

PPA Self-Assessment Review¹

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| Reporting Year | 2008-2009 |
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Part A – Basic Information²

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| PPA partner | Transparency International |
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| Niche statement | <p>Transparency International (TI) is the only Global movement working against corruption. Our mission is to create change towards a world free of corruption. The niche of TI lies in its base of over 100 National Chapters; local, autonomous and indigenous organisations that have agreed to work together as part of TI to fight corruption.</p> <p>TI channels the knowledge and expertise of its Chapters and staff into world class research, analysis and advocacy from a civil society perspective. TI seeks to bring about systematic change to tackle corruption, and address the root causes of corruption, not its symptoms.</p> |
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| | 2004/5 | 2005/6 | 2006/7 | 2007/8 | 2008/9 | 2009/10 | 2010/11 |
|--|--------|--------|----------|------------|------------|---------|---------|
| PPA funding (£) | | | £500.000 | £1.000.000 | £1.022.500 | | |
| As % of total organisational income | | | 8.63% | 15.59% | 17.23% | | |

| | 2004/5 | 2005/6 | 2006/7 | 2007/8 | 2008/9 | 2009/10 | 2010/11 |
|-------------------------------|----------|----------|----------|----------|----------|---------|---------|
| Other DFID funding (£) | £269.077 | £284.207 | £224.999 | £226.186 | £116.057 | | |

NB As our fiscal year is from January till December and the fiscal year of DFID is from April to March, we split the funds and allocated one quarter to the last fiscal year of

¹ This self assessment review is only part of the reporting story. Organisations will be able to supply evidence, case studies and other material they feel will show impact on the ground

² Part A is a useful snapshot of the full relationship between DFID and each PPA holder.

There is an opportunity to expand on some of the non-financial aspects in Part D 'Partnership with DFID' but we wanted to expand Part A to reflect the fact that our partnership with DFID is not purely financial.

DFID and three quarter to the current fiscal year. Please refer to our audited accounts for a detailed overview of DFIDs contribution to TI per TI financial year.

Summary of partnership with DFID and other DFID funding³

E.g. list of other DFID contracts or description of sectors worked in with DFID. (Approx. 300 words.)

Transparency International partners with DFID on a wide range of areas, including but not limited to funding. These include the examples below with more detail to be found in this report:

- TI and DFID are both on the Steering Committee for the International Aid Transparency Initiative (IATI) and regularly engage on this follow-up initiative to the Accra High Level Forum on Aid Effectiveness.
- Policy dialogue with DFID's Financial Accountability and Anti-Corruption Team, for example on Asset Recovery, in the follow up to the London G20 Summit this year.
- Active information sharing between DFID and TI on the Conference of State Parties to the UN Convention against Corruption
- Transparency International is operating the U4 anti-corruption helpdesk, a service consulted by various donors including DFID.
- Direct DFID funding support for TI National Chapters globally, including in Indonesia, Azarbaijan, Bangladesh and Mexico
- In addition to the PPA and direct funding to the National Chapters, DFID supports Transparency International through two projects
 - Anti-Corruption / Delivering Change - Governance and Transparency Fund
 - Transparency International Mediteranean ALACs (Advocacy and Legal Advice Centres)

Approximate % of total organisational expenditure allocated by sector or theme⁴

Transparency International focuses 100% on anti-corruption and within that work on promoting integrity, transparency and accountability in the public and private sector. Organisational expenditure per department is as follows (excluding support functions such as finance, HR, fundraising and governance): Africa and Middle East 15.2%; Asia-Pacific 8.5%; Americas 11.5%; Europe and Central Asia 11.8%; Global programmes 24.8%; Policy and Research 18.8%; and Communications 9.4%.

³ This is intended to be a cumulative list of DFID contracts etc. from when your PPA began. If there is a large amount of information, please summarise by e.g. department and add any additional information to an appendix. We wanted to leave this section quite open to interpretation by each organisation. Note the wording has changed from 'relationship' to 'partnership'.

⁴ This should provide an indication of your overall organisational allocations by sector or theme (i.e. not limited to your PPA).

The % breakdown may change from year to year and is intended to reflect key organisational priorities for the Reporting Year under assessment.

