: Well, we have publicly announced our support for these principles. One of the commitments for businesses in the principles is to develop a programme for countering bribery.

We started a programme to this effect in 2004, called the Hydro Integrity Programme. It includes provisions on business ethics, anti-corruption and human rights because we saw that these issues were connected. We began by identifying the scope of the programme and then identifying the program elements, based on a comprehensive survey made in our organisation.

The CSR Department developed a handbook with requirements and guidelines (available in 10 languages) that reflects the BPCB and covers issues such as management of agents, facilitation payments, etc. We began a campaign for this programme in 2005, and throughout the year carried out about 100 meetings, training more than 2,000 managers and senior personnel on the handbook content, and how to train the people they manage.

Other elements in this campaign have been to arrange full day work shops on anti-corruption, with contributions from TI and TRACE. The Integrity Programme also was incorporated into corporate training programs.

TW: *One of the often stated shortcomings of such trainings or handbooks is the lack of specificity. Is there some way you get around this?*

AH: As part of our training workshops, we have dilemma training – discussing and suggesting appropriate course of action in challenging situations. For example, on facilitation payments: what do you do if an important spare part for your plant is stuck in customs and it is clear that some grease money is required to get it out?

Our policy on facilitation payment is to work towards its elimination. Payment may be made if there are no alternative and if it is not illegal. Superiors shall be involved in the decision, if possible. Any payments shall be reported and shall be recorded properly in the accounts. Also, an action plan shall be developed to mitigate risk for occurrence of similar situations in the future.

TW: *How do you ensure consistency in compliance measures in all your operations?*

AH: It is really a never ending campaign; it's a process of continuous improvement. In addition to the

management teams training, a very important step has been to integrate the Hydro Integrity Programme into our system of annual business planning (budget, targets and work plan) and in our formalised decision making processes.

Because of the scale of our business, we also have the challenge of satisfying ourselves that the practices of all the people we do business with are up to our standards. We have introduced anti-corruption standards in our procurement process by making formal demands on our suppliers and contractors. We use a supplier declaration that suppliers are required to sign, committing them to a certain standard of anti-corruption, human rights, labour conditions. If there are discrepancies, an action plan to achieve conformity will be required. Hydro has the opportunity to audit the suppliers on the supplier declaration issues.

TW: *What has been the involvement of Norsk Hydro with the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises? Have any complaints been brought against you?*

AH: We comply with the OECD Guidelines, and have publicly announced that we support them. No complaints have been brought against us.

TW: *Before you took up the post as Senior Vice President, Corporate Social Responsibility, you worked as the head of the Moscow Representative Office and Oil and Energy Russia Business Unit (2001-2004). Were you based in Russia? Did working in such a different business culture pose any challenges?*

AH: Yes, I have worked with business development in Russia for many years and I lived three years in Moscow. It is a very challenging country in many respects. Our success in Russia has been limited, and several of those foreign companies that have had some success seem to have run into their share of problems. If we would have been willing to be corrupt, I am sure that we would have come a lot farther.

TW: *Where are some of the most challenging environments for a multinational firm like Norsk Hydro to operate? How do you get around that?*

AH: The most challenging environments are when we are asked to set up new operations in developing countries in Africa or Asia.

What we try to impress on our business units setting up abroad, is that they should, at the very early stage of the process, bring to the table our Integrity Programme. This would include explaining the principles of Norsk Hydro, and asking for what the principles and requirements of our potential business associates are, to see if there can be a basis for cooperation.

Some business people are reluctant to do this, but it is much better and easier to clear this up before cooperation is started than to bring it up at a later stage, or to sweep it under the carpet.

TW: *What specific challenges or risks does working in the oil and gas sector have for business, concerning corruption?*

AH: This sector is a prime target for corruption because of the large sums of money involved. As oil becomes scarcer and price goes up, the competition between companies for access to this oil increases as well and corruption risk increases. In many countries, there is inadequate separation of private and business positions and finances, or inadequate separation of government and private sector. Also, ownership in companies is often concealed.

