

Transparency International Nepal (TIN)
Annual Progress Report of the Fiscal year 2007/08 (2064/65 BS)

(Presented at the 13th AGM)

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Context

After the historic April movement 'Janaandolan II', the country went into a process of transition and change. Seven political parties and the Maoist got involved in power sharing, peace building and elections to the Constituent Assembly. After two consecutive postponements, in June and November 2007, elections to the assembly were finally held on 10 April 2008. The election result made CPN Maoists the largest party in the assembly. It won 229 out of 601 seats in the Constitutional Assembly. The first meet of the 601-member Constitutional Assembly, held on 28 May 2008, declared Nepal a Federal Republic, abolishing the 240 year-old Monarchy.

The unexpected victory of CPN/M in the elections caught Nepal's traditionally largest parties, the NC and UML, by surprise and complicated the transfer of government leadership. In the changed political reality, past consensus on power-sharing between the political parties could not hold. This resulted in different political equations that elected the first President and Prime Minister of Nepal through a simple majority of the Constituent Assembly.

NC leader Dr. Ram Baran Yadav was elected the first President of Federal Democratic Republic of Nepal. Similarly, Pushpa Kamal Dahal, the Maoists party chief, was sworn-in as the Prime Minister on 18 August 2008. These elections have rescued the country out of political stagnation even though the challenges of keeping peace and framing of constitution remain.

In the transition period, several new laws such as: Rights to Information Act 2007, Amendment of Special Court Act 2007, Banking Offence Act 2007, Anti-Money Laundering Act 2008, Good Governance Act 2008, and establishment of Public Procurement Monitoring Office (PPMO) were enacted. However, despite these developments, anti-corruption agenda could not become a priority of the transitional government. Priority shifted to peace building, conflict resolution, social inclusion and elections. In the absence of an effective political will to combat corruption, peoples' aspirations for a corruption free Nepal could not materialize during the year.

Under this context, here are the highlights of activities carried out by TIN in 2007/08.

1. Policy Advocacy

1.1 Meeting with major political parties

People-centered policy ensures transparency /accountability and less corruption therefore, policy advocacy is at the core of TIN's work. It is for this reason a symposium to pressurize government and political parties for ratification of UNCAC was held on the International Anti-Corruption Day, December 9, 2007. About 50 representatives of major political parties, such as Nepali Congress, Communist Party of Nepal (UML), Nepal Communist Party Maoist, Nepal Workers and Peasants Party (NWPP), CPN, Samyukta BamMorcha, Nepal Praja Parishad, Green Party Nepal, Sa-Sakti Nepal attended the meet. Civil society members, media, government representatives and partner NGOs were also present. At the symposium, TIN President presented a paper highlighting the salencies of UNCAC. Participants felt that UNCAC is not getting due priority in Nepal due to lack of political will to check corruption. They agreed that political corruption is pervasive and it is time politicians in the power show will to contain corruption, end impunity and strengthen rule of law. Representatives of political parties committed themselves to work for ratification of UNCAC.

1.2 Meeting with Chief Justice of Supreme Court

Based on the recommendations of the TIN judicial sub-committee, a delegation led by TIN President met chief justice Rt. Honorable Mr. Kedar Prasad Giri and Mr. Basudev Prasad Dhungana, member of Judicial Council, on May 18, 2008. The meetings were held to discuss ways and means to make Nepali judiciary clean and transparent. In the meeting, chief justice highlighted that maintaining judicial integrity is the need of the hour and the apex court is preparing to work with civil society organizations to curb corruption in the courts. He assured to initiate reforms in the judiciary by forming a committee. On the issue discussed about the appointment of capable judges, Mr. Dhungana told the team that due to technical reasons arresting or taking action against judges of non-transparent character is rather difficult.