Part B - Progress against PPA Strategic Objectives⁵

| Progress to date against PPA purpose statement |
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| To reduce corruption and keep the fight against corruption inside the world's agenda |
| <p><i>Provide high-level summary of progress to date against your purpose statement, drawing on evidence in line with the performance framework. (Word guidance: up to 300 words.)⁶</i></p> <p>As shown below, Transparency International is keeping the fight against corruption high on the world's agenda. Our research and our policy and working papers are increasingly informing the work of peer organisations and our monthly average website visits have increased by around 32% since the beginning of this PPA. We are engaging on national and international levels with a wide range of stakeholders in the development field, including the World Bank, donors, UNODC and the private sector.</p> <p>In this reporting year, TI has contributed to bringing transparency and integrity high on the world's agenda in the context of the financial crisis. Whereas bribery was not at the origin of the crisis, misalignment of executive compensation, rogue trading, use of weak disclosure requirements in tax havens, were driving factors of the speculative bubble. Increased transparency by the private sector, improved regulatory oversights and increased efforts to recover stolen assets, solutions TI has been calling for for a long time, have made it high inside the world's agenda, as seen in the run up to and at the G20 summit in London this year.</p> <p>Though it is difficult to measure a reduction in corruption, TI believes its interventions worldwide significantly contribute to reduced corruption. For example, the passing of the freedom of information law in Guatemala is partly attributable to our chapter's strong advocacy while extensive work of our chapter in Niger has contributed to its parliament acceding to the UN Convention against Corruption, the key convention against corruption globally. In Serbia, work undertaken by our chapter with support from the secretariat led to important changes in the Law on the Anti-Corruption Agency. The revised law will enable the agency to be more efficient when investigating abuses of office by public officials, whether reported by citizens or identified by the agency itself.</p> <p>The concerted effort from our chapters worldwide is key to shaping the national, regional and international agenda vis-à-vis corruption. On an international level, we are leading on an increasing number of collaborative initiatives reducing corruption in the private sector. For example, the Promoting Revenue Transparency Project (PRT) is an initiative aiming to achieve transparency in oil, gas and mining revenues. The <i>2008 Report on Revenue Transparency of Oil and Gas Companies</i> and drawn from publicly available data, evaluates 42 leading international and national oil and gas companies operating in 21 countries, based on the transparency of their reporting, particularly on payments made to governments for resource extraction rights. After the launch, 15 companies met with TI to discuss the outcomes and what they could do to improve their policies and practises.</p> |

⁵ The phrasing in this section is intended not to preclude referencing back to previous work in a different reporting period.

This is also an opportunity to generate a rich picture of PPA funding and demonstrate its value.

⁶ This is intended to be an executive summary, a 'this is how we're doing' type narrative to set the scene for detailed information on the objectives and indicators. It also emphasises the qualitative aspects of reporting

Progress against PPA Performance Framework by each Strategic Objective

Strategic Objective 1:

TI's global and national research and advocacy drives the agenda

Please explain choice of indicators reported on below ⁷
Transparency International has decided to report on all indicators

Indicator 1:

Positive change (shown annually) in 3 countries. Positive change being, for example, passage of Access to Information legislation, reform of political party financing, establishment of independent Anti Corruption Commissions or similar, UNCAC ratification and monitoring etc).

Progress achieved and challenges faced⁸

Baseline: 3 countries annually (3 as at July 2006 to July 2007)
Performance: 5 countries

1) Guatemala

a) On 29th September 2008 the Guatemalan congress passed the country's first Freedom of Information Law. This is the culmination of advocacy efforts in which the TI chapter in Guatemala, Acción Ciudadana, played an instrumental role. As part of these efforts, they developed a system of indicators of accessibility of public information, and used it to produce a diagnostic report. This study fed into advocacy work leading to addressing the legislative gap in the country, and also specific recommendations for a draft law.

b) On 21 April 2008, Guatemala adopted access-to-information law which obliges public authorities to be accountable on their budgets, public contracts for services and works, staff salaries, addresses and contact details of officials, as well travel allowances. Every office must have an information unit accessible to all citizens having enquiries.

c) In March 2008 the Guatemalan Transparency and Anti-corruption Commission was created headed by the vice-president, with non-governmental actors – including Acción Ciudadana assisting in an advisory role. Acción Ciudadana had advocated for the establishment of a new official body responsible for fighting corruption.

2) Chile

a) On 20th April 2008, the Country's first Freedom of Information Act was enacted largely as a result of advocacy heavily driven by Chile Transparente, TI National Chapter in Chile. The new law requires that all bodies comprising the state administration, including public firms, disclose the

⁷ Agencies may choose to select just some of the indicators for each year of reporting. Please indicate and explain which indicators have been chosen.

⁸ Indicate the period referred to: in some cases it may be artificial to focus just on the prior year, and a focus on overall progress may be more helpful

information requested by citizens within 20 days.

b) Chile Transparente has set up a list of 95 standards on municipal transparency that establish the parameters of transparency that a municipality has to observe. Two municipalities are already implementing them. Through the agreement that Chile Transparente signed with the Asociación Chilena de Municipalidades (Chilean Association of Municipalities), the transparency standards have been promoted in all the municipalities from March 2008 onwards.

3) Niger- Niger's parliament acceded to the UNCAC in August 2008. Strong advocacy with parliamentarians and through the media was undertaken by Association Nigérienne de Lutte contre la Corruption (ANLC/ TI Niger). ANLC is now advocating for a speedy domestication of the UNCAC's dispositions into national law.

4) Indonesia Freedom of information law was passed after 5 years of discussion and debate in April 2008. TI Indonesia was active in lobbying for the law. The amendment of the law on local government and local election was adopted by the parliament in April 2008.

5) Malaysia ratified UNCAC in September 2008 - TI Malaysia had been actively involved in lobbying for this through the Secretary General in the Ministry of Foreign Affairs, the Anti-Corruption Agency and the Attorney General.

List any documentary evidence of achievements⁹

An overview of signatories to UNCAC can be found on the UNODC website
<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>

Indicator 2:

Monthly average web visits increase 100% by 2011

Progress achieved and challenges faced

Baseline: 151,742 (Average July 2006 to July 2007)

Progress Year 1: 200,591 (Average April 2008 to March 2009)

List any documentary evidence of achievements

Transparency International's communication department monitors the number of web visits.

Indicator 3:

TI policy papers and working papers are cited by – and inform the work of - 5 peer organisations or advocacy targets

Progress achieved and challenges faced

Baseline: 5 annually (0 as at July 2007)

⁹ This can also be used as an opportunity to provide DFID with case studies, YouTube clips etc for 'building support for development'.

Progress

1. International Council for Human Rights Policy (ICHRP)
2. United Nations Department of Economic and Social Affairs (DESA)
3. Afrobarometer
4. CIPE
5. Basel Institute of governance
6. ISS
7. International Budget Project
8. Better Aid
9. CONCORD
10. European Youth Forum

List any documentary evidence of achievements

Evidence on the above can for example be found here:

ISS

ISS Paper 170, November 2008 by Andrew Faull

Corruption and Corruption Management in South Africa's Metropolitan Police Departments.

http://www.iss.co.za/index.php?link_id=23&slink_id=6949&link_type=12&slink_type=12&tmpl_id=3

International Centre for Asset Recovery (ICAR), Basel Institute on Governance

Advancing international understanding and cooperation in combating fraud and corruption:
Recovering stolen assets—a new issue?

By Alan Bacarese

See <http://www.springerlink.com/content/h231105155472322/>

Afrobarometer

Corruption and Trust in Political Institutions in SubSaharan Africa. Working Paper No. 102. October 2008, by Emmanuelle Lavallée, Mireille Razafindrakoto and François Roubaud

The Afrobarometer is a collaborative enterprise of the Centre for Democratic Development (CDD, Ghana), the Institute for Democracy in South Africa (IDASA), and the Institute for Empirical Research in Political Economy (IREEP) with support from Michigan State University (MSU) and the University of Cape Town, Center of Social Science Research (UCT/CSSR). See

<http://www.afrobarometer.org/papers/AfropaperNo102.pdf>

What is the likelihood that Strategic Objective 1 will be achieved? Rate 1 to 5¹⁰

See footnote 10.

1 in year 1

¹⁰ Having the ratings at the end of each section puts more emphasis on the earlier narrative and qualitative information, rather than on the quantitative rating.

Ratings to be applied:

1. = Likely to be **completely** achieved, i.e. well on the way to completion (or completed)
2. = Likely to be **largely** achieved, i.e. good progress made
3. = Likely to be **partly** achieved, i.e. partial progress made
4. = Only likely to be achieved **to a very limited extent**
5. = **Unlikely** to be achieved

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| Strategic Objective 2: |
| TI's support and advice to citizens and CSOs on corruption is developed and increased |

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| Indicator 1: |
| Number of tools and methodologies that support citizens and organisations in fighting corruption increases from 1 to 5 |
| Progress achieved and challenges faced |
| <p>Baseline: 1 tool (July 2007) Progress: Year 1- 3 tools</p> <p>1. Advocacy and Legal Advice Centers (ALACs). ALACs are walk- or call-in corruption complaint offices. ALACs provide legal advice and assistance to victims and witnesses of corruption. They help citizens pursue corruption-related complaints, encouraging them to come forward. By using information gained from cases (either individual cases or common themes running through a variety of cases observed), the ALACs are then able to advocate for reform based on very concrete evidence. ALACs, working in the TI multi-stakeholder tradition, aim to create dialogue, informal feedback, and working partnerships with government institutions charged with anti-corruption. In a nut-shell, ALACs seek to translate citizens' concerns on corruption into structural changes for better governance. ALACs have proven to be effective in empowering people in the fight against corruption. Please refer to the lessons learned section on some of the challenges related to our work on ALACs.</p> <p>2. Development Integrity Pacts (DIPs). The DIP is tool that seeks to directly empower disadvantaged groups in their fight against corruption. The Pacts go beyond pledges on development deliverables by creating a binding contractual relationship between organisations of disadvantaged groups and public representatives or institutions. Within the political framework citizens engage political leaders to deliver between elections and ultimately vote to reward or punish their representatives on their integrity and delivery against development promises. Within the administrative framework, the DIP can start from opportunities provided by decentralisation, access to information legislation and targeted poverty programmes. All of these allow disadvantaged citizens to directly engage relevant administrations. DIPs are built on and driven by the self-interest of both partners. Incentives and sanctions – depending on the performance of administrations - can be exercised by publicly contributing to or questioning the reputation and promotional prospects of administrative leadership positions.</p> <p>3. Integrity Pacts (IPs). The IP is a tool aimed at preventing corruption in public contracting. It consists of a process that includes an agreement between a government or a government department (at the federal, national or local level) and all bidders for a public contract. Integrity Pacts (IPs) also contains rights and obligations to the effect that neither side will: pay, offer, demand or accept bribes; collude with competitors to obtain the contract; or engage in such abuses while carrying out the contract. The IP also introduces a monitoring system that provides for independent oversight and accountability.</p> |
| List any documentary evidence of achievements |
| <p><u>Advocacy and Legal Advice Centers (ALACs)</u> Launched in July 2007, Transparency International's short documentary, 'Agents of Change', portrays the work of TI's Advocacy and Legal Advice Centres in Romania and Bosnia &</p> |

Herzegovina. Directed by TI Communications Officer, Jesse Garcia, 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 (www.oneworld.cz)

Turning frustration into a force for good. 'Agents of Change' helps to reveal the human stories behind systemic corruption. In addition to investigating the operation of the centres, how they assist clients, and how this work helps TI chapters 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 how they navigated institutions rattled by war, dictatorship and the growing pains of political and economic transition. The film also looks at the staff of the centres: motivated, well-qualified people who often forsake better-paying jobs in the private sector to serve their fellow citizens.



Gabriela, a former inspector for a child protection agency in Budapest, was fired after observing frightening abuses within the 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.



Dragos was on the verge of losing his home after a falsified land claim glided mysteriously through the courts.

See http://transparency.org/global_priorities/other_thematic_issues/alacs/alacs_in_action

Indicator 2:

Number of Advocacy and Legal Advice Centres increases from 20 to 50 by 2011.

Progress achieved and challenges faced

Baseline: 20 Operational ALACs (as at July 2007)

Progress: March 2009: 37 operational ALACs.

These are in Poland, Albania (Tirana), Bosnia I Herzegovina (Banja Luka), Bulgaria, Croatia, Czech Republic, Macedonia (Skopje), Moldova, 4 in Montenegro MANS, Serbia, Slovakia, Armenia, Azerbaijan (Baku), Azerbaijan (Ganja), Azerbaijan (Lenkoran), Azerbaijan (Guba), Azerbaijan (Sheki), Romania, Georgia, Kazakhstan (Almaty), Kazakhstan (Astana), Kirghizstan, Kosovo, Ukraine, Kenya, Zambia, Zimbabwe, Palestine, Morocco, Lebanon, Pakistan, Guatemala, Haiti

List any documentary evidence of achievements

In the Caucasus, Azerbaijan features one of the most dynamic ALAC operations with five regional ALACs reaching out beyond the capital Baku. In the Americas, Guatemalan and Haitian ALACs have been very active throughout early 2008. See <http://www.youtube.com/user/TIGuate> and <http://www.youtube.com/user/TIGuate#play/all/uploads-all/2/JsFETozmMFY>

Indicator 3:

Systemic improvements (legal, administrative, institutional) enacted as a result of ALACs (shown annually for 3 countries).

Progress achieved and challenges faced

Baseline: 3 countries Annually

Performance: 7 countries (From January 2008 to December 2008)

Azerbaijan: Process of implementation of 'one window' approach by State Registry of Real Estate

started in 2008 and on 12 November and 16 December 2008 Presidential decrees were issued on this 'one window' approach by Ministries for Emergencies and Customs' Committees. This 'one window' approach means a reduction in number of offices to be visited for different processes and procedures which hence reduced opportunities for corruption.

Bulgaria: Creation of National Intelligence Agency with mandate to investigate corruption within executive, legislative and judiciary branches.

Kazakhstan (Almaty and Astana): The ALACs in the two cities have led and contributed to the below systemic improvements:

- ◆ Where previously there was none, the State Agency fighting against economic and corruption crimes established a single hotline '144' for receiving citizens' complaints about corruption and abuse of power. This was largely due to complaints forwarded by and advocacy done by TK.
- ◆ In May 2008 Kazakhstan ratified UNCAC. They acceded to the UNCAC in June 2008. This became a successful end of advocacy campaign initiated in 2006 by Transparency Kazakhstan and supported by other NGOs. On June 4, 2008, Kazakhstan also ratified the United Nations Convention on Transnational Organised Crime (UNTOC) and all its protocols. Transparency Kazakhstan, together with other partner organizations, had systematically advocated the ratification for the last five years.
- ◆ In a move to organize the work of secretariat on prevention and investigation of corruption, with special focus on bribery, a Coordination Council of law-enforcement bodies was created in April 22, 2008 under the chairmanship of Prosecutor General. A draft law is set to be developed to govern this council.
- ◆ A Bill was adopted at municipal level (and sent to Senate) covering systemic change in management of housing and utilities- especially condominiums, a new but growing phenomenon in Kazakhstan.

Macedonia: Through advocacy by TI's chapter in Macedonia, the Chebren and Galishte 2008 tender (EUR500, 000 procurement case) was cancelled. Improvement in public procurement policy has happened based on this case.

Montenegro:

- ◆ Change of Criminal Code treating illegal development as criminal, as well as the connection of illegal constructions and sites to communal infrastructure. TI Montenegro MANS took legal action towards stopping of illegal developments of tourist resorts in Zavala peninsula. Through MANS' advocacy, media exposure, and public pressure, the Ministry of Economy proposed amendments to the Criminal Code which were finally adopted at the beginning of June 2008, providing prosecutors and police with additional tools to combat illegal development and violations of law in area of spatial planning and development more effectively.
- ◆ Through TI MANS advocacy, a procedure has been established for reporting violation of the Law on Public Procurement to Directorate for Public Procurement. After MANS' media pressure, Directorate for Public Procurement acknowledged responsibility for concrete action upon TI MANS initiatives.

Romania: Advocacy by TI Romania led to a new public policy on legal aid in Romania being adopted: the Government Emergency Ordinance no. 51/2008 regarding legal public aid. Through this policy, the methodology of dealing with all types of legal aid (such as deciding who is eligible for aid and establishing a standard of quality expected from the legal personnel involved) has been established.

Serbia:

1. 9 amendments to the Public procurement Law which Transparency Serbia proposed were adopted. These amendments ensure that more state authorities will be in charge of taking initiatives in public interest to review public procurement procedures suspected of allowing

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| <p>corruption. The amendments create opportunities for individual citizens and whistleblowers to expose and reduce corrupt tendering processes, decrease discretionary powers when determining 'secret' procurements, and ensure increased numbers of tender procedures being publicly announced.</p> <p>2. A Parliamentary working group adopted in their first draft an amendment recommended by Transparency Serbia relating to Parliamentary actions on independent institutions reports. This is extremely important in improving the statuses of these institutions and to resolve problems identified by these institutions and consequently, problems of citizens addressing them. Due to this, budgetary allocations to these institutions in 2009 were effectively done and the Supreme Audit Institution and Commissioner for information got better premises on which to work.</p> <p>3. Improvement of efficiency of future Anti-Corruption Agency investigations. As a result of TS advocacy work, there were important changes in Law on the Anti-Corruption Agency that will enable the Agency to be more efficient when investigating abuses of office by public officials, whether reported by citizens or identified by the Agency itself.</p> |
| <p>List any documentary evidence of achievements</p> |
| <p>We will be sharing case studies on ALACs with DFID in due course.</p> |

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| <p>What is the likelihood that Strategic Objective 2 will be achieved? Rate 1 to 5 <i>See footnote 10.</i></p> | <p>1 in this year</p> |
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| <p>Strategic Objective 3:</p> |
| <p>Increased commitment of private sector to tackling corruption</p> |

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| <p>Indicator 1:</p> |
| <p>A 100% increase in the number of collaborative anti-corruption initiatives lead by TI.</p> |

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| <p>Progress achieved and challenges faced</p> |
| <p>Baseline: 5 Collaborative Initiatives (as at July 2007) Progress: Year 1: 7</p> <ul style="list-style-type: none"> i) Business Principles for Countering Bribery (BPCB) ii) External Assurance of Anti-Bribery Programmes Working Group iii) RESIST (Resisting Extortion and Solicitation in International Sales Transactions) iv) Defence and Security Sector Initiative v) Global Compact Task Force on Reporting (chaired by TI) vi) World Economic Forum Global Agenda Council on Geopolitics and governance (co-chaired by TI) vii) Promoting Revenue Transparency (PRT) |

| List any documentary evidence of achievements |
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| <p>1. Transparency International, in collaboration with the World Economic Forum Partnering Against Corruption Initiative (PACI), the International Chamber of Commerce (ICC) and the United Nations Global Compact (GC), developed RESIST to support companies conducting international business who are potentially exposed to corruption. RESIST is primarily a training tool to help employees counter solicitation and extortion demands in the most efficient and ethical manner, acknowledging they might be accompanied by a threat. The tool also aims to help companies reduce the probability of such demands being made. The tool can be found on TI's website - http://www.transparency.org/global_priorities/private_sector</p> <p>2. TI's goal in working with the private sector is to change company behaviour by developing and raising the standards of practice in countering bribery. In an effort to assist this process, we have created tools to help companies develop effective anti-bribery programmes. The Business Principles for Countering Bribery is a generic anti-bribery code developed by TI with a group of leading multinationals and non-corporate stakeholders. The Business Principles, which have become the cornerstone of TI's private sector activity, provide a model of good practice adaptable to different company sizes and settings. Based on the Business Principles for Countering Bribery, but tailored to the needs of small and medium-sized businesses, the Business Principles for Countering Bribery - SME Edition sets out the principles which should underpin anti-bribery programmes for smaller companies. It was developed through a process of consultation which involved smaller businesses and reflects their needs and challenges.</p> <p>3. The arms and defence sector is rated as one of the three most corrupt business sectors by TI's global Bribe Payer's Index. On behalf of Transparency International, TI (UK) is leading a global project in the defence and security sector, working with the major stakeholders – exporting governments, importing governments, companies and other organisations (NATO, EU, World Bank, and others) – to reduce corruption in the defence sector, and particularly in defence procurement. See http://www.defenceagainstcorruption.org/. See also Defence Integrity Pacts: A Colombian Chapter Experience at http://chapterzone.transparency.org/news_room/in_focus/2006/defence_sector#colombia</p> |

| Indicator 1: |
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| The number of International Financial Institutions (IFIs) and Export Credit Agencies (ECAs) with requirements on companies to have effective anti-bribery programmes rises to 11. |
| Progress achieved and challenges faced |
| <p>Baseline: 2 IFIs/ ECAs Progress: Year 1: 2 No progress has been achieved on this.</p> |
| List any documentary evidence of achievements |
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| <p>What is the likelihood that Strategic Objective 3 will be achieved? Rate 1 to 5 <i>See footnote 10.</i></p> | <p>2 over the life of the PPA</p> |
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| Strategic Objective 4: |
| Increased quality and reach of TI's work at national level |

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| Indicator 1: |
| <p>Number of National Chapter projects completed in the previous 12 month period increases from 200 to 275</p> <p>Note: <i>Only one third of the TI Movement is assessed every year, so the figure represents one third of the probably total, not the number projects of all National Chapters</i></p> |
| Progress achieved and challenges faced |
| <p>Baseline: 200 Projects (Derived from 2006 evaluation data)</p> <p>Progress: Number of projects- 142 (2008 evaluation: 22 National Chapters evaluated).</p> <p>Instead of 24 National Chapters, only 22 were evaluated and results for 20 shown. The number of projects went down because following the evaluation exercise, one Chapter's evaluation was postponed to 2009, 2 were disaccredited (hence we consider the data void) and 1 voluntarily withdrew from the evaluation exercise.</p> |
| List any documentary evidence of achievements |
| National Chapter annual reports. |

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| Indicator 2: |
| <p>By 2010, all National Chapters are able to</p> <ul style="list-style-type: none"> (i) provide expert opinion about their country's National Integrity System, (ii) influence policy-making at national level, (iii) build and lead local coalitions, (iv) convene relevant stakeholders, (v) professionally manage and financially sustain their organizations, (vi) contribute to the global and regional advocacy work of TI |
| Progress achieved and challenges faced |
| <p>Building the capacity of our chapters in a wide range of areas is integral to the support function the secretariat provides to the movement, and we are making increased efforts to integrate capacity development interventions in existing and new pieces of work. For example, capacity development is integral to our DFID funded GTF project, our recently started Gates funded project on Transparency in Service Delivery in Africa (TISDA), and a proposal recently approved by the European Commission for work in Francophone Africa. At the same time we came to realise the indicator on capacity development in this PPA is both ambitious and difficult to measure and we will hence do our utmost to scale up our interventions in this area in the coming years and to better define the indicators.</p> |
| List any documentary evidence of achievements |
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| <p>What is the likelihood that Strategic Objective 4 will be achieved? Rate 1 to 5. <i>See footnote 10.</i></p> | <p>3 by March 2011 (end of this PPA)</p> |
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Part C – Lessons Learned¹¹

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| <p>What lessons are being learned from this PPA?</p> |
| <p><i>You might find it helpful to frame your response around each strategic objective and/or to comment on how the PPA has contributed to:</i></p> <ul style="list-style-type: none"> • <i>knowledge generation</i> • <i>dissemination of knowledge (e.g. to other PPA partners, UK public, etc.)</i> • <i>your organisation's impact</i> • <i>relationships with others (whether PPA partners or not)</i> <p><u>Strategic objective 1) TI's global and national research and advocacy drives the agenda</u></p> <p>We realise our targets and interventions are particularly taking place at the international and national levels, and there is still more we can do at local and community levels. Acknowledging that the fight against corruption should also target the general public we are preparing a campaign which will give a human face to corruption. Additionally, we will continue to develop and expand those interventions which are targeting the more local levels, such as the ALACs and Development Pacts.</p> <p>The different levels of capacities within our chapters to use some of our tools and research for national level advocacy is another challenge. For example, our global indices on corruption, such as the Global Corruption Report, can be used by some of our chapters as a powerful tool to undertake national level advocacy. However, other chapters may only have a few staff members/volunteers, and hence not have the resources to use this publication for action on the ground. Regional meetings and workshops, chapter-to chapter exchanges, and support from the regional and other departments at TI-S are several ways in which we address this. These interventions are made possible through institutional support such as the PPA.</p> <p><u>Strategic objective 2) TI's support and advice to citizens and CSOs on corruption is developed and increased</u></p> <p>Through the PPA and other support, TI has started to expand the concept of the Advocacy and Legal Advice Centres (ALACs) beyond its initial target countries. The ALAC concept has proven very attractive to NCs and adaptable to various different circumstances. However, in the roll-out of the concept beyond Central and Eastern Europe and the former Soviet Union countries, we increasingly have to adapt the core concept to local circumstances. This may mean that in Zimbabwe one is able to process cases and forward them to the correct authorities for prosecution, while in Nigeria, the ALAC may initially operate largely as an information centre, rather than processing individual cases. As the ALACs are one of TI's flagship methods to advice citizens on corruption, and as TI is aiming to increase the number of ALACs across the movement, we should ensure we accept and act upon the fact that ALACs operate in different national</p> |

¹¹ We left this section fairly open to interpretation.

Additionally, it's an opportunity to show the reach and value PPA money has.

contexts and that hence 'not one size fits all'.

Strategic objective 3) Increased commitment of private sector to tackling corruption

The financial crisis has put corporate governance high on the world's agenda and reconfirmed to TI it is crucial for us to continue to engage with the corporate sector and other stakeholders such as regulatory bodies. Addressing the financial crisis draws us to the core of our definition of corruption: the abuse of entrusted power for private gain. Whereas bribery was not at the origin of the crisis, misalignment of executive compensation, rogue trading, use of weak disclosure requirements in tax havens, were the driving factors of the speculative bubble. Incentives to achieve short-term profits took precedence over prudent risk management within the corporations and on the markets, with the implicit consent of the regulators and the credit rating agencies. Lack of transparency in the North is also causing immense damage in the South.

TI advocates for enhanced government oversight and a global fight against financial crime, enhanced transparency within corporations, on the markets and in the rescue packages, and bold action towards the South. Good corporate governance serves as a framework to secure investor confidence, enhance access to capital markets, promote growth and strengthen economies. By providing for clear 'rules of the game' and 'checks and balances', corporate governance systems help to lower company costs (for capital and production) and increase economic output. The processes that characterise strong corporate governance systems align in many respects with the key elements for countering bribery that have been outlined by TI in the *Business Principles for Countering Bribery*: effective risk management, integrity, transparency standards and accountability.

Strategic objective 4) Increased quality and reach of TI's work at national level

TI acknowledges increasingly the wide variety in capacities of our chapters. In this reporting year the secretariat started work on a global and comprehensive approach and programme to build the capacity of our chapters across the board. Whereas some of our chapters, such as TI Bangladesh, have more staff than the secretariat in Berlin, other chapters are operated by a small group of volunteers. This poses challenges to the entire movement as the entry points in one country can be very different than in others. Where some chapters need ongoing and thorough support from the secretariat in areas such as financial management and fundraising, others need this less. Our Monitoring and Evaluation systems, which are currently in development, will also need to adapt to these different qualities and set-ups of our chapters.

Other lessons learned

The development and implementation of this PPA has encouraged TI to continue working on building a robust monitoring and evaluation system. DFID, through the PPA and now also the GTF, has supported and encouraged TI to take concrete steps to show results and impact. As a decrease in corruption is difficult to measure, and as changes in policy and practice is difficult to attribute to one single stakeholder, TI is facing considerable challenges in ensuring we are able to show these results and impact. Ongoing discussions internally, and feedback and exchanges with our donors and other stakeholders, will guide us through this process. We have already started the process of improving our planning, monitoring and evaluation by shifting our TI-S annual planning process from a heavy focus on activities to one on concrete objectives.

Part D – Partnership with DFID¹²

Partnership with DFID

Your organisation, through your PPA, is formally in partnership with DFID, guided by a mutual accountability framework (MAF). This section provides space for your organisation to comment on how that partnership is working in practice.

Some questions to guide you (but please feel free to comment as you wish):

Have your expectations of the MAF been met in this reporting period?

What has been the level of mutual engagement between you and DFID?

What has worked well?

What has worked less well?

What suggestions do you have for more effective partnership in future?

Please give specific examples if possible of your PPA partnership with DFID, including links to relevant documents/websites and any collaborative DFID engagement done with other PPA partners

The Mutual Accountability Framework has not yet been signed but in this reporting period fruitful discussions have been held on the content and spirit of the framework. Though both DFID and TI have seen changes in staff dealing with the PPA, the partnership remained strong and cooperative. In particular the visit of DFID to our offices in Berlin was a valuable engagement where the partnership and the MAF was discussed in detail and where we mapped current engagement between DFID and TI, and discussed opportunities for additional cooperation in the future.

As agreed in Berlin and the subsequent correspondence, TI has prioritised five areas of cooperation within the MAF

- Climate change and environment (*new relationship*)
- Dialogue with DFID regional divisions based in UK (*new relationship*)
- DFID to 'market' TI products, including Global Corruption report, internally
- Support by DFID country offices to TI's National Chapters (*ongoing*)
- Ongoing partnerships and engagement in terms of some key areas, including UNCAC and Aid Effectiveness.

As referred to earlier in this report, TI highly appreciates the partnership with DFID for a variety of reasons. First and foremost, and confirmed by DFID's effort to put in place the MAF, TI values the fact that the partnership with DFID is not solely a funding relationship, but a true partnership instead. In our view the emphasis on partnership and the ongoing liaison in terms of policy development, research, and sharing of expertise, is working well. For example, an expert meeting on Asset Recovery was organised by DFID following the G20 for which TI, and other civil society

¹² Again, we wanted to focus on partnership over relationship here and have left this section open to interpretation by each organisation.

This is where the mutual accountability framework will slot in, once it has been developed by DFID.

This is an opportunity to expand on some of the information in Part A on the partnership between DFID and PPA holders and a chance to flag up issues.

Again, there is a shift in emphasis from a purely financial relationship to a partnership that is also about learning, accountability and communication with other parts of DFID beyond the Civil Society team.

partners, were invited. For TI this invitation confirms the willingness of DFID to exchange views and use our expertise in the area of anti-corruption and governance. Another example is that TI and DFID are both on the Steering Committee for the International Aid Transparency Initiative (IATI) and through this work together to increase aid effectiveness.

Transparency International believes the development of the MAF is a valuable exercise clarifying and formalising the various levels of engagement between TI and DFID. However, TI would like to be careful not to 'over-formalise' the partnership and allow for spontaneous and non-planned cooperation which is not necessarily captured in the MAF nor necessarily undertaken through the MAF. In our view DFID and TI could use the MAF as a tool to further strengthen the partnership, without the MAF being the envisaged end result in itself.

On a final note, TI is aware that with its secretariat based in Berlin there is a risk of TI being more detached from DFID than some other PPA partners. However, through TI's UK National Chapter, through regular visits of our secretariat staff to London, and through engagement with other PPA partners partly through BOND, TI has, and will continue to engage with UK civil society organisations and DFID. This was for example shown through TI sharing extensive feedback on the draft DFID white paper which was developed early 2009. Within this context we also reiterate we are keen to work with DFID in building support for development among the UK public.

Part E – Corporate Governance and Organisational Change¹³

Provide evidence of how your organisation demonstrates good corporate governance, whether this has changed as a result of the PPA, and if so how.

You must include in your response assurance that your organisation complies with UK equalities legislation on disability, gender and child protection, and shows due regard for environmental impact.

(Approx. 500 words.)

The governance structures at Transparency International reflect the spirit of our mission and embody our commitment to transparency, accountability and integrity. We recognise that our position as the leading global coalition against corruption requires us to maintain highest possible standards, in terms of how we operate as a movement. We will continue to evaluate and assess our governance procedures and to pursue best practice in this arena.

¹³ This section is about both ticking the basic legal compliance boxes and showing that PPA holders are pioneering dynamic new approaches to e.g. environmental standards.

This also provides an opportunity for PPA holders and other organisations in the sector to learn from each other and presents PPA holders as at the forefront of new approaches to good corporate governance, accountability, transparency, organisational change etc.

This is an opportunity to list which standards and codes you are signed up to (e.g. HAP, Sphere etc).

Emphasising how PPA funding has contributed to improving governance and change in your organisation and how this learning has been shared in order to strengthen the sector will also provide more material to demonstrate the reach and value that PPA funding has.

Governance within Transparency International includes a conflict of interest policy and codes of conduct for the International Board of Directors, International Secretariat and all National Chapters. Members of both the International and National Chapter Boards are required to compile a register of interests. An Ethics Committee led by the International Board of Directors also provides a forum for advice on ethical questions for the TI movement.

The main element of the agreement which new NCs sign is the commitment that the NC will work on issues of transparency and anti-corruption within the current accepted framework of TI, i.e. on themes – and in ways – that the Movement of TI has agreed and approved as sound, constructive and critical. In return, NCs receive full voting rights at the Annual Members Meeting, and are given a voice to influence the working of TI – from its structures and governance all the way to its activities and interventions.

Transparency International complies with the very strict German 'General Equal Treatment Law' (Allgemeines Gleichbehandlungsgesetz) which aims to prevent and abolish any discrimination on the workplace in terms of ethnic origin, age, gender, sexual identity or orientation, handicap, religion or ideology. The above is reflected in TI's HR manual which states that

'TI-Secretariat does not discriminate in employment on the basis of the following protected categories: sex, race, colour, age, religion, national origin, sexual orientation, pregnancy, marital status, medical condition, veteran status, disability, or any other legally protected category. TI-Secretariat supports equal employment opportunity, not just because it's the law but because we recognize that our present and future strength is based primarily on people, their skills, experience, and potential to develop'

All of the above are not a direct result of the PPA but are developed over the years and in line with existing legislation, best practise, and through a recognition that our position as the leading global coalition against corruption requires us to maintain the highest possible standards.