TW: *Do you see any differences between this sector and the company's aluminium holdings?*

AH: Aluminium is to some extent in the same boat as oil and gas. A little bit less money involved, but is similar to oil and gas in being a risk area for corruption. Like oil and gas, the aluminium industry was in some countries government owned, and has been privatised in the last years in obscure ways.

TW: *What do you think the oil and gas industry can do to increase the standards of transparency? Is the Extractive Industries Transparency Initiative (EITI) the only bar?*

AH: EITI implementation is a big step in itself, but it only covers a piece of the action by making the operating space for the corrupt a little bit smaller. More is required and there is more that can be done. If companies were to start discussing more openly with each other and cooperate more actively on anti-corruption, it would help to take corruption out of the competitive landscape.

TW: *Norsk Hydro will soon merge their oil and gas activities with Statoil (October 2007). How do you think this merger will influence the standards of transparency?*

AH: My impression is that the integrity level in Statoil is absolutely up to standards. We are actively blending the best from both companies into the new company (StatoilHydro), also within business ethics and anti-corruption.

This area provides highlights of the valuable work of the anti-corruption movement, championing a world free of corruption.

This month highlights the following stories:

- [Guatemala to monitor upcoming elections](#)
- [Business Principles for Countering Bribery in the Arab region](#)
- [Vienna Declaration: Civil society involvement builds trust in government institutions](#)

Guatemala to monitor upcoming elections

By Georg Neumann



To enhance transparency in the country's electoral processes, Accion Ciudadana, TI's national chapter in formation in Guatemala, has launched a project in advance of the upcoming presidential elections in Guatemala in September.

Accion Ciudadana will help political parties to develop strategic anti-corruption actions, and has invited parties to sign public commitments with civil society to ensure that their anti-corruption promises became concrete actions instead of only political discourses. To-date, two of the registered 16 political parties have done so.

In conjunction with this, the chapter has launched an electronic platform (www.informateyvota.com), where information from the political parties will be published to increase citizen access to this information and to hold political parties to their commitments. Also available on the new website, are qualitative indicators that help assess the institutional performance of political parties, including compliance with national rules and regulations for accountability in political finance and the information flow between parties and civil society.

As a result of the [CRINIS project](#), Accion Ciudadana has developed indicators to measure the extent parties comply with the new law on Parties and Elections (from 2004) and the regulations issued by the electoral power for the upcoming elections. Three reports will be issued during the electoral campaign, allowing for parties to compete for transparency and improve their performance. In the first report, 10 of 16 political parties have inefficiently accomplished the law on transparency in finances referred to electoral [campaigns](#).

Business Principles for Countering Bribery in the Arab region

By Georg Neumann



Good practice for countering bribery in business in the Middle-East was the main topic of discussion during a Transparency International (TI) regional workshop organised by Schema, an advisory service on corporate governance, and supported by the United States Center for International Private Enterprise, which was held in Amman on 18 July.

"Developing practices to build private sector integrity" was the second in a series of three workshops across North Africa and the Middle East that focussed on the private sector. Representatives came from Jordan, Lebanon, Palestine and Saudi Arabia. The workshop provided participants with a platform to examine issues related to the development and implementation of practical programmes for enhancing good governance and countering bribery. A key Transparency International initiative, the [Business Principles for Countering Bribery](#) were featured – providing a framework for good practice by companies in countering bribery that are supported by a suite of implementation tools.

As a direct result of the workshop, a working group consisting of representatives from various companies was formed. This group will work on private sector driven initiatives, with the long term goal of trying to get government regulation on corporate governance. TI will support this process and Schema has agreed to help organise the initiative.

Vienna Declaration: Civil society involvement builds trust in government institutions

By Georg Neumann



The seventh United Nations Global Forum on Reinventing Government, focussing on how to build trust in government, took place from 26 to 29 June. The 2,000 delegates who attended this year's forum in Vienna, Austria, agreed on a declaration stating that to secure the confidence of citizens in their governments, the state must be and be seen to be legitimate, fair and institutionally strong.