1.3 Preparation of Election Appeal 2064

TI Nepal prepared and distributed its Election Appeal to Election Commission, political parties and media for wider distribution and civil awareness. The appeal was prepared to help make the constituent assembly election fair and transparent. The appeal targeted to aware general public about the importance of their vote, encourage political parties to offer candidature to those who have clean background and emphasize the role of election commission and media. The TIN election appeal addressed issues such as issuance of manifestos in clear simple language, setting of clear criteria for selection of candidates, fully abiding the election code of conduct, economical election campaigns, transparent political financing, and commitment for anti-corruption policy.

2. Media Mobilization

2.1 Training in Investigative Reporting

Training in investigative journalism was organized in Kathmandu between December 12-13, 2007 to develop analytical, skilled, and self-motivated reporters to investigate facts being covered up or falsified. In the three-day residential training, 21 journalists from 19 districts took part. The thirteen resource persons provided training on topics related to investigative reporting. The training focussed on issues, such as Corruption Control and South Asia - Accomplishments, problems and challenges of CIAA to control corruption in Nepal, Introduction of Investigative Journalism, its Objective, Reporting Methodology/plan, Anti-corruption Reporting, Followup and the Media, Corruption beyond the definition of Anti Corruption Law and Reporting of Judiciary by the Media, Right to Information and Corruption Control, Investigation of Corruption Cases, Decision and Reporting, Revealing techniques of Corruption cases/stories, Importance of Clarity of Language on Investigative Reporting Corruption Complaints, Police Investigation and Media, Difference between Social, Legal and Media Research Methodology, Investigative Reporting, Code of Conduct for Journalist.

2.2 Press Meet

Global Corruption Report 2008 was launched on July 25, 2008 through a press meet organized at TIN office. Representatives of print and electronic media were present at the event. Members of TIN, representative of the state and civil society, anti-corruption organisations were also present on the occasion. The press releases received from TI and supporting materials prepared in Nepali was distributed to the invitees. Mr. Ramesh Nath Dhungel author of the Nepal section of the report presented the country report. Water sector experts and WIN members Mr. Ramchandra Chataut and Dr. Janak Karcmacharya also commented on the problems of corruption in the water sector.

2.3 Press Releases

To sensitize public on issues of public concern and to create awareness, TIN issued press releases on:

- Appeal to election commission, government, political parties and others concerned for free, fair and transparent election of constituent assembly specially urging political parties not to select tainted persons as candidates for the upcoming constituent assembly election.
- Release of Global Corruption Report 2008 – which contained controversial Melamchi water project as a case study to explore the impact and scope of corruption in different segments of drinking water sector
- Request made to the chief justice to launch an effective action against judicial corruption with the help of civil society organization
- Appeal to political parties to urgently nominate 26 candidates to the Constituent Assembly, immediately form a new inclusive government, refocus national attention on the urgent need for economic development and strengthen democratic institutions.
- Urgent restoration of the rule of law and democratic process in Pakistan after President Pervez Musharraf's declaration of emergency rule
- Release of Transparency International's Global Corruption Barometer 2007 highlighting that poor families are hit hardest by bribery even in rich countries, and political parties and parliaments are seen as institutions most compromised by corruption, worldwide.

3. Research/Studies

3.1 Global Corruption Report (GCR), 2009

Dr. Narayan Manandhar, member of TIN, authored a country report for incorporation in the Global Corruption Report 2009. The theme for GCR 2009 is private sector corruption. The Nepal report has two parts, the first provides factual information about new legal and institutional development after June 2007, and the second contains narrative discussions on corruption in the private sector. The second part delves in issues such as: suppliers of corruption, bank defaulters, counterfeit trade, state capture, international corruption and business ethics.

