

Transparency Watch

FEBRUARY 2009

INTERVIEW OF THE MONTH



His Royal Highness Prince El Hassan bin Talal, Hashemite Kingdom of Jordan

A prominent voice on the international stage, His Royal Highness Prince El Hassan bin Talal has initiated, founded and is actively involved in a number of Jordanian and international institutes and committees. His Royal Highness spoke with Transparency Watch about tackling corruption in the Middle East and empowering the poor. >> [read more](#)

SPOTLIGHT STORY



Honouring the heroes: Integrity Awards 2008

Two remarkable investigative journalists received Transparency International's 2008 Integrity Awards. Their message is simple: corruption has no hiding place >> [read more](#)

ANTI-CORRUPTION WORK AROUND THE WORLD



Advocacy and Legal Advice Centre workshops were held across three continents >> [read more](#)



Number and size of Greek bribes increase, reports survey >> [read more](#)



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CORRUPTION IN THE NEWS



Swiss banking secrecy shaken by US lawsuit >> [read more](#)



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CORRUPTION IN QUOTES

"Banking secrecy, ladies and gentleman, remains intact" >> [read more](#)

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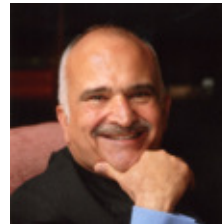
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INTERVIEW OF THE MONTH

His Royal Highness Prince El Hassan bin Talal, Hashemite Kingdom of Jordan

By Michael Sidwell

A prominent voice on the international stage, His Royal Highness Prince El Hassan bin Talal has initiated, founded and is actively involved in a number of Jordanian and international institutes and committees. He is also the author of nine books and contributes extensively to newspapers, magazines and journals. His Royal Highness spoke with Transparency Watch about corruption in the Middle East and empowering the poor.



Transparency Watch (TW): *What do you think should be done to make the fight against corruption more effective in the Middle East?*

HRH Prince El Hassan bin Talal (HRH): Governments must regulate themselves there is no doubt. You see parliaments today keep finding reasons for legislation, following the promulgation of the legislation. Legislation is promulgated individually on individual things and clusters of interrelated families have to appear in a thematic approach. Of course this is not different to the international community, where fads and ad hoc measures seem to take precedence over interdisciplinarity. One minute they are talking about fighting malaria when we don't even have mosquito nets, or we don't have beds if we have the mosquito nets. There is no interrelated thinking to fighting AIDs or whatever issue it might be.

Secondly, citizens and civil society organisations must also be active in pressing their governments and holding them accountable to conventional standards. This means there must be substance to the dialogue between civil society organisations, citizens and governments, which is why I am so concerned with the continued legal illiteracy. Legal illiteracy has to be attended to if citizens are going to exercise their responsibilities.

Thirdly, international institutions can help keep anti-corruption conventions high on international agendas and provide fora for discussing progress, and of course this is something I hope can be a subject of standards. Because various UN conventions exist on combating corruption in all forms, I think that there is an assumption that just because these conventions exist and there are signatories to them that somehow this malaise will be attended to. I think that the question of developing a culture of good governance is basically what anti-corruption amounts to, and a covenant between good governance and citizenship is extremely important.

TW: *Studies show that corruption can siphon off oil and gas revenues into the pockets of the elite. What do you think is the single most important action needed to ensure that the wealth from natural resources benefits all citizens?*

HRH: I believe in custodianship and stewardship as common denominators between all schools of thought and beliefs and faiths. I was moderator for seven years of nine faith groups. In terms of morality and climate change and morality and the environment, I think one of the most interesting legal rulings is that of the Sheikh of the Azhar, Dr. Mohamed Sayyed Tantawi, in which he called for 20% of the profits of oil and other natural resources to be deposited into an alms foundation.

After 9/11 Zakat was stopped in the United States, because some organisations were siphoning money off to terror groups, as described by security agencies. But as far as the wealth of subterranean mineral resources is concerned, I think it is essential to see a focus once again on a cohesion fund. South East Asia has been able to do that; you have Vietnam and Thailand, two countries with totally different regimes as part of that wider bloc of the ASEAN countries. Why is it that the West Asian countries cannot follow that example of empowering the poor? I think the reason for it is basically the unilateral relations that have governed oil countries relations with the industrial world and with Arab countries or non-Arab countries - so we all go to petition oil countries for their support.

I think the current crisis might make it more patently obvious that inter-regional and intra-regional cooperation is required and in that context I go back to Paul Volker who called for a regional development bank, or development fund. The focus is not on making the rich richer, not even on sustainable development – keeping people at a certain level of development – but developing talent and developing local communities. In that environment, I think the intersection between society and nature will mature and prosper.

TW: How do you think transparency could be incorporated into the Zakat system?

HRH: I believe whether it is called Zakat, Sadaqat or similar wordings, what is important to me is that it can be managed by internationally reliable, competent figures who I am sure are available to perform this important task.

The main thing is the will to establish such a regional responsibility guaranteed by governments, the private sector and civil society, and a covenant that these funds would be made available to the designated categories. There are eight categories in terms of Zakat, which are in keeping with the Koran, the Hadith and the Suna. If Zakat is a pillar of Islam, to close it down and to assume that its closure will shut down these militant schools that are killing in the name of the quest for social justice, is actually a contradiction in terms. They are actually prospering in the hot house environment that we have created by such closures. I think to draw the carpet from under the feet of the militants who believe that killing is the only solution is to say that society has recognised its obligations to a pillar of faith.

TW: Jordan is expanding economically at a significant rate. Have you concerns that in this period of rapid growth, where perhaps existing systems and structures may struggle to keep pace, that some may well be left behind?

HRH: There is the reality that in terms of political economy the carrying capacity of each economy is immediately affected by the presence of refugees, displaced people, internally displaced people – stateless persons – driven, for example, in carrying up to 1 million displaced Iraqis. Officials speak of figures in excess of half a million, but this figure equates for 12% of the local population, certainly in terms of the first impact of the first arrivals of the Iraqis, some of whom have returned now. And my question is how to improve this temporary status? I think the time has come for the region to remove brand names – Iraqi, Palestinian, Jordanian, Israeli, Lebanese, Syrian, Egyptian – and to begin to look seriously at carrying capacity for the region. Just as an empirical database of natural human and economic resources to give you some kind of indication of whether or not you can begin a realistic recovery capacity plan. To do that, I believe investment has to be supra-national in energy and water for the human environment. We have to realise that continuing to fight within the context of depleted rivers – the Tiber, the Tigris, the Euphrates, the Nile and the Jordan (which is becoming rapidly non-existent) – requires a new approach. They could at least begin with two existential requirements – water and air which are no longer human rights. They are commodities on the world markets.

TW: You have spoken of adjusting the monetary system through a new Global Social Compact. What would you expect this to entail and achieve?

HRH: The UN Global Compact at the time of definition by the UN Secretary General Ban Ki-Moon was basically the public and private sector working together in this political initiative taken by former Secretary-General Kofi Annan. Of course the concept of civil society was then added and there are those in the world who would like to see administrative and professional responsibilities put first. I was rather impressed by Paul Volker's remarks that he made on 8 April 2008 in which he said that the practice of important commercial investment banks to move certain sponsors and relative operations off balance sheets has been surprising in the light of the well publicised problems of Enron and other industrial companies. Experiences demonstrate that off balance sheets cannot be the same as out of mind or out of responsibility as too much is at risk, both in the financial and reputation sense.

In terms of our immediate region, the question of corruption figures very high in the general mistrust of peoples' perceptions of both government and the private sector. As a member of the UN's [Commission for the Legal Empowerment of the Poor](#), I would like to emphasise that a new field has to be developed which brings together the public sector, the private sector and civil society, including professional associations, which is basically what Shirley Williams used to describe as 'politics where people matter'; that is to say a human-centric approach. I am hopeful that the new definition of the closing the human dignity deficit can be the mission of the [Coalition for the Global Commons](#) in its meetings with staff in 2010 and 2012 in asking each region to live up to specific standards.

If you look at the [Helsinki Process](#), I would regard the breakdown of governments and the breakdown of trust between governments and people, stakeholders, stewardship and custodianship as one of the aspects of the breakdown of basic security. Although in terms of hard security, weapons of mass destruction are regarded as a basic security issue. To quote our region, a Beirut-based Arab anti-corruption organisation estimates that institutionalised corruption has swallowed up a third of the accumulated income of all Arab countries in the five decades up to 2000 and the trend continues exponentially.

I think that closing the human dignity deficit will not be done by simply talking as politicians do of globalisation and democracy, but by actually applying democracy through building from the bottom up. Paul Collier at Oxford University and others have all called for building from the bottom of the pyramid. And of course Joseph Stiglitz did just that with the 600 organisations who called upon President Bush on 15 December 2008, to listen to the voices of the silenced majority.

About His Royal Highness Prince El Hassan bin Talal

- Co-chaired the Independent Commission on International Humanitarian Issues
- President and Patron of the Arab Thought Forum

- Chairman of an Independent Eminent Experts group, appointed by the Secretary-General of the UN, to implement the Declaration and Programme of Action of the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance that took place in Durban in 2001
- Founding member of the Parliament of Cultures
- Works with American NGOs on Partners in Humanity to improve understanding and build positive relationships between the Muslim world and the US
- Chair of the Integrity Council for the Global Commons.

The interview was conducted at the 13th International Anti-Corruption Conference held in Athens, Greece. To learn more about the conference click [here](#)

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SPOTLIGHT STORY

Honouring the heroes: Integrity Awards 2008

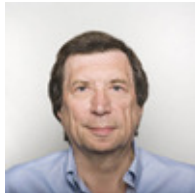
By Michael Sidwell

On 17 February, Transparency International (TI) held its 2008 Integrity Awards ceremony in London. Now in its seventh year, the Integrity Awards honour the courage and drive of individuals and organisations around the world to tackle corruption. This year's winners are two outstanding investigative journalists, David Leigh and Roman Shleynov, whose ceaseless efforts to expose corruption have been both invaluable and an inspiration to the anti-corruption movement.



David Leigh,

Investigations Editor, The Guardian (UK)

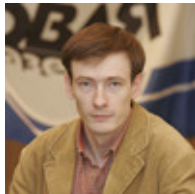


David Leigh's extensive reporting on foreign bribery in business, his exposure of corruption allegations in projects guaranteed by the UK's Export Credit Guarantees Department as well as political corruption in the UK, underline his dedication to a multi-faceted problem. Since 2004, Leigh's landmark investigations into alleged bribery by British Aerospace Systems (BAES) in relation to the UK-Saudi Al Yamamah arms deal, as well as deals with other countries, has laid bare how developed countries may be complicit in fuelling corruption in developing nations.

His untiring pursuit of the truth has also helped journalists in other countries to report on accusations involving BAES and their own governments.

Roman Shleynov

Investigations Editor, Novaya Gazeta (Russia)



From embezzlement by a former Russian nuclear energy minister to billions of black market cigarettes en route to Europe, Roman Shleynov focuses almost exclusively on exposing the corrupt bonds between business and politics.

His independent reporting and investigative expertise at Novaya Gazeta has brought Shleynov to the attention of Russia's Federal Security Service (the former KGB) on several occasions.

Since 2000, Novaya Gazeta has seen four of its journalists brutally murdered, including three who worked on corruption stories. The well-respected paper is known for its independent, investigative reporting, and has exposed incidences of high-level corruption in Russia, where the majority of the media is state controlled.

The ceremony

In a laudatory speech, Huguette Labelle, TI Chair, described Leigh and Shleynov as: "Two journalists of conviction, of integrity, who – through their work – have dedicated themselves to a relentless pursuit of the truth about those that propel and permit corruption. They have navigated through murky waters and investigated powerful forces to penetrate secret webs, expose failed accountability and show how corruption diminishes the functioning of our societies."



Irene Khan, Secretary General of Amnesty International, and TI Advisory Council member, gave a keynote speech on corruption and human rights, stating: "The cost of corruption in terms of human rights cannot be over-emphasised, particularly for the most vulnerable and marginalized people in our societies."

The great personal risk that anti-corruption activists and journalists face in some parts of the world was of particular poignancy at the ceremony. Sion Assidon, Chair of the 2008 Integrity Awards Committee, paid homage to one of TI's first Integrity Award winners, Sri Lankan journalist [Lasantha Wickramatunga](#). Shot dead in January by unidentified gunmen, Wickramatunga fearlessly unmasked corrupt dealings and practices in a country that was ranked 165th out of 173 countries in media rights group [Reporters Without Border's](#) 2008 Press Freedom Index – the lowest ranking of any democratic country.

Past winners

The holistic approach necessary to effectively tackle corruption is embodied in the diverse backgrounds of TI Integrity Award winners. From accountants and public prosecutors to government officials and pharmacologists, their backgrounds may be diverse, but the message is the same: corruption can be beaten.

The 2007 awards recognised the unflinching dedication of Le Hien Duc, a retired Vietnamese school-teacher and resourceful anti-corruption fighter, and Professor Mark Pieth, a criminal law and criminology professor at the University of Basel, Switzerland. Duc tackles petty bribing and large-scale graft by filing complaints and helping fellow citizens in spite of physical threats and warnings. Pieth meanwhile has an outstanding track record in fighting corruption on an international scale, not only as a co-founder of the Basel Institute on Governance, but as chair of the OECD Working Group on Bribery in International Business Transactions and as a member of the Independent Inquiry Committee into the Iraq Oil-for-Food Programme of the United Nations.

>> Learn more about the 2008 Integrity Award winners [here](#).

>> To learn more about TI's Integrity Awards, the previous winners and how to make a nomination please click [here](#).

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ANTI-CORRUPTION WORK AROUND THE WORLD

Advocacy and Legal Advice Centre

By Angela Keller-Herzog



Advocacy and Legal Advice Centre (ALAC) workshops were held across three continents during January, confirming the truly global nature of the grass-roots model approach to fighting corruption.

TI Zambia, which has been running the first ALAC in Africa since December 2007, played host to a workshop, which saw TI representatives from Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Rwanda and Zimbabwe attend to learn from the Zambian experience.

A large media presence covered the start of the workshop, which included a keynote speech by the Attorney General of Zambia, who noted that the effects of corruption are far-reaching and disastrous. Reuben Lifuka, President of TI Zambia and newly elected TI Board member, took part in the proceedings, as well as Goodwell Lungu, TI Zambia's Executive Director, who spoke of how ALACs can unearth information that can help public agencies investigate cases of grand corruption, in addition to providing a valuable service to Zambian citizens.

True to its history and geography, Azerbaijan showed itself to be a meeting point for people from Asia and Europe. TI participants from Fiji, Georgia, Mongolia, Pakistan, Papua New Guinea, Russia and Vanuatu gathered for the ALAC workshop, the sheer diversity of which ensured a lively exchange of ideas and experience.

The workshop was conducted in TI Azerbaijan's Baku office, which serves as the centre for five regional ALACs spread around Azerbaijan. Under the leadership of Rena Safaraliyeva, TI Azerbaijan's Executive Director, the ALAC operation has become central to the chapter's work. Not only has the chapter grown in visibility, but it has been recognised as a strategic partner in the government's anti-corruption strategy.

Almost a year after launching the first ALAC in the Americas, Accion Ciudadana, the TI chapter in Guatemala, welcomed TI representatives from Argentina, Bolivia, Colombia, Costa Rica, Panama, Uruguay and Venezuela to discuss and reflect on its experiences.

The workshop underlined the courage and energy of the Guatemalan ALAC team –Ana Castro, Manfredo Marroquin, Liza Noriega and Alejandro Urizar – who work in a tough environment to provide such a service. The participants benefitted from hearing about the challenges the chapter has encountered and many innovative ideas for improvement, particularly as some of the workshop participants are set to open ALACs in the coming months.

Advocacy and Legal Advice Centres -

Angela Keller-Herzog, Global ALAC Manager, co-organised the three workshops.

>>Learn more about TI's Advocacy and Legal Advice Centres [here](#).

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ANTI-CORRUPTION WORK AROUND THE WORLD

Survey says Greek bribery up

By Lydie Gerboin



The Greeks paid more bribes in 2008, reports a survey released by TI Greece.

More than 13% of Greeks resorted to giving “*fakelakia*” (or little envelopes) in 2008, paying an estimated €750 million [US \$950 million] in bribes to public and private officials in 2008, €110 million [US \$140 million] more than the previous year, according to the survey ([Associated Press](#), AP).

Yiannis Mavis, head of the Public Issue, the polling firm commissioned by TI Greece to undertake the survey, noted that the amount equates to an “average of 1,450 euros [US \$1,850] in bribes per family” ([Kathimerini](#)).

The majority of bribes, 60 percent of the total, are “related to doctor’s fees, tax evasion and building permits,” said Costas Bakouris, Chair of TI Greece.

Bakouris called on the government, elected in March 2004, to enforce existing laws and create an anti-corruption task force ([AP](#)).

The six-month survey included around 6,000 respondents.

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ANTI-CORRUPTION WORK AROUND THE WORLD

Open Budget Index 2008

By Michael Sidwell



Eighty percent of the world's governments fail to provide adequate information for the public to hold them accountable for managing their money, according to the *Open Budget Index 2008*.

Numerous TI chapters – including Fiji, Georgia, Lebanon, Morocco, New Zealand, Senegal, Serbia and Venezuela – conducted surveys in their respective countries for the *Index*, which reports that almost 50 percent of the 85 countries evaluated provide such minimal information that they are able to hide “unpopular, wasteful and corrupt spending.”

According to the Index produced by the *International Budget Partnership* (IBP), the worst offenders for making budget information available include: Saudi Arabia, Algeria, Democratic Republic of Congo, Sudan, Rwanda, Equatorial Guinea and São Tomé e Príncipe.

In comparison, the most transparent countries include: the United Kingdom, South Africa, France, New Zealand and United States.

“Open budgets are empowering. They allow people to be the judge of whether or not their government officials are good stewards of public funds,” says Warren Krafchik, IBP's director. “Our goal is to promote increased public access to government budget information. We've seen how this can lead to concrete improvements in people's lives.”

The 2008 OBI is based on the 2008 *Open Budget Survey*, which evaluates whether central governments give the public access to budget information and opportunities to participate in the budget process. The survey also examines the ability of legislatures and auditors to hold their governments accountable.

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CORRUPTION IN THE NEWS

Swiss banking secrecy shaken by US lawsuit

By Michael Sidwell



The US government has sued UBS, Switzerland's biggest bank, in an attempt to force the bank to reveal the identities of as many as 52,000 American clients suspected of hiding their Swiss accounts from US tax authorities.

The civil suit filed by the US Department of Justice on 19 February claims that UBS "engaged in cross-border securities transactions in the US that it knew violated security laws and helped US taxpayers set up dummy offshore companies," reports the [Financial Times](#) (FT).

UBS will "vigorously contest" the case, said the bank in a statement, according to [Bloomberg](#).

"The suit came a day after UBS reached a landmark settlement with the US government in which the Swiss bank admitted having enabled clients to evade taxes, agreed to pay [US]\$ 780m (€ 610,7m) in fines and turn over about 250 client names to the US," notes the [FT](#).

The settlement has "provoked intensive questioning over the future of Switzerland's famously secretive banking industry as international pressure mounts for more transparency," continues the [article](#).

Despite Swiss laws guarding bank client confidentiality, Finma, the country's financial regulator, and the Swiss government have said that: "they had no choice but to let UBS hand over some names data to avoid a criminal case which could have threatened the bank's existence and hurt the Swiss economy, heavily dependent on the banking industry," reports [Reuters](#).

"Banking secrecy, ladies and gentleman, remains intact," said Swiss President Hans-Rudolf Merz at a news conference ([LA Times](#)).