The declaration also states that civil society must be empowered as a full partner in governance in order for trust to thrive in government institutions. It stresses that meaningful dialogue and regular face-to-face involvement in civil society organisations are the most direct and effective ways of building trust and trusting communities.

Transparency International was represented by its Chair Huguette Labelle who spoke at the plenary. Gillian Dell and David Koschel from the International Secretariat as well as Julieta Arias from Poder Ciudadano, TI's national chapter in Argentina, organised a workshop looking into the critical role of civil society in holding governments to their commitments under the United Nations Convention against Corruption and public reporting.

For more information on the declaration, see www.7thglobalforum.org/Forum_Information/publications.htm.

Corruption stories of note in the news this month:

- [In Indonesia, US \\$1.54 bn lawsuit filed against Suharto](#)
- [Fujimori extradition blocked by judge](#)
- [Argentina's economy minister resigns amid allegations of corruption](#)

In Indonesia, US \$1,54 bn lawsuit filed against Suharto

By Bryan Li



Prosecutors in Indonesia have filed a civil lawsuit against former President Suharto, to recover state funds they allege went missing under his rule. State prosecutors are seeking US \$440m they say disappeared from a national scholarship fund, and a further US \$1.1bn in damages, [BBC News](#) reports.

According to a report in [The New York Times](#), prosecutors have lined up more than two dozen witnesses that would present evidence that Suharto stole hundreds of millions from the government.

Suharto, 85, will not face a criminal trial on grounds of ill health. Prosecutors dismissed alleged corruption charges stemming from his 20 year rule of Indonesia, which ended in 1998 when he was forced to step down amid protests, [Al-Jazeera](#) reports.

"This is not a criminal case against corruption, but a civil lawsuit," said public prosecutor Dachamer Munthe, quoted in [TIME](#) magazine. "We just want the money back. It could be used for the development of this country."

[BBC News](#) describes Suharto's legacy as President as controversial. His supporters credit him with leading his country from poverty to relative prosperity, making Indonesia a force to be reckoned with in Asia. He has been accused of a repressive regime, ignoring demands for political reform, and allowing human rights abuses, most notably in East Timor, [according to BBC News](#).

Fujimori extradition blocked by judge

By Bryan Li



Peru's former President Alberto Fujimori will not be extradited to Peru, a Chilean judge has ruled, reports [Reuters UK](#). Fujimori, president of Peru between 1990 and 2000, stands accused of 11 counts of embezzlement, human rights violations and corruption by Peruvian prosecutors.

The judge, quoted in a [BBC News](#) report, has said that the evidence presented by the Peruvian authorities was unconvincing, stating "it was not proved that Mr. Fujimori ordered or had even the least knowledge beforehand of [the extra-judicial] killings." The report in [BBC News](#) also stated that Peru's government will appeal the ruling.

[Transparency International](#) (TI) issued a press release in response to the ruling, stating that it is increasingly concerned that Fujimori's case will remain without a trial as it has since he fled Peru in 2000. "Judge Alvarez's decision creates a chance for impunity if Peru is not able to bring Fujimori home and try him in a due process," Huguette Labelle, Chair of [Transparency International](#) has stated. TI urged the Supreme Court to grant extradition so that he can answer to these allegations and face trial in Peru.

In 2000, Fujimori fled to Japan after his government became embroiled in a large scale bribery scandal, where he was recognised as a Japanese citizen and protected from extradition, according to the [Washington Post](#). In 2005 he was arrested in Chile en route to Peru, where he hoped to re-enter Peruvian politics.

In a bizarre twist, Fujimori unsuccessfully attempted a bid to enter Japanese politics by running for the Japanese Upper House elections, [BBC News](#) reports. His loss was attributed to not being able to campaign, the news service added. This came despite a good standing in Japan, mainly due to a successful rescue of 71 Japanese hostages taken from the Japanese embassy in 1997. "If Fujimori has an image, it's not as a human rights violator, but as the guy who rescued the hostages," says Jeffrey Kingston, director of Asian studies at Temple University in Tokyo, [TIME](#) quoted.

Argentina's economy minister resigns amid allegations of corruption

By Lena Kocanis



During a routine security inspection in the beginning of July, US \$60 000 in cash was found in the office bathroom closet of Felisa Miceli, Argentina's economy minister writes [Deutsche Presse-Agentur](#).

Miceli claimed that she had been given the money by her brother for a real estate deal that was never consummated. [Clarín](#) reports that Argentinean President Kirchner stands by Miceli and said that she would stay in office.

However, investigators reported that "at least one of the bundles of cash was wrapped in an official band from the Central Bank of Argentina" writes [Deutsche Presse-Agentur](#). Once this information was public, Miceli presented her resignation to the president. Kirchner accepted her resignation and appointed Industry Secretary Gustavo Peirano as her replacement, [USA today](#) specifies.

Now former minister Miceli will stand trial on 23 August, about two months before the presidential elections in Argentina will take place, reports [Pagina 12](#).

NEWS FROM THE ANTI-CORRUPTION MOVEMENT

Dominican Republic

Participación Ciudadana, TI's national chapter in formation in the Dominican Republic, organised the first symposium on "Judiciary, Local Governments and Civil Society towards the citizen's access to justice". The main subject of the conference was the project "Casas Comunitarias de Justicia" (Community Houses of Justice) carried out by Participación Ciudadana, and financed by USAID. The objective of the project was to inform citizens about their legal and civil rights and to increase the population's access to justice. The discussion was based on how to implement this idea, taking into account the informal justice mechanisms often applied in rural areas. The participating institutions signed a commitment to establish an inter-institutional working group that would elaborate a basic concept on how to monitor the activities developed by these Community Houses of Justice.

CRINIS: Transparency in Political Party and Campaign Finance

Following the launch of the [CRINIS](#) project at the Organisation of American States General Assembly in Panama on 3 June, Transparency International organised a series of meetings to critically discuss concepts, methodology and opportunities for advocacy work related to the project. CRINIS is a tool for measurement and advocacy on accountability, transparency and oversight in party and campaign finance law and practice. The project has initially been implemented in eight Latin American countries. In the course of the meetings, participants from civil society organisations from Africa, Europe and Asia developed suggestions on how to improve the methodology for replicating CRINIS as a measurement and advocacy tool in other countries. Donor agencies and development banks stressed that signatory states of the United Nations Convention against Corruption have committed to guarantee transparency on party and campaign funding and measurement. To learn more about CRINIS visit: www.transparency.org/regional_pages/americas/crinis

Integrity Pact concluded with Coal India

Transparency International (TI) India signed a Memorandum of Understanding (MoU) with Coal India Ltd last month to put in place transparent mechanisms in procurement and contracting. Coal India Ltd has agreed to adopt Integrity Pacts in all of its procurement activities. The [Integrity Pact](#) is a tool developed by TI to ensure that all procurement activities between a company or governmental body and its suppliers are handled in a fair, transparent and corruption-free manner. Coal India Ltd is the second public sector enterprise after India's Oil and Natural Gas Commission (ONGC) to adopt such a pact. The implementation of the MoU will start in October.

South Africa: Is Africa on Track?

On 19 June South Africa joined the Organisation for Economic Cooperation and Development Anti-Bribery Convention (OECD). South Africa is the 37th signatory of the Convention, but the first African country. Coinciding with this event was the organisation of a workshop on poverty and inequality in relation to the Millennium Development Goals (MDG) under the theme: "Is Africa on Track? Is South Africa on Track?" in Johannesburg, South Africa. The timing of the workshop was relevant as it is the midway point in the run up to the MDG's 2015 timeline and provides a good opportunity to reflect on the progress made to-date, as well as what is still missing. The workshop was organised by the South African civil society coalition (SANGOCO), including TI South Africa, Action Aid, African Monitor and the National Development Agency. For more information, see: www.sangoco.org.za/site/index.php?option=com_content&task=view&id=326&Itemid=81

Decision by German constitutional court on the publication of parliamentarians' income

Transparency Deutschland, TI's national chapter in Germany, issued a press release together with six other German civil society organisations – BUND, Campact, foodwatch, Germanwatch, LobbyControl and Mehr Demokratie – welcoming the decision of the German Constitutional Court to confirm the "Parliamentarians' Law" and the respective code of conduct. This law requires parliamentarians to report on additional sources of income, especially with regard to activities in relationship with the mandate for which the parliamentarian was elected. Additional professional activities are considered to be secondary employment, which must be disclosed to the President of the German parliament and made public. This income is not published in exact numbers but presented in three monthly ranges starting at €1,000. TI and the other civil society organisations are asking for more detailed information on the parliamentarians' income.

Increase public participation in decision making to advance international development

The third of three seminars organised by TI Ireland in a series for development agencies focussed on strengthening accountability in partner countries and opportunities for civil society to contribute to the promotion of public participation in decision making. The seminars looked into opportunities for civil society in promoting good governance in international development. The July session was led by Kulan Amin, TI's Programme Manager Poverty and Development, and drew from TI's recently published policy paper on [Poverty, Aid and Corruption](#).

TI UK organises a meeting on repatriating looted assets

TI UK organised a meeting at the end of June on repatriating looted assets. The meeting was based on the UK government's interim progress report on the implementation of its 2006/07 Action Plan for Combating International Corruption, which reports some progress in the UK on the repatriation and/or freezing of financial assets looted by corrupt foreign politicians and officials. The event looked specifically into the following areas: the implementation of the recommendations of the 2005 Commonwealth Expert Group on Asset Repatriation, especially on issues such as immunity for politicians from criminal prosecution; the practical difficulties of tracing and repatriating assets, especially when multiple jurisdictions are involved; strengthening mutual legal assistance; and the challenges of repatriating assets to high risk environments. Invited speakers included the Legal and Constitutional Affairs Division of the Commonwealth Secretariat, as well as representatives from the law firms Baker & McKenzie and Kendall Freeman.

In Bulgaria a discussion on European Commission progress report

In July, Transparency International's national chapter in Bulgaria and the European Institute organised a discussion on the recent European Commission progress report and Bulgaria's progress with regard to corruption, together with the head of the European Commission representation to Bulgaria. The discussion concluded that Bulgaria has taken positive steps in the fight against corruption and organised crime but that progress is not sufficient. According to the deputy chair of TI Bulgaria's Board of Directors, Dimitur Kyumyurdzhiev, the political will to deal with corruption is still lacking in the country.

TI launches new Africa programme on corruption in primary education

TI launched a new programme in July called "Africa Education Watch" aiming at improving transparency and accountability in the use of resources for primary education. It will be implemented by TI national chapters in Ghana, Madagascar, Morocco, Niger, Senegal, Sierra Leone and Uganda. Through a set of diagnostic measures, national chapters will assess waste, leakages and corruption in the use of resources for primary education. The project will assess the extent to which local accountability structures and instruments such as school management committees, public display of financial information and others, contribute to reducing leakages and corruption. The diagnostic phase will be followed by advocacy campaigns at national and regional level. The project is funded by the William and Flora Hewlett Foundation. For more information, please write to dbaesler@transparency.org

WIN: Water Integrity Network launches new website

The Water Integrity Network (WIN) has launched its redesigned website. The new and more accessible website can be found at www.waterintegritynetwork.net. The site will promote anti-corruption activities and coalition-building at the local, regional and global levels. The website is designed to further WIN's central objective of fighting corruption in the water and sanitation sector through open knowledge-sharing among members. The new website offers anti-corruption news, tools as well as networking and discussion forums.

WIN is a coalition with 170 members in 53 countries, hosted by TI. The Network was founded by the International Water and Sanitation Centre (IRC), Stockholm International Water Institute (SIWI), Swedish Water House (SWH), Transparency International (TI) and Water and Sanitation Programme (WSP).

CORRUPTION IN QUOTES

"The verdict is a shame, it is very strange and it undoubtedly cannot compromise all of Chile's judicial power, which we consider autonomous."

Peru's Extradition Unit Chief Omar Chegade on Chile's Fujimori ruling.
Xinhua General News Service; 16 July 2007

"Transparency is essential because it's inextricably tied to credibility... [It] doesn't ensure accuracy. But it does ensure that when a news outlet makes a mistake ... its audience can be assured that the news outlet is going to admit to it and correct it and will have policies in place for following it up."

Susan Moeller, director of the International Center for Media and the Public.
Agenda Chicago Tribune; USA; 22 July 2007

"We're creating a fortress around him – a fortress of people... I wanted to inform the people that this is happening, that my husband is a whistle-blower, so that it becomes the responsibility of every citizen to protect him."

Ms. Jayashree, speaking about husband M. N. Vijayakumar, a bureaucrat and whistleblower in the southern state of Karnataka. From a telephone interview drawing attention to the creation of an online blog to protect his life.
The New York Times; India; 5 July 2007

"When you look at the upper levels of government, salaries are about one hundred and fifty dollars a month, while the average salary at an NGO is four times more. Government officials must have a livable wage in order to reduce corruption."

On how pervasive government corruption further damages the ability of the civil society to interact effectively with the government in Afghanistan, Tilly Reed, the chief of party in Afghanistan for Counterpart International.
United States Institute for Peace, July 2007

"Any lawyer who does not cut a deal with the authorities, and defends his client's interests on the basis of the law, will one or another way be subject to persecution."

Viktor Parshutkin, just released after a three-year prison sentence for defending an adoption case against Russian authorities, on the occupational hazards of being a lawyer in Russia.
Reuters; 23 July 2007

"Ultimately the effective use of aid will require that African countries strengthen their financial governance system and reduce corruption, particularly in natural resource-rich countries."

Abdoulaye Bio-Tchane, the IMF's director of African department.
Reuters Africa; 31 July 2007

"We have performed 95 audits that have found instances of programmatic weakness and waste, and we've got 57 ongoing cases right now, criminal cases, looking at fraud."

US Special Inspector General for Iraq Reconstruction Stuart stating that corruption in Iraqi reconstruction amounts to 'a second insurgency'.
BBC News; UK; 30 July 2007

"You are basically asking people to certify, with big penalties, that nobody has lied on their expense accounts."

Lobbyist H. Stewart Van Scoyoc on new rules that bar US lawmakers and aides from accepting gifts, meals or trips.
The New York Times; 07 August 2007

"It's just brazen down here... In Louisiana they skim the cream, steal the milk, hijack the bottle and look for the cow."

Special Agent in Charge James Bernazzani, FBI, noting that New Orleans ranked second in the nation in public corruption convictions and indictments — despite its relatively small population.
The New York Times; USA; 14 August 2007

"I am not covering up anything... my hands are clean."

Argentinean President Nestor Kirchner, speaking at a public event, on the Argentinean/Venezuelan 'cash suitcase affair'.

The New York Times; Argentina; 14 August, 2007

MASTHEAD

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Barbara Ann Clay, Director of Communications
Phone: +49-30-343 82042
Email: bclay@transparency.org

Amber Poroznuk, Online and Publications Editor
Phone: +49-30-343 820664
E-mail: aporoznuk@transparency.org

Transparency International- International Secretariat
Alt-Moabit 96
10559 Berlin, Germany
Phone: +49-30-343 8200
Fax: +49-30-3470 3912
E-mail: ti@transparency.org
Web: <http://www.transparency.org>