3.2 Investigative fellowship

Investigative fellowships were provided to journalists/researchers to dig out corruption cases. Proactive journalists with skills and experiences on reporting were selected from Kathmandu and different districts. Out of the 8 fellowships, 2 were provided to Kathmandu-based journalists and 6 to ones outside. The subjects chosen for fellowships were:

- Transparency and Accountability of Donor Supported Non Government Organizations (NGOs);
- Trend of holding Hydro Power License and the Problem of Load Shedding in Nepal
- Transparency and Reliability of Public Service Providing Institutions of Rupandehi District
- Corruption in Education Sector, Biratnagar
- Corruption in Development Work Undertaken by Butwal Municipality – a case study
- Illegal import-export in Butwal by citizens who have acquired double citizenship (Nepali and Indian)- a case study
- Transparency of Bharatpur Revenue Office
- Study of Complaints Against Agriculture Development Bank, Bharatpur Branch

4. Network Building against Corruption

4.1 Interaction with FNCCI

TIN and FNCCI organized seminars in Narayanghat and Itahari on "Private sector codes and Governance". Altogether 134 participants including FNCCI personnel from 6 zones attended the program. Participants ranged from FNCCI affiliated businesspersons to media, petroleum dealers, hotelier and farmers. TIN propagated business codes for controlling corruption aiming to use the codes to engage with private sector to check the supply side of corruption.

4.2 Meeting with World Bank's Country Director

The World Bank's country director to Nepal, Ms. Susan Goldmark met TIN President on March 19, 2008 at TIN office. The meeting focused on possible future cooperation between two organizations for improvement and strengthening of governance and targeting systemic corruption. Possible entry points were discussed to do away with corruption remaining in the system. TIN was of the view that political parties, CIAA, special court, auditor general, anti-corruption department and judiciary need to be looked into to resolve this problem.

4.3 Experience Sharing

TIN invited like-minded organizations to share information and experience on local level anti-corruption work on April 25, 2008. The meeting reviewed progress in fighting corruption and shared direct experiences and good practices. Representatives of CIAA, NVC, INLOGOS, Municipal Association of Nepal, PWSG, Pro-Public, etc. participated in the program.

4.4 National Vigilance Center (NVC) Interactions

National Vigilance Center (NVC) with the help of The Reform Forum developed anti-corruption curriculum for Plus 2 and intermediate level students for inclusion in the syllabus. To finalize the curriculum NVC organized a workshop where TIN Executive Director participated and provided suggestions. TIN senior program officer participated in NVC workshops on 'Conflict of Interest' on July 9, 2008 and 'Performance Evaluation and Monitoring Indicators of District Administration Offices' on July 11, 2008 organised by NVC.

5. Local Level Activities through Support Group

During the year, eight Support Groups organized numerous programs to increase public awareness on harmful effects of corruption at the district level. Activities focused on educating youth, building awareness, broadcasting anti-corruption radio programs, publishing news bulletins, organizing interactive programs and celebrating anti-corruption day.

5.1 Election Monitoring

On the Constituent Assembly polling day, members of 3 support groups (Kathmandu, Siddharthanagar and Janankpur) visited and observed 16 polling centers in 3 districts. As reported,

the polling stations were well-organized, opened and closed on time and officials and volunteers at the polling centers carried out their responsibilities professionally. They also reported that candidates and party representatives from different political parties, international and local observers were also present in almost all polling stations. Overall, the elections were reported peaceful. Some irregularities like casting of proxy votes, voting by under-aged voters were reported by the Janakpur Support Group.

5.2 Anti-Corruption Day Celebration

To mark the day, on Dec 9, TIN support groups organized a number of activities aiming to make people aware of global campaign against corruption. Groups organized rallies and radio talk programs. Editorials and articles in the print media were published, interaction programs and art exhibitions organized.

Besides the regular activities TIN Support Group Pokhara, facilitated a 'Network of Youths against Corruption, Kaski'. Nineteen local youth organizations showed solidarity to fight corruption in the district and charted out a pledge. They aim to monitor irregularities, red tapes, and political corruption, and prevent corrupt people from attaining positions of power. The network has given anti corruption movement in Pokhara added strength and is expected to inspire similar endeavors.

5.3 Campaigns in Schools

Support groups-Butwal, Siddharthanagar, Janakpur and Kathmandu continued their activity in educating students about the harmful effects of corruption and constructive ways to address it. Janakpur support group published informal anti-corruption education material to strengthen moral values of school students integrating accountability and good governance concepts. Other groups applied methods like brain-storming sessions, lectures and discussions to foster attitude of the youths that do not tolerate corruption. To expand the campaign, TIN student clubs were formed in different schools.

5.4 Interaction Programs/Public Hearing

This year, support groups mainly focused their interaction programs on constitution assembly election and related issues to make public aware of their importance. Some of the issues were: 'Citizens right and Clean, Transparent, Peaceful Election', 'Constitution Assembly- Transparency and Accountability', 'Constitution Assembly Election - system and procedures', 'Agendas of women candidates in constitution assembly.' Janakpur group organized anti-corruption orientations for villagers and women. In addition, interactions on transparency and accountability of local level organizations and public hearings on issues of local concerns were also organized by some of the groups.

5.5 Hoarding Board

Janakpur, Butwal and Professional Women Support Groups (PWSG) Kathmandu prepared and installed hoarding boards in public places with anti-corruption message. PWSG was able to get a donation of Rs. 50,000/- from Himalayan Bank for the purpose.

6. International Visits

To share national and international experiences on corruption, President Damodhar Gautam and Executive Director Ashish Thapa participated at the first time organised Transparency International Asia Pacific Meeting in Manila, Philippines from May 21-24 2008. President Gautam also attend the international conference titled "Corruption-free Asia: A long-term vision" on June 9-11 at Doha, Qatar organized by National Committee for Integrity and Transparency (NCIT). The objective of the conference was to explore nuances of corruption problem, to share mutual experiences in tackling graft and to arrive at an action plan to fight corruption.

Executive Director Ashish Thapa also participated in the 'Experience Sharing Workshop on Right to Information in South Asia' held in Bangalore, from March 17-18, 2008 organized by Public Affairs Center, India. The objective of the workshop was to give a new impetus for right to information activities in Bangladesh, India, Nepal, Pakistan and Sri Lanka.

Senior Program Officer Rosy Adhikari had a fruitful participation at Youth Integrity Index Workshop held by TI-Korea in Seoul from July 16-17, 2008. The purpose of the workshop was to design questionnaire and setup methodology for the upcoming Youth Integrity Pilot Survey to be conducted simultaneously in 6 countries in September, 2008.

7. Institutional Arrangements

7.1 Completion of Finland Supported Project

TIN has successfully completed the project funded by the Embassy of Finland. The project was initiated in December 2002, for a period of three-years, and later extended till 2005. The overall goal of the project was to strengthen TIN's anti-corruption coalition work with wide range of stakeholders: government, constitutional bodies and sections of civil society. Major outputs of the project were:

- Study of government actions on reports of constitutional bodies (PSC/AGO)
- Policy Research and Advocacy Campaign
- Printing/Publications for information dissemination
- Media Mobilization Programs
- Workshop/Seminars/Meetings for Networking and coalition building
- Institutional strengthening of TIN and Support Groups

The project provided valuable credibility to TIN by building its network with concerned actors in the movement to fight corruption. It will influence and inspire future works in fighting corruption in Nepal. The project brought in certain stability in TIN operations and helped TIN's fundraising endeavors.

7.2 TIN Strategic Plan

In view of the changing political context, TIN revisited its Future Plan 2006-2010 and a new Strategic Framework 2008-11 has been developed. The 'Strategic Framework 2008-11, *For Transparency in the Republic of Nepal*' outlines TIN's vision, mission, approaches and main objectives for the next four years, 2008 to 2011. It is a preventive approach designed to tackle corruption from different angles with multi-stakeholder partnerships.

The TIN Strategic Framework 2008-11, has nine sectoral pillars and is a holistic approach in combating corruption. Each pillar has a sector specific objective, which may be implemented wholly or partially, depending on available resources. The framework also lists TI Nepal 17-point resource mobilization policy. Donors, collaborators, partners and stakeholders will be approached in seeking support to initiate TIN Strategic Framework 2008-11.

7.3 Sub - Committees

Based on the recommendations of a task force constituted under the convenorship of Dr Devendra Raj Panday with Krishan Pd Bhandari and Dr. Bishwa Keshar Masakay as members, 7 different sub-

committees involving 3-5 members have been formed. These sub-committees have been mandated to focus their work on coalition work with government, political parties, judiciary, media and civil society. In addition, a sub-committee has been mandated to look into TIN program and resources, and another to expand its membership.

7.4 Revised TIN Operational Manual

A three-members' task force consisting of Krishna Pd Bhandari, Anand Raj Mulmi and Ashish Thapa revised, updated, modified and adjusted the TIN Operational Manual 2008. The manual was approved by the Executive Committee meeting held on March 7, 2008 and lists administration and financial rules and regulations.

7.5 TI Nepal Reaccredited

In line with the TIS's tri-annual accreditation policy, TI Nepal was re-accredited in 2008 as a National Chapter of TI after submitting its self-evaluation form. Every three year, a review of TI National Chapters takes place and each chapter is asked to complete self-evaluation form for impact assessment, overall performance, compliance with TI Umbrella Statement and basic principles of TI, and contribution to the goals of the TI movement.

7.6 Local Registration of Support Group

During the TIN strategic planning meet held in 2006, sustainability of Support Groups was discussed and it had been decided to give full autonomy to the groups. Accordingly, Groups have now been requested to register at local level in new names and logos. After their registration, TIN aims to grant institutional affiliation to these newly registered organizations.

7.7 Executive Committee (EC)

The 12th AGM held on November 23, 2007 elected two new members Mr. Sarbagya Ratna Tuladhar, and Dr. Bishwa Keshar Maskey, and reelected Dr. Ganesh Man Gurung to the executive committee. After the amendment of TIN constitution at the 12th AGM, whereby the President was authorized to appoint Vice President, Secretary General and Treasurer, member Krishna Prasad Bhandari was appointed Secretary General of TIN on November 25, 2007, in the vacant post.

At the 13th AGM, the Executive Committee consists of:

Damodar Prasad Gautam	- President
Ram Krishna Manadhar (Sneh Sayami)	- Vice President
Krishna Pd Bhandari	- Secretary General
Anand Raj Mulmi	- Treasurer/Institutional Member (FNCCI)
Ramesh Nath Dhungel	- Member
Dr. Ganesh Man Gurung	- Member
Dr. Meena Acharya	- Member
Sarbagya Ratna Tuladhar	- Member
Dr. Bishwa Keshar Maskey	- Member
Shreebhadra Sharma	- Member (Invitee) - Chair TIN Advisory Council
Dr. Devendra Raj Panday	- Member (Invitee) – Board Member, TI

At the 13th AGM, six EC members (Damodar Prasad Gautam, Ram Krishan Manandar, Krishna Prasad Bhandari, Ramesh Dhungel, Meena Acharya and FNCCI (Anand Raj Mulmi) complete their 2 year tenure and as per the amended constitution vacate their seats. Accordingly, election will be held for the post of the President and 5 vacant seats of the EC.

8. Upcoming Projects

8.1 Membership Outreach and Network Project (MONP)

Transparency International Secretariat in Berlin has agreed to fund this MONP project for the year 2008/09. The fund will be used for outreach programs through its support groups and strengthening organisational capacity by mobilizing sector specific TIN sub-committees.

8.2 CRINIS Nepal

Crinis a ray of light in Latin, is a project to promote transparency and accountability in political financing, which has been successfully implemented in eight Latin American countries in 2005-2007. Based on the concept of the work carried out in Latin America, TIN's research proposal on political party financing has been accepted by GTZ/II. The objective of Crinis Nepal project is to strengthen the legitimacy and credibility of political parties by increasing the levels of transparency and accountability in political financing. The project will be implemented in two phases. The first phase of the project, starting 2008 end consists of country assessment and data collection, aggregation of national data, and production of a narrative country report. The second phase depending on the outcomes of 1st phase will launch result of the index, exchange experiences with other countries and build a reform agenda.

8.3 Advocacy and Legal Advice Centers (ALACs)

Under DFID/II support, TIN plans to operate ALACs in 7 districts for a period of 5 years starting from January 2009. Advocacy and Legal Advice Centers (ALACs) are walk- or call-in corruption complaint offices. ALAC provides free and confidential legal advice and assistance – helping people pursue corruption related complaints for redressal. These help-and-resource centers are open to any citizen who may have become a victim or witness of corruption. These centers will have a toll-free telephone hotline. Since ALACs will be in regular contact with society, they play a critical role on anti-corruption reforms (administrative, institutional, legal and systemic) and identifying corruption hotspots.

Conclusion

Despite the challenges, the anti-corruption movement must move ahead. So TIN has articulated a new vision to fight corruption and impunity in the country. It has crafted an anti-corruption strategy 2008-11, which offers a comprehensive approach to control corruption. As part of its strategy, TIN will assist implementation of the principles of accountability, transparency and good governance to help Nepal become a functioning Federal Democratic Republic. It plans to work closely with the government, constituent assembly, civil society and other stakeholders.

TIN will continue its activities for strengthening of democracy and empowerment of the people at grassroots. Through its programs of creating awareness among people, advocating transparency, integrity and accountability in governance, and mobilization and empowerment of women, indigenous and ethnic group, it aims to be an active catalyst in fight against corruption.

Annual Progress Report of Transparency International Nepal (TIN)

Fiscal year 2006/07 (2063/64 BS)

(For presentation at the 12th AGM)

***Dr. Leela Pathak,
Secretary General***

Context

Politically, the year under review has been full of epochal events. Seven political parties that were present in the dissolved parliament joined hands with Communist Party of Nepal (Maoist), reached a 12-point agreement, and started a movement in April 2006 that culminated in Peoples' Revolution II which forced King Gynandra to relinquish all political and executive powers vested in and inherited by him. The constitution of 1990 was abrogated on January 17, 2007 and an interim constitution was adopted which provided for 330 seats in parliament including 83 for the Maoist. Among many others, one special feature of the interim constitution is that it has put Nepali monarchy on hold until the 1st meeting of the constituent Assembly (CA) which will take a final decision on its fate.

Nepal has been under unitary and highly centralized governance since its unification about 240 years which led to various great divides, such as social, economic, political, cultural, ethnic, gender and spacial. These divides are the causes of frustration and disenchantment of people who want to get rid of unitary system and institute a federal state which will ensure their participation and involvement in governance.

Though the Maoist had joined parliament in January, yet they were inducted in the government only in April. It gave a great respite to the Nepalese when Maoist joined both parliament and government. The decade-long insurgency that was perpetrated cost Nepal Rs. 5127 million in lost infrastructure, which will require, as per preliminary estimate, Rs. 7 billion for reconstruction.

As soon as the new government headed by G.P. Koirala was formed, it constituted a commission under the former justice of the Supreme Court, Mr. K.J.Rayamajhi, which submitted the report but action was taken on none- which led to the frustration of many right-minded people. Inaction of the government has belied expectations of the people. In Terai, many groups have taken to arms and mayhems are staged at various parts. Abductions, disappearances, fatal attacks on journalists are very common. Very unusual activities of the Young Communist League (YCL) of the Maoist have been a concern of the peace-loving people. Repeated postponements of Constituent Assembly elections have placed the country in a limbo and the Nepalese are anxious to get out of it.

Under this context, here are glimpses of the main activities conducted by TIN during the year with the assistance of Embassy of Finland, USAID ARD-ROL Project and TI Berlin:

1. Policy Advocacy

Governance Reform

The following three papers on policy advocacy for governance reform were presented by experts in programs widely attended by TIN members, government representatives, members of parliament, anti-corruption agencies, constitutional committees and other stakeholders. The papers were:

1. Challenges of Combating Corruption – An Experience, Surya Nath Upadhaya, former Chief Commissioner, CIