

## INTERVIEW OF THE MONTH

Elizabeth Donnelly, Coordinator of the Africa Programme, Chatham House



Elizabeth Donnelly is coordinator of the Africa Programme at Chatham House (the Royal Institute of International Affairs) in London. Having lived and travelled extensively in Africa, she also coordinates the British All Party Parliamentary Groups on Nigeria and Angola, and has published numerous articles and reports on Nigeria. This month Transparency Watch spoke with her about the issue of corruption in Nigeria and the work of the All Party Parliamentary Group on Nigeria. >> read more

## SPOTLIGHT STORY

Agents of Change: documenting ALACs in action



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>> read more

## ANTI-CORRUPTION WORK AROUND THE WORLD



Preparations for the 13th International Anti-Corruption Conference (IACC) are underway. Set to take place in Athens, Greece, from 30 October to 2 November 2008. >> read more



Transparency International launched TI Advocacy and Legal Advice Centres (ALACs) in Ukraine, Kyrgyzstan and Guatemala, the first centre of its kind in Latin America. >> read more



"Stand Up - For Women's Rights" was the slogan of an anti-corruption concert organised by Transparency International (TI) national chapter in Bangladesh on Saturday 8 March recognising International Women's Day. >> 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



German authorities have mounted investigations into individuals suspected of tax evasion, after paying a whistleblower close to €4.2 million (US \$6.2 million) >> read more



On February 28, Thaksin Shinawatra returned to Bangkok for the first time since being ousted in a coup 18 months ago to face corruption charges >> read more



On 3 March, Dmitry Medvedev won a landslide victory in the Russian presidential elections to take over from President Vladimir Putin on 7 May. >> read more

## CORRUPTION IN QUOTES

"Corruption has become a hydra-headed monster ravaging not only the public sector but also spreading its poisonous tentacles to the private sector" >> read more

## INTERVIEW OF THE MONTH

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By Mike Sidwell

Elizabeth Donnelly is coordinator of the Africa Programme at Chatham House (the Royal Institute of International Affairs) in London. Having lived and travelled extensively in Africa, she also coordinates the British All Party Parliamentary Groups on Nigeria and Angola, and has published numerous articles and reports on Nigeria. This month Transparency Watch spoke with her about the issue of corruption in Nigeria and the work of the All Party Parliamentary Group on Nigeria.



### **Transparency Watch (TW): *Is corruption evident in Nigeria and what are its effects?***

**Elizabeth Donnelly (ED):** I think most visitors to Nigeria come away with stories of their experience of corruption – whether it is being asked to pay an “entry fee” at the airport, or to pay to pass a police roadblock. I think the most obvious way in which corruption is evident in Nigeria is the clearly staggering wealth of a handful of people in the face of the poverty of the majority. It manifests itself in other ways also – the regular power cuts and lack of infrastructure and basic services. Billions of naira are ploughed into promised improvements on roads, power supply and so on, but the tangible changes that these promises would deliver are often very slow in coming.

The effects of corruption in Nigeria are considerable. Of course Nigeria faces great challenges to its development, but the biggest hurdle is the corruption. Nigeria is not a poor country; it is not aid dependent and has all the components necessary to be more developed and more successful. Yet an estimated 70 million Nigerians live below the poverty line. There are however even more profound effects than those physical ones such as lack of basic healthcare and education. I’m thinking here about the impact corruption and unaccountable government have on the psyche of a nation. Corruption breaks trust and destroys faith in the state, it creates cynicism and muddles expectations. So in Nigeria corruption is in fact strengthened by the fact that people come to expect less and less from the state the more they are disappointed by it. This presents problems for Nigeria’s democratic transition.

### **TW: *What have been the repercussions of the disputed election in April 2007 that brought President Umaru Yar’Adua to power?***

**ED:** The repercussions of these very problematic elections can be seen at various levels. The president recognised from the outset that his legitimacy was greatly weakened by the flawed elections. He sought to rectify this by pledging to be a “servant-leader” and to adhere without question to the rule of law. He created the Electoral Reform Committee to see to improving Nigeria’s electoral system.

At another level you have the work of the judiciary through the election tribunals, including the presidential tribunal which dismissed the opposition challenges. At the state level, the tribunals have nullified the elections of seven state governors.

For Nigerian citizens, although the elections process was tremendously disappointing and frustrating – and, for many, violent and intimidating – the work of the tribunals may go some way to restoring faith in democracy. One of the most important repercussions of the elections is the debate they have stimulated – it is an extremely positive sign of what’s to come for Nigeria that there was not a violent reaction on the streets following the elections, but there has been a reaction in terms of debate, and discussion, which shows that people are willing to participate to try and build a better democracy in Nigeria.

### **TW: *In his inaugural speech, Yar’Adua committed himself to “zero tolerance for corruption in all its forms.” Has he lived up to this promise since assuming office in May 2007?***

**ED:** This is a contentious issue, tied up with how President Yar’Adua came to power, who he is and the political landscape he must negotiate. The fact that he was one of the first and few state governors to publicly declare his assets when he was governor of Katsina state and was never investigated for corruption, coupled with some of the decisions he has made since coming to power including reversal of the controversial decision made under the former president to sell two oil refineries to a consortium of businessmen, indicate that he is serious about fighting corruption.

However, in my opinion, the directive that gave more power to the Attorney General, Michael Aondoakaa, over decisions to prosecute in cases of corruption and the removal of Nuhu Ribadu from his position as Executive Chairman of the Economic and Financial Crimes Commission made many in Nigeria (and beyond) nervous. The impact that the Attorney General will have on Nigeria’s anti-corruption fight remains to be seen. Ribadu has been sent on a training programme, so it is possible that he will return to

the EFCC. However, this is an important test for the Commission. For many Ribadu was the leader of the anti-corruption fight. However, Nigeria needs strong institutions as much as strong individuals. It is important that the success of the EFCC is not wholly dependent on who is its chair. Mr. Ibrahim Lamorde, the acting chairman, does have his work cut out however.

Regardless of how committed President Yar'Adua is to the anti-corruption fight, he must still operate within a political framework bound up in corruption. The president has a very complex political game to play if he is to avoid being limited in clamping down on corruption.

**TW: *What are the largest challenges facing Yar'Adua in his efforts to fight corruption?***

**ED:** His largest challenge is the system he has inherited. The politics and power relations within Nigeria are very complicated indeed. The president came to power with little legitimacy in the eyes of the people, while at the same time he will be beholden to some who made his presidency possible. As I have come to understand it, it is difficult to be in politics in Nigeria and not to be tainted by corruption. Different people, different factions, have different agendas and many have an interest in maintaining the status quo. The president's job is to learn what these are and to be able to exploit them for his own purposes – hopefully to fight corruption. This will take time for a president who was formerly little known even as Governor of Katsina state, who is seen little and who does not seem to throw his weight about so readily. His mild-manner is in the mould of the servant-leader, and this may be his greatest weakness in a political environment where power, charisma and force are more respected.

**TW: *According to Nigeria's 1999 constitution, the president, vice president, state governors and deputy governors have immunity from prosecution. Has this unaccountability resulted in cases of malfeasance in the past?***

**ED:** Most certainly – before last year's April elections 31 of the 36 state governors were being investigated, but none could be prosecuted while in office, regardless of the outcomes of the investigations. Since leaving office, there have been arrests of state governors, including former Delta State governor James Ibori, who is being investigated by the UK's Metropolitan Police [see [BBC article](#)]. In the case of former Rivers State governor Peter Odili, a court has barred the EFCC from investigating him and the state finances [see [Reuters article](#)]. The EFCC is currently appealing the court's decision. As I said earlier, Nigeria is not a poor country, yet its people remain poor. This is because many of its officials feel able to siphon off state funds and feel comfortable doing so. While there are limits to the EFCC's power and many investigations will not result in prosecutions, often for political reasons, I do believe that attitudes towards corruption are slowly changing, as the work of the EFCC is creating more awareness and conversation about corruption and showing people that officials may not be as untouchable as once thought. It's important to note that corrupt activity is not limited to those with immunity in office, and that not all in public office are involved in corruption; it is quite pervasive however and extends across all sectors.

**TW: *Does the strong and largely autonomous nature of the 36 states that make up Nigeria ever result in there being a gap between the anti-corruption legislation passed at the federal level and its implementation and enforcement by local government? And if so, is this likely to continue under Yar'Adua?***

**UB:** Very much so – the states and their governors are powerful. The states are responsible for delivering health, education and infrastructure. Some states fare better and are much better run than others – it's important to remember that there are those in government at all levels working hard to improve things. For others, lack of transparency and oversight and the immunity clause mean that monies allocated to state and local government budgets do not filter down to those they are meant to. This is also an issue of lack of capacity – funds are also misused as there may not be the personnel necessary at the local level of government to manage and monitor budget lines. This is likely to continue under the president for the foreseeable future. Tackling the constitutional reform would make a difference. Capacity building among communities and in local government is also important however.

**TW: *In February, Vice President Jonathon Goodluck attributed the persistent poverty in Nigeria to a culture of corruption within the petroleum sector. Would you agree?***

**ED:** To an extent – it is true that there is a culture of corruption within the petroleum sector, but the culture of corruption exists beyond this and it is all linked. Nigeria's problems are often attributed to the petroleum sector because oil can be a corrupting commodity. It is low-labour intensive and delivers super-profits. Nigeria has earned perhaps \$400 million in oil revenues in the last thirty years, and the high oil prices of recent years have brought a windfall, particularly to the oil producing states, yet this has done little to improve the lives of millions of Nigerians. It is the job of government to rid the petroleum sector and others of corruption. There is a great deal of finger-pointing and portioning out of blame that goes on in Nigeria, but in the end it is the government that is responsible for creating higher standards of conduct for everyone, including oil companies. The success of the Nigerian Extractive Industries Transparency Initiative is an encouraging sign.

**TW: *What official measures have been taken to tackle the problem of corruption in the oil sector?***

**ED:** Nigeria has gone further than most countries with the Extractive Industries Transparency Initiative. It was the first country to pass a bill on EITI into law and it is one of only two countries (Azerbaijan is the other) to have published a fully audited and reconciled EITI report. The president now needs to take Nigeria forward into its second audit.

**TW: Are the Nigerian anti-corruption commissions independent?**

**ED:** There is a lack of clarity regarding the independence of the anti-corruption agencies, the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offences Commission (ICPC). Their legal status with regards to their independence is unclear. The role of the Attorney General and his part in the fight against corruption has raised questions on this issue. While the establishment act of the EFCC grants it full powers to investigate and prosecute a case, and it has proven itself to be quite robust, for example with the arrest of several former state governors, the Attorney General is empowered to “make rules or regulations with respect to the exercise of any of the duties, functions or powers of the Commission under [the] Act”. President Yar’Adua has focused attention on this directive and many have interpreted this as reducing the powers and independence of the EFCC [see [Reuters article](#)]. The independence of the agencies is also impacted by the politics and power relations of Nigeria. During the time of President Obasanjo, many argued that the EFCC was only going after his opponents [see [Economist article](#)]. But I would say that given the political interests, maneuverings and personal risks their staff must confront, the agencies still try to exert as much independence as possible.

**TW: Following their visits to Nigeria and subsequent research, what recommendations has the British All Party Parliamentary Group (APPG) on Nigeria made to further the fight against corruption in the country?**

**ED:** The APPG believes that showing international support for the president is important as this will strengthen his position to take reforms forward. The group has also recommended that there be more cooperation within the European Union and with the United States to take action on money laundering within their borders. The links between the UK and Nigeria are strong and this is why so much of the stolen money from Nigeria has ended up in bank accounts in London. However, if it becomes too difficult for corrupt individuals to launder their money in the UK they may simply go elsewhere, this is why greater cooperation is important. The Group has also recommended strengthening links between relevant institutions and government departments in the UK. The EFCC and Metropolitan Police have a good relationship and good communication, but making progress on corruption also involves the Treasury, the financial institutions, and Nigerian government departments that can share information on individuals’ identities.

**TW: To what extent does the APPG work or share information with civil society organisations in Nigeria?**

**ED:** The Group attaches great importance to its relationship with civil society in Nigeria. It is dependent on its meetings with civil society members, along with business, political and religious leaders, to gain insights into Nigeria, and so it is vital that every level of Nigerian society is represented as much as possible. For example, on the Group’s last visit to Nigeria it met with members of Save the Children to learn of the daily challenges faced by women and children. The group is always keen to meet with members of civil society in Nigeria and encourages interested parties to contact them so that possible meetings can be planned for future visits.

**TW: In a report on their visit to Nigeria in November 2007, the APPG strongly agrees with the Nigerian Economic and Financial Crimes Commission’s assertion that: “the best assistance that the UK can give to Nigeria is not in the form of aid, but assistance to help them clean up Nigeria.” What sort of assistance could the UK potentially provide?**

**ED:** The UK can help by working harder to reduce corrupt activities of British citizens and companies – there have not yet been any prosecutions of British parties complicit in corruption. Sharing of data and information would be of direct assistance to the anti-corruption agencies. Less directly, but most importantly, the biggest difference could be made through support in capacity building: of communities to demand greater accountability; of local government for more effective management; of the National Assembly; and of the anti-corruption agencies.

**TW: What does Great Britain already do to support the fight against corruption in Nigeria?**

**ED:** The Metropolitan Police has a Proceeds of Crime Unit, empowered by the 2002 Proceeds of Crime Act. A lot of the money stolen in corrupt activities in Nigeria finds its way into bank accounts in London, so this is why the Metropolitan Police are engaged in fighting financial crime in Nigeria. The unit shares information with the EFCC and also provides training to EFCC personnel and technical assistance. For its part, the EFCC provides information and evidence to the Metropolitan Police to support investigations in the UK.

The Department for International Development also puts money into programmes in Nigeria to have an impact on corruption, such as building the capacity of the legislature and capacity building of communities to seek greater transparency and accountability of elected officials.

The All Party Parliamentary Group (APPG) on Nigeria was originally established as the APPG on the Niger Delta in February 2005, but a year after its founding the Group expanded its focus to include the whole of Nigeria. The Group describes its aims as: “to create a better understanding in the UK of Nigeria and the challenges it faces, to build good relations and to support efforts to promote development and social justice in the country.” In order to improve its understanding of Nigeria, the issues affecting it and to hear different perspectives, the Group meets with representatives from the

business, NGO and government sectors from both countries.

To read the Group's report on its visit to Nigeria in November 2007 please click [here](#).

For further information regarding the Group please e-mail: [edonnelly@chathamhouse.org.uk](mailto:edonnelly@chathamhouse.org.uk)

**SPOTLIGHT STORY**

Agents of Change: documenting ALACs in action

By Mike Sidwell



Launched in July 2007, Transparency International's (TI) short film documentary 'Agents of Change', portrays the work of TI Advocacy and Legal Advice Centre's in Romania and Bosnia & Herzegovina. Along with TI's tv advertisement 'The Magician', the film was selected to be screened at the 10th annual 'One World – International Human Rights Documentary Film Festival' in Prague, Czech Republic in March.

**Turning frustration into a force for good**

By chronicling the work of TI's Advocacy and Legal Advice Centres (ALACs), offices that provide legal assistance to ordinary citizens who have witnessed or become victims of corruption, 'Agents of Change' helps to reveal the human stories behind systemic corruption. In addition to looking at the operations of the centres, how they assist clients and how this work helps them advocate for systemic reform, the film tells the stories of three particular clients: two in Romania and one in Bosnia & Herzegovina. Shuttling between the countries, home to two of the most established centres, the film tells the story of these three citizens navigating institutions that have been rattled by war, dictatorship and the growing pains of political and economic transition.

Gabriela, a former inspector for a child protection agency in Budapest, was fired after observing frightening abuses within a child protection agency. Sinisa, a musician in Sarajevo, has dedicated years of his life to uncovering the corruption and mismanagement he observed at the philharmonic orchestra where he once worked. And Dragos was on the verge of losing his home after a falsified land claim glided mysteriously through the courts. They have all fought against injustices, and TI has advised and equipped them in their struggles.

The film also looks at the people that man the centres, motivated, well-qualified people who often forsake better-paying jobs in the private sector to serve their fellow citizens, to help them navigate maze-like bureaucracies in the pursuit of justice.

It is TI's hope that the film will help to mobilise more citizens to use the centres as well as to stand up to corruption. "We hope this film stimulates citizens to demand their rights," says Jesse Garcia, TI senior communications officer and director of the film, "but we also hope that it will show viewers outside the region, that people in South-Eastern Europe are not only not passive in the face of corruption, but that some of them have devoted their lives to helping their fellow citizens fight it."

TI also hopes that the film will encourage more TI national chapters to launch such centres. The ALACs featured in the film in Romania and Bosnia & Herzegovina were established in 2003 as part of a pilot project, along with one in Macedonia. Since then they have been joined by 16 other ALACs, operating in 15 countries across three continents, and their success stories have inspired other national chapters around the world to investigate establishing them in their own countries.

The core of each ALAC is a hotline that citizens can use free of charge. Through the hotline they have the opportunity to speak to a lawyer specialised in corruption issues, who will decide if the case is indeed one of corruption. In 2007, ALAC Corruption Hotlines received tens of thousands of calls from victims and witnesses of corruption who sought to relate their experiences, receive legal advice and assistance or encouragement and support in seeking recourse and redress.

Past cases have ranged from small bribes to grand corruption involving hundreds of millions of dollars, while the sheer diversity of the cases and the people who use the centres – from the unemployed to entrepreneurs, from pensioners to business people – demonstrates the pervasive nature of corruption; from the top-down to the bottom-up.

The ALACs assist the complainants in understanding the basis of their problems, their rights, the duties of the authorities and then jointly decide on a strategy for seeking redress. It is important to emphasise that ALACs do not investigate or represent their clients in court, rather, they provide legal advice and support so that citizens can make well articulated complaints to the appropriate office. Essentially, ALACs aim to empower citizens and demonstrate that they will become involved in the fight against corruption when provided with simple, credible and viable mechanisms to do so.

One major advantage of ALACs, which sets them apart from other legal resources, is the low-cost of their operation. Supported by donor money, so that they can provide their services to citizens for free, the ALACs are able to handle individual cases for between € 5-15 (US \$8-24), a fraction of what private legal counsel would cost.

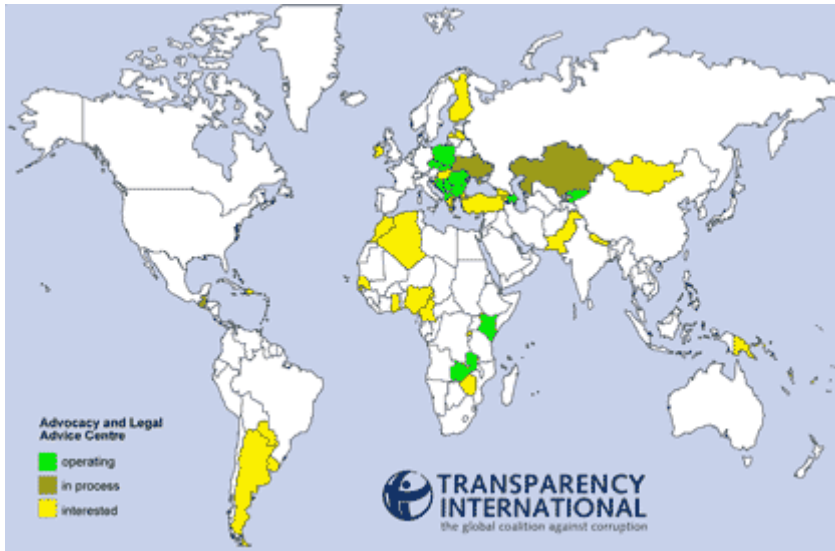
Not only do ALACs seek to change the behaviour of citizens, empowering them to reject corruption, they also seek to change the behaviour of institutions so that procedures and laws become more effective and less vulnerable to abuse. ALACs work to translate citizens' concerns on corruption into structural changes for better local and national governance by pursuing targeted advocacy interventions and campaigns. Clusters of complaints around a single government office or service show where reform is necessary. The effectiveness and credibility of ALACs derives from the fact that they seek and advocate for institutional, procedural and administrative reforms based on very concrete evidence.

Working in the TI multi-stakeholder tradition, ALACs aim to create dialogue, informal feedback and working partnerships with government institutions charged with anti-corruption. Some ALACs are now working directly with various government anti-corruption institutions and line departments – advising them how they can build capacity to engage and respond to their citizens' corruption complaints.

To view 'The Magician' and other TI multimedia please click [here](#)

More information on One World – International Human Rights Documentary Film Festival can be found at: [www.oneworld.cz](http://www.oneworld.cz)

#### **ALACs around the world: a growing phenomenon**



**ANTI-CORRUPTION WORK AROUND THE WORLD**

13th IACC to take place in Athens, Greece 30 October - 2 November 2008

By Paula O'Malley



Preparations for the 13th International Anti-Corruption Conference (IACC) are underway. The theme for this year's conference is: "Global Transparency: Fighting corruption for a sustainable future," with a focus on the role of transparency and accountability in human security, climate change, sustainable globalisation, natural resources exploitation and management.

Taking place in Athens, Greece, from 30 October to 2 November 2008, the conference will host world leaders and representatives from civil society, government and the private sector who will engage in open debates in a set of four plenary sessions to address the critical issues that will define our common future. There will also be around 40 workshops linking the issue of corruption with the conference's foci.

Past conferences have attracted over 1,300 participants from over 130 countries. The plenary debates have featured former United Nations Secretary General Kofi Annan, former President of the World Bank James Wolfensohn, Organisation of American States Secretary General José Miguel Insulza, former Kenyan anti-corruption chief John Githongo, Senior Commissioner of the Ministry of Supervision of China Zhenjun Wu, as well as Nobel Peace Prize Laureate and Costa Rican President Oscar Arias Sánchez.

Since its founding in 1983, the biennial International Anti-Corruption Conference series has evolved into a premier international gathering for all who are committed to fighting corruption. The IACC is conducted by the IACC Council with Transparency International as its secretariat. This year the conference will be jointly hosted by the Greek government, Transparency International and TI's national chapter in Greece.

For more information on the 13th IACC and to lend your voice to the international anti-corruption movement, you may register online at [www.13iacc.org](http://www.13iacc.org). Calls for workshop proposals will open on April 1st, 2008. Please direct any questions to [info@13iacc.org](mailto:info@13iacc.org).

**ANTI-CORRUPTION WORK AROUND THE WORLD**

New Advocacy and Legal Advice Centres in Ukraine, Kyrgyzstan and Guatemala

By Georg Neumann



Transparency International launched TI Advocacy and Legal Advice Centres (ALACs) in Ukraine, Kyrgyzstan and Guatemala, the first centre of its kind in Latin America.

ALACs promote the relationship between citizens' demand for justice based on corruption cases, and the capacity of the system to address these cases. This methodology stimulates citizen empowerment through legal assistance and advice in presenting the complaints. Moreover, the information recorded from the complaints is used to plead the case of institutional and legal changes in order to reduce the risks of corruption and bring back public trust in the official institutions. The TI national chapter in Guatemala, Acción Ciudadana, is the first national chapter in Latin America to open an ALAC. Besides Acción Ciudadana, other TILAC Chapters have also shown interest in the methodology, which was originally developed in the Eastern European region.

TI national contact in Ukraine, the "Anticorruption Committee", received funding from Management System International to implement a "Legal Assistance to Citizens through Anticorruption Hotline". The project provides legal advice to victims of corruption and a toll-free hotline through which citizens can seek advice in corruption related matters. A national public campaign to advertise the new service will start soon. It will be implemented by the Association of Outdoor Advertising and the Committee for Counteracting Corruption and Organised Crime.

In February, TI national chapter in formation in Kyrgyzstan opened its first ALAC in Bishkek. The project is supported by the Finnish Foreign Ministry initially for one year.

**ANTI-CORRUPTION WORK AROUND THE WORLD**

Anti-corruption concert marks International Women's Day in Bangladesh

By Georg Neumann



“Stand Up - For Women's Rights” was the slogan of an anti-corruption concert organised by Transparency International (TI) national chapter in Bangladesh on Saturday 8 March recognising International Women's Day.

The concert was part of the national chapter's efforts to create and strengthen a gender-sensitive anti-corruption movement by linking the anti-corruption and the women's rights movements.

Well-known and upcoming bands and solo performers entertained the audience throughout the day highlighting solidarity with the cause and encouraged the young audience to say NO to corruption. Performing artists include Farida Parvin, Syed Abdul Hadi, Kangalini Sufia, Azam Khan, Fahmida Nabi, Shahed, Mehrin, Kafil and Krishnakoli, as well as the bands Souls, Renaissance, Maksud O Dhaka, Dalchhut, Aurthohin, Black and Yatri.

The concert was organised in collaboration with the Anti-corruption Commission (ACC) in Bangladesh and held at the Gulshan Youth Club ground in Dhaka. The national chapter also produced a special tv message on the occasion of Women's Day, available on the their website [here](#). Huguette Labelle, Chair of TI, addressed the audience with a message read out during the event.

On the occasion of the International Women's Day, TI also published an [In Focus](#) highlighting its recently re-edited Working Paper on Gender and Corruption and gives an overview of how TI addresses gender issues in its work.

**CORRUPTION IN THE NEWS**

Liechtenstein bank data expose tax evaders

By Mike Sidwell



German authorities have mounted investigations into individuals suspected of tax evasion, after paying a whistleblower close to €4.2 million (US \$6.2 million) for data on 1400 Germans who had invested money in foundations in Liechtenstein to avoid German taxation, reports [Spiegel](#).

The same [article](#) writes: "At stake are billions of euros in tax revenues lost to the German government. Also at stake is Germany's relationship with countries like Liechtenstein and Switzerland, home to banks that have offered lucrative arrangements to German tax evaders."

Liechtenstein's Crown Prince Alois accused Germany of mounting an "attack" on the principality and condemned as "unacceptable" the German authorities decision to allow its BND intelligence agency to pay more than €4 million (US \$5.9 million) for bank client data allegedly stolen by a former Liechtenstein bank employee, reports the [Financial Times](#) (FT). However, Otmar Hasler, prime minister of Liechtenstein has, "promised more co-operation with Germany and a reform of the principality's trust and tax laws," notes the [FT](#) in a separate article.

The [Associated Press](#) (AP) reports that: "German politicians of all parties have seized on recent allegations that rich Germans are hiding millions of euros in the tiny Alpine principality of Liechtenstein to demand a concerted action against all offshore tax havens." A senior official close to Chancellor Angela Merkel commented on the situation: "Ultimately we want states such as Liechtenstein to provide us with information on any Germany resident holding assets on their territories," writes the [FT](#).

German tax officials and prosecutors conducted raids up and down the country, which have according to [AP](#): "led to the recovery of more than €27 million and netted 163 people." On 14 February, Klaus Zumwinkel, the head of Deutsche Post and director on the boards of Morgan Stanley, Deutsche Telekom and Lufthansa "surrendered to police amid suspicion that he evaded €1 million [US \$1.46 million] in taxes, according to [Christian Science Monitor](#). [Bloomberg](#) reports that: "Australia, Canada, France, Italy, New Zealand, Sweden, the U.K. and the U.S. all announced their own Liechtenstein probes Feb. 26."

The secretary general of the Organisation for Economic Co-operation and Development (OECD), Angel Gurría, has been quoted criticising Liechtenstein's secrecy rules as a "relic of a different time," ([FT](#)). The [OECD](#) include Liechtenstein, along with Monaco and Andorra, on the organisation's list of "Unco-operative Tax Havens".

The [FT](#) notes that: "Tax investigators across Europe also hope the fact that their German colleagues obtained their information from a whistleblower within LGT – and that he was handsomely rewarded for his "betrayal" – could encourage others to follow suit."

## CORRUPTION IN THE NEWS

Former Premier Thaksin returns to Thailand to face corruption charges

By Nadja Kostka



On February 28, Thaksin Shinawatra returned to Bangkok for the first time since being ousted in a coup 18 months ago to face corruption charges and vowed never to return to politics, reports [Bloomberg](#).

Following a military coup in September 2006, Thaksin Shinawatra's party, Thai Rak Thai, was dissolved, and he and 111 executives of Thai Rak Thai were banned from politics for five years, [CNN](#) details.

"The generals who overthrew Mr Thaksin claimed as justification for their coup that his administration had been the most corrupt in Thai history", writes the [BBC](#). The same article notes that the generals brought two charges against him: "that he had used his influence to help his wife buy government land at a favourable price, and that he concealed a continued personal stake in the huge family telecoms business, Shin Corporation." According to [Bloomberg](#), the Asset Examination Committee froze more than 60 billion baht (US \$1.9 billion) of assets belonging to Thaksin and his family.

In an interview on his flight to Thailand, Thaksin told the [BBC](#): "I've done nothing wrong, why worry? ... I have to restore my reputation which has been tarnished by the coup." [The Economist](#) reports that: "Mr Thaksin flew in to a rapturous reception at Bangkok's Suvarnabhumi airport, ending his exile. After touching the tarmac with his forehead, he was taken to the Supreme Court and granted bail on corruption charges." The [Associated Press](#) (AP) explains that Thaksin remains highly popular among the urban poor and working class and the country's rural majority, because they "benefited from virtually free health care, a three-year debt suspension program for farmers and low-interest loans for poor villages."

As for his future plans, "Thaksin has insisted he has no interest in returning to politics and has said he plans to devote himself to charity work, sports and his family," writes [AP](#). However, the [Financial Times](#) predicts that: "Whatever his formal position - or lack thereof - Mr Thaksin, who was a billionaire telecommunications tycoon before entering politics, will certainly exert strong influence on the administration as it seeks to boost an economy that has lagged behind its regional rivals for two years as a result of political turmoil and policy drift."

According to the [Bangkok Post](#): "The corruption case will be taken up by the court again on April 29 and 30."

**CORRUPTION IN THE NEWS**

Russian presidential election: landslide victory for Dmitry Medvedev

By Mike Sidwell



On 3 March, Dmitry Medvedev won a landslide victory in the Russian presidential elections to take over from President Vladimir Putin on 7 May.

According to the Russian Central Election Commission (CEC), Medvedev won 70.2 percent of the vote with turnout at 69.7 percent, reports [Bloomberg](#). The [Washington Post](#) writes that: "Medvedev was trailed by Communist candidate Gennady Zyuganov, who had 18 percent of the vote. Earlier in the counting, ultranationalist Vladimir Zhirinovskiy had 10 percent and Andrei Bogdanov, an ostensible liberal, 1.5 percent....Opposition figures such as Garry Kasparov, the chess grandmaster and Putin opponent, said they boycotted the vote, calling it a farce."

Andreas Gross, chairman of the 22-member delegation of European MPs which observed the election, said: "We believe there was not freedom in these elections [...] The results of the presidential elections ... are a reflection of the will of an electorate whose democratic potential was, unfortunately, not tapped," reports the [Guardian](#).

Andrei Buzin, an expert from the Russian independent observers Golos, also criticised the elections poll, saying that it was "marred by official pressure to boost voter turnout, ballot stuffing and multiple voting," according to [Reuters](#). The same article notes that the charges were immediately rejected by the CEC.

[CNN](#) reports that: "Medvedev has publicly committed to promote democracy, fight corruption, and bolster the rule of law. But as Kremlin critics point out, Putin made similar promises when he ran, only to be criticized at home and abroad for cracking down on opposition groups."

In an article by the [Associated Press](#) Medvedev is quoted declaring: "A mature civil society is a vital necessity, a foundation, a guarantee of stable development of our nation [...] And our task is to create a system when civil society groups participate in setting the government course and assessing its efficiency." Medvedev "has declared corruption a key threat to modernization and social stability," according to [Reuters](#).

[The Moscow Times](#) reports that: "As president, Medvedev has said he will oversee foreign policy, while Putin, who will become prime minister, will handle economic policy and other issues."

## NEWS FROM THE ANTI-CORRUPTION MOVEMENT

This area provides highlights of the valuable work being done by Transparency International national chapters, members and Secretariat.

- [Africa and the Middle East](#)
- [The Americas](#)
- [Asia and the Pacific](#)
- [Europe and Central Asia](#)
- [TI - Secretariat](#)

### **Africa and the Middle East**

#### **Kenya: Audit of electoral administration institution**

Following the elections in Kenya earlier this year, that turned into a dispute that started as an electoral matter and led to the destruction of property, loss of lives and more political tensions,

TI's national chapter looked at Kenya's Electoral Administration Institution in its [monthly newsletter Adili](#). The publication looks at whether the problems exhibited before, during and after the announcement of the general elections results reflect systematic weaknesses in the design of critical institutions in the country. It intends to focus on identifying the structural factors and is neither intended to provide an explanation for the electoral results nor to assign blame to individuals or the institutions. More information at [www.tikenya.org](http://www.tikenya.org).

### **The Americas**

#### **Bolivia: Working towards a national chapter**

Transparency International (TI) is committed to supporting several civil society organisations in Bolivia to establish a national chapter in the Andean country, one of the poorest in Latin America. Taking into account the political and social situation in the country, it is important to collaborate with a broad range of organisations to form an alliance rather than working with one organisation.

The efforts started in mid-2007 and have been increasing since then thanks to the financial support of the Danish International Development Agency, DANIDA. This support allows the Americas department at TI's Secretariat to organise country visits, workshops, offer tools and strengthen the capacity of the actors involved in the process.

#### **Chile: Municipal transparency standards**

Chile Transparente has set up a list of 95 standards on municipal transparency. These standards establish the parameters of active transparency that a municipality has to observe. Two municipalities are already implementing them, and through the agreement that Chile Transparente signed with the "Asociación Chilena de Municipalidades" (Chilean Association of Municipalities), the transparency standards will be promoted in all the municipalities from March 2008 onwards. For more information, please go to: [www.municipalidaddesantiago.cl](http://www.municipalidaddesantiago.cl).

#### **Colombia: Research on state capture**

The TI Chapter in Colombia, Transparencia por Colombia, has started an effort to analyse and disentangle the phenomenon of state capture, focusing especially on the Colombian situation which is very affected by drug trafficking, guerrillas, paramilitary groups and important private sector lobbies.

The first step of this project has been to publish a study which explores the concept of state capture and analyses complex scenarios where legal as well as illegal actors seek to penetrate the State via different channels to pursue their particular interests (economical, political, territorial, etc.). Based on the study, a debate will be opened among different stakeholders to further encourage reflection on the subject and explore possible solutions for this increasing and devastating challenge for the country. The study is available at: [www.transparenciacolombia.org.co](http://www.transparenciacolombia.org.co).

#### **Nicaragua: Promoting transparency in municipal budgets**

Ética y Transparencia (EyT), the TI national chapter in Nicaragua, has issued two reports about the work that the organisation has been carrying out since 2006 at the local level in order to monitor public procurement and promote budget transparency.

For this purpose, citizen evaluation committees have been set up in 43 municipalities enabling citizens to

monitor the budgets and management of their respective municipalities. The good results achieved by the programme so far have helped situate EyT as a major actor working on promoting a culture of integrity, transparency and accountability in public management at the municipal level. It is also worth noting that EyT has won acclaim for being perceived as one of the best civic organizations in the country, according to the most recent public surveys conducted by the International Republican Institute. More information on the programme and the two project reports can be found at: [www.eyt.org.ni](http://www.eyt.org.ni).

#### **Paraguay: Integrity agreements for Paraguayan customs**

In January, the Paraguayan Customs Office signed an agreement with the TI national chapter in Paraguay, Transparencia Paraguay, leading to the implementation of integrity pacts in the acquisition of goods and services. By signing an Integrity Pact, bidders and the public office agree not to pay or receive bribes in order to obtain advantages in the public calls for bids. The national chapter will monitor this process to assure transparency and issue a report on the results of the Pact.

#### **Asia and the Pacific**

##### **India: Integrity Pacts with Mahanagar Telephone Nigam and the Airports Authority of India**

State-run telecom utility Mahanagar Telephone Nigam Ltd (MTNL) and the Airports Authority of India (AAI) have signed integrity pacts with TI's national chapter in India. TI Integrity Pacts are a voluntary agreement between the bidder and the government or government related organisation for abstaining from bribery and any type of malpractices. It requires disclosure of all commissions and similar expenses for gaining the bid or executing the contract. The IP also introduces a monitoring system that provides for independent oversight and accountability.

MTNL agreed to bring more transparency and clarity in all its financial transactions, contracts and financial deals. The company is listed in six Indian stock exchanges and also in New York Stock Exchange since 2001. The AAI will adapt TI's Integrity Pacts to ensure that the planned expenses in new infrastructure projects are well spent.

##### **Korea: No sound economic development without fighting corruption**

Transparency International and its national chapter in South Korea have expressed their grave concern at the proposed dismantling of Korea's only independent national anti-corruption agency by the incoming administration under South Korea's new president, Lee Myung-bak, who took office in February. The agency in question, the Korea Independent Commission Against Corruption (KICAC), is slated to be merged with two other agencies, the Ombudsman of Korea and the Administrative Appeals Commission to form the new Commission for People's Rights and Interests, which will further undermine and erode its independence and clearly runs counter to the provisions of the United Nations Convention against Corruption, by shifting the KICAC from President's Office to that of the Prime Minister's. "An impartial watchdog is essential for a clean business environment", said Geo-Sung Kim, Chairperson at TI-Korea and a board member of TI.

##### **Maldives: New TI national contact**

Transparency International launched a new national contact on the Maldives. Transparency Maldives was launched in a public launch event with speakers from government, the private sector, other NGOs, and the TI secretariat taking place mid-February in Malé, Maldives. One of the first projects of the national contact will be to undertake a thorough analysis of the country's institutions, governance structures and environment by conducting a TI National Integrity System study "identifying the gaps", as Nalina Sombutham, interim Executive Director said.

##### **Pakistan: National chapter contacts all political parties**

After Pakistan's January elections, TI's national chapter in Pakistan addressed all political parties in a congratulatory letter to call them to follow the rule of law and good governance, as well as implement an independent judiciary. Prior to the elections, in November 2007, the national chapter requested all parties to include 11 recommendations for combating corruption into their election programmes.

#### **Europe and Central Asia**

##### **Albania: TI meets Albania's Prime Minister Sali Berisha**

A five-person Transparency International delegation, headed by Miklos Marschall, Regional Director for Europe and Central Asia and Marjana Papa, Executive Director of TI Albania, met with Albania's Prime Minister Sali Berisha and his delegation of members of the governmental Anti-Corruption unit and the Ministry of Economy, on Wednesday 5 March 2008, in his office. The scope of the visit was to give more visibility and support to the TI national chapter in Albania and have a clear picture about the anti-corruption commitment and action of the Albanian government. Acknowledging the problem of corruption in Albania, Mr Berisha described to TI the steps the government had taken to decreasing corruption in Albanian public institutions and society e.g. exposing conflict of interest among ministers, creating a selectively staffed department of anti-corruption, establishing e-procurement for government procurement issues or introducing a so-called "1-Stop-Shop" for businesses (promising that all paperwork for opening a business in Albania will be achieved within 24h). The TI delegation also came together with Edi Rama, head of the opposition and mayor of Tirana, who advocates steering away from the one-man-show approach to corruption typical in the Balkans. "We need to change the systems", he said, which is very much in line with TI's approach to fight corruption.

##### **Azerbaijan: Countrywide anti-corruption trainings**

Throughout February, TI national chapter in Azerbaijan held trainings for state employees and citizens in five cities and villages across the country. Starting with the police in Baku, TI Azerbaijan trained employees of the State Real Estate Registry Service in Lenkoran, teachers in Garachay village and residents of Darajannat village. The trainings focused on the causes and the different forms of corruption, the National Strategy for Raising Transparency and Combating Corruption and other measures to combat corruption. The trainings are part of the Public Outreach Programme building on the Advocacy and Legal Advice Centres and are set to continue throughout 2008.

#### **Macedonia: Opinion poll results on bleakest corruption-related event in February**

The re-election of the President of the State Anti-Corruption Commission (SACC) was voted as the bleakest corruption-related event in February by the chief editors of the major Macedonian media. The Independent News Agency Makfax and the TI national contact in Macedonia, "Zero Corruption," conduct a monthly opinion poll called "Light/Bleak" where they select the lightest (positive) and bleakest (negative) happenings related to corruption in Macedonia. The poll has been carried out since December 2004. According to the criteria of the pollsters, not a single "light" event deserved to be placed on February's list. The poll asks chief editors of the country's major television stations, daily and weekly newspapers and online news pages. For further information, please click [here](#).

#### **Norway: Seminar on ensuring transparency in state and municipalities**

In February, TI's national chapter in Norway organised a half-day seminar on Transparency in Public Affairs in Oslo. The discussion focused on access to information, whistleblowing and good public governance and looked at questions such as: 'Does the current right of access to information provide sufficient protection against corruption and misuse of power in public affairs?'; 'Does it adequately ensure citizen's right to know?'; 'What is the role of the media?'. The event included presentations by the experts Professor Jan Fridthjof Bernt from Bergen University, Professor Henning Jakhelln from the University of Oslo, Secretary General of the Norwegian Editor's Association Nils Øy, Parliamentary Ombudsman Arne Fliflet and was moderated by Heidi Furustøl, a member of the board of TI Norway.

#### **Russia: Usage of public resources during 2008 presidential campaign**

TI national chapter in Russia held a press conference on 28 February on the presidential election campaign 2008. Elena Panfilova, Director of TI Russia, Lilia Shibanova, Director of the independent Russian vote monitoring agency "Voice" and "Voice" expert Alexander Keenev presented and discussed the preliminary findings on "Monitoring the use of public resources in presidential electoral campaign 2008: mechanisms and results". Special emphasis was given to mass media monitoring, TV campaigns, regional campaigns and specifics of the presidential elections. This monitoring was part of a project looking into curbing political corruption and monitoring the use of public resources in electoral campaigns during Russian federal elections 2007/2008. The final results will be published in May. Preliminary results are available in Russian [here](#).

#### **TI - Secretariat**

##### **Call for Integrity Award nominations**

TI is calling for nominations for the 2008 Integrity Awards, honouring individuals and organisations that have demonstrated exceptional courage and outstanding leadership in fighting corruption. Each year TI receives nominations for candidates who have risked their lives and their livelihoods in the name of justice, transparency and integrity. Winners have come from Asia and Africa, Europe, Latin America and the Middle East. They have included journalists and public prosecutors, accountants, government officials and leaders of civil society. Launched in 2000, the goal of the Integrity Awards is to offer greater recognition and support to those who investigate and unmask corruption, often at great personal risk. Nominations for the 2008 Integrity Awards will be accepted until 31 August 2008. For further information please click [here](#).

##### **TI documentary "Agents of Change" presented at Prague film festival**

TI's 2007 documentary Agents of Change, portraying the work of TI Advocacy and Legal Advice Centre's in Romania and Bosnia Herzegovina, was selected to be screened at the 10th annual One World – International Human Rights Documentary Film Festival in Prague, Czech Republic in March. The film was part of the programme stream 'Film against Injustice and Poverty.' TI's tv advertisement '[The Magician](#)' was also selected for screening. More information is available at: [www.oneworld.cz](http://www.oneworld.cz).

**CORRUPTION IN QUOTES**

"The issue about corruption in government should not be pursued simply for the political gain of one party or one group. This should be about protecting and advancing the welfare of the entire Filipino people"

Noli de Castro, vice president of Philippines, declared at the national convention of the 4th Liga ng mga Barangay (League of Villages) in Intramuros.

[Inquirer](#), Philippines, 17 March 2008

"I am not worried. I did nothing wrong"

Former Thai Prime Minister Thaksin Shinawatra on facing corruption charges.

[Reuters](#), Thailand, 10 March 2008

"It would be good to cut off the hand, as they used to in the Middle Ages"

Russian President Vladimir Putin's novel solution for disciplining corrupt officials.

[Agence France-Presse](#), Russia, 11 Mar 2008

"Corruption has become a hydra-headed monster ravaging not only the public sector but also spreading its poisonous tentacles to the private sector. Every form of corruption, be it public or private, retards the growth of our economy"

Justice Emmanuel Ayoola, chairman of the Nigerian Independent Corrupt Practices and Other Related Offences Commission (ICPC), said in a lecture on corruption.

[Daily Champion](#), Nigeria, 27 March 2008

"REDD [Reducing Emissions from Deforestation and Degradation] [will] pour money in one end, and corruption will just siphon the whole lot off"

John Burton, from the Research School of Pacific and Asian Studies of the Australian National University, predicts what would happen if the REDD plan was put into practice in Papua New Guinea.

[New Scientist](#), 22 March 2008

**MASTHEAD**

Transparency Watch is a monthly electronic publication of Transparency International. It is produced by the Communications Department.

Transparency International accepts no responsibility for opinions expressed in interviews or for the information provided through external weblinks.

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