The [Associated Press](#) (AP) reports that Merz, UBS and Switzerland's financial regulator have all asserted that the handover is not "a retreat from the principle of banking secrecy because it concerns only a small number of files that are linked to tax fraud – and not tax evasion."

"Under a 75-year-old law, Swiss banking secrecy can only be lifted when individuals are deemed to have deliberately defrauded tax authorities as opposed to failing to declare all assets, a distinction only Switzerland and other tax havens make," explains the [article](#).

However, some experts say that the settlement has "opened cracks in Switzerland's famous bank secrecy laws," according to [Reuters](#).

"Germany, France and Britain want tough action against all offshore tax havens following last year's revelations that hundreds of rich Europeans had been stashing money away in the tiny Alpine principality of Liechtenstein, which has similar banking rules to Switzerland," writes the [AP](#).

"Nearly a third of the wealth that is stashed in tax havens around the world is in Swiss banks -- an estimated [US] \$2.2 trillion [€1,7 trillion]," reports [Reuters](#).

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CORRUPTION IN THE NEWS

Bribery epidemic in Romania's health sector

By Philippa Mary William



As the European Commission released a report criticising Romania's backsliding on judicial reforms key to fighting corruption, the *International Herald Tribune* exposed how bribery in the country's healthcare system has reached rampant levels.

The IHT [article](#) by Dan Bilefsky details how the cost of bribes depends on the treatment and ranges "from €100 for a straightforward appendix-removal operation to up to €5,000 for brain surgery. The suggested bribery prices are passed on by word of mouth, and are publicized on blogs and Internet sites."

Dr. Adela Salceanu, a psychiatrist and anti-bribery advocate, tells the IHT how "young doctors who refused to accept bribes were routinely chastised or threatened with dismissal by senior colleagues for subverting the black market."

Bribery has reached such high levels that reportedly "if a doctor refuses a bribe, patients typically become anxious and distraught, believing this to be a sign that their illness is incurable and death is imminent."

Bilefsky cites a World Bank study conducted for the Romanian Ministry of Health, which concluded that "so-called informal payments amounted to [US] \$360 million [€282 million] annually."

In every day terms, this reportedly means that "if an illness requires hospitalization, the Romanian patient typically pays three of four bribes, equivalent to three-quarters of a family monthly income".

The IHT reports that a free phone line initiative recently set-up by the Ministry of Health for patients to report abuses was "jammed" within an hour.

Whilst such incidents in Romanian hospitals have been attracting national attention, the [Associated Press](#) reports that the country is also coming under increasing pressure from the EU to 'demonstrate the existence of an autonomously functioning, stable judiciary which is able to try and sanction corruption and the rule of law'.

"It is important that the Romanian authorities regain its momentum on judicial reform and the fight against corruption so as to reverse certain backward movements of recent months," stated the [EU report](#). "Romania must demonstrate the existence of an autonomously functioning, stable judiciary which is able to detect and sanction corruption and preserve the rule of law."

[Deutsche Welle](#) notes that "Romania could follow Bulgaria by having millions of euros in EU funding frozen".

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CORRUPTION IN THE NEWS

Corruption probe into Iraq reconstruction

By Michael Sidwell



“In what could turn out to be the greatest fraud in US history, American authorities have started to investigate the alleged role of senior military officers in the misuse of \$125bn [€98bn]...in a US-directed effort to reconstruct Iraq after the fall of Saddam Hussein,” writes [The Independent](#).

[The New York Times](#), which broke the story, reports that court documents show that investigators have subpoenaed the bank records of Colonel Anthony Bell, now retired from the US Army, but who headed reconstruction contracting in Iraq in 2003-2004.

Two federal officials involved in the inquiry told the newspaper that the activities of US Air Force Lieutenant Colonel Ronald Hirtle, who was a senior contracting officer in Baghdad in 2004, are also being examined.

“It is not clear what specific evidence exists against the two men, and both said they had nothing to hide from investigators,” notes the article.

The inquiry is looking again at information supplied by Dale Stoffel, an American arms dealer and contractor who was killed in Iraq in 2004, said the New York Times.

A former business associate told the newspaper that Stoffel described how “Fifty thousand dollars [were] delivered in pizza boxes to secure contracts”.

“The reconstruction effort, intended to improve services and convince Iraqis of American good will, largely managed to do neither. The wider investigation raises the question of whether American corruption was a primary factor in damaging an effort whose failures have been ascribed to poor planning and unforeseen violence,” writes the article.

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](#)

Africa and the Middle East

Egypt: conference on governance and transparency

In the framework of TI's *Promoting Transparency and Enhancing Integrity in the Arab Region* project, a workshop was held on "Transparency and disclosure in the global financial and economic crisis and its impact on Egypt." The conference featured six economic and business experts who presented working papers on various issues. The keynote address was by Frank Vogl, co-founder of TI and member of TI's Advisory Committee. Participants consisted of representatives from the private sector, government and NGOs, in addition to TI-Secretariat participants and representatives from the TI Moroccan, Lebanese and Palestinian chapters. A working session was held on the second day to agree on the publication of the conference papers and recommendations.

Israel: business ethics in the financial crisis

TI Israel held a lecture on January 18th with Dr. Yaacov Cory entitled "Ethical and profitability challenges in the business world, in light of the ethical failures in the global economic crisis." Dr. Yaacov Cory argued that "the current economic crisis stems entirely from ethical failures."

A panel discussion followed the lecture, which was mediated by Professor Yossi Gross, Chairman of TI Israel, and included: Amos Mar-Haim, Deputy Chairman of Phoenix Investments and Finances (Chairman of the Israeli Union of Public Companies); Dr. Yitzhak Saporta, active in social movements and a lecturer at Tel Aviv University; and Dr. Irit Haviv-Segel, expert in corporations law and corporate governance.

Morocco: special report on local government

The fourth edition of the Transparency News includes a special report on local government. The quarterly publication is part of Transparency Maroc's project Observatoire National de la Corruption, which monitors national news stories on corruption to identify key areas where the national integrity system fails, and makes recommendations on how corruption in different sectors can be tackled.

Nigeria: Integrity Pacts to be used by Niger Delta Development Commission

The Niger Delta Development Commission (NDDC) has agreed to adopt Integrity Pacts in corporate management. Recurring developmental challenges in the Niger Delta, due to the failure of successive past governments, have made the need for transparency and integrity in the management of resources pressing.

The Americas

Argentina: new website on international anti-corruption conventions

The TI chapter in Argentina, *Poder Ciudadano*, has launched a new website, which maps the levels of implementation of international anti-corruption conventions at the regional, national and provincial level.

Accessible and easy to navigate, the website brings together both existing and new material compiled by the chapter and partner organisations from three of Argentina's provinces. It was established to address the lack of a systematic appraisal of on-the-ground realities regarding the integration of convention provisions' into both legislation and practice. This information is of particular importance for diagnosing the situation in the provinces.

The next step is to incorporate documentation from more of the country's provinces and other Latin American countries to further strengthen the comparative analysis and better target advocacy efforts around the conventions.

Canada: expert on international anti-bribery law addresses business leaders

TI Canada and the Ethics Centre, a corporate ethics organisation, held a seminar with speakers from the law firm Blake, Cassels & Grayden.

Entitled "The Balancing Act – Anti-Bribery Laws in International Business", the seminar was tailored to businesses operating in a global economy and under increasingly complex domestic and international jurisdiction on corruption and anti-bribery. With recent rises in the number and magnitude of prosecutions and criminal penalties being brought against companies for anti-bribery infringements, the event sought to assist the business community in establishing robust internal regulatory systems. Participants were given practical advice on international and domestic legal frameworks, and introduced to specific policy recommendations for better corporate governance.

Colombia: privately-owned public service providers tested against best business practices

Transparencia por Colombia has been working with ten privately-owned public service providers to pilot a system of indicators for measuring levels of transparency in this sector. The system consists primarily of surveys and on-site interviews with company representatives and interest groups (customers, shareholders etc). The resulting study assessed business management from four perspectives: disclosure of information; quality of customer service; formalisation of good business practices and corporate ethics; and internal regulation, including monitoring and evaluation procedures for ensuring compliance.

With scores ranging widely, from 90% to 27%, the study found that documents relating to internal audits and risk management were those most likely to be unavailable. Another common challenge experienced by those public service companies was ensuring that high standards on corporate ethics standards were matched by their suppliers and sub-contractees.

Asia and the Pacific

Pacific: Women's Tour against corruption

In commemoration of Anti-Corruption Day, TI New Zealand organised a Pacific Women's Tour, which featured speakers from three Pacific Island countries. Focusing on the role of women in fighting corruption in the region, the participants discussed the difficulties and challenges that can be faced when tackling corruption. The tour started in Papua New Guinea and then continued to Solomon Islands before concluding in Vanuatu. The speakers included Marie-Noelle Patterson-Ferrieux from Vanuatu who spoke on the accountability of institutions, Ruth Liloqula from the Solomon Islands who discussed the challenges of leadership in the public service and Francesca Semoso who spoke on corruption in politics.

Pakistan: a child's view of corruption

TI Pakistan, in collaboration with The Citizens Foundation (TCF), organised a painting exhibition as part of the final stage of an art competition on the theme "A child's view of corruption." More than 950 students from 39 schools under TCF participated and certificates were given to the first, second and third placed students of each participating school. The project, funded by the Swiss Agency for Development and Cooperation and TI Pakistan, aimed to get children to reflect and talk about the issue of corruption as a way to instil integrity at an early age.

Vanuatu: active citizenship through media

The EU has given TI Vanuatu a grant worth VT 10,5 million (€70,600) to encourage better and more active citizenship. The project aims to achieve this through developing media ethics, increasing public awareness about the right to information and strengthening media-citizens relations. The main activities of the project, which will last for 30 months, include the preparation of TI Vanuatu newsletters, the development of a weekly radio programme, the provision of media services to NGOs, the organisation of public workshops and the training of journalists in investigative journalism.

Europe and Central Asia

Hungary: agreement with media on voluntary disclosure of political ad revenue

TI Hungary and Freedom House Europe signed a memorandum of understanding with eight Hungarian media outlets to actively support efforts to bring more transparency into party and campaign financing in the country. The media outlets also agreed to participate in an investigative journalism project on the issue.

"We are hopeful that, as a result of our efforts and close cooperation with stakeholders and decision-makers, the June 2009 EP elections will be held in different, more transparent conditions than previous polls" said Freedom House Europe and Transparency International Hungary in a joint statement.

Slovakia: municipal transparency

TI Slovakia has undertaken a municipal transparency project with the Slovak city Martin. The project will concentrate on key municipal policies, in which potential for corruption may exist. The overall aim of the project is to eliminate these vulnerable areas and increase the openness and transparency of the local government.

For more information, please contact Miroslava Pagacova - pagacova@transparency.sk

Transparency Watch

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CORRUPTION IN QUOTES

"Banking secrecy, ladies and gentleman, remains intact"

Swiss President Hans-Rudolf Merz on the country's banking secrecy following a settlement between the US and the bank UBS

[LA Times](#), USA, 20 February

"Corruption is a real cancer"

Kofi Annan, former U.N. secretary-general, in a private meeting during the World Economic forum in Davos

[The Associated Press](#), USA, 1 February 2009

"Russia is a country where for years and years now, journalists who cover human rights issues and corruption are being murdered and assaulted"

Miklos Haraszti, the Organization for Security and Cooperation in Europe's representative for media freedom

[The New York Times](#), USA, 18 February 2009

"Transparency is critical for citizens to hold their government to account and is fundamental to the public's trust in government"

Nancy Boswell, president of Transparency International USA

[The Washington Times](#), USA, 2 February 2009

"The level of transparency does not depend on economic means, but on political willingness"

International Budget Partnership (IBP) director Warren Krafchik told AFP in an interview following the release of an IBP report evaluating the budget of 85 countries

[Agence France-Presse](#), France, 31 January 2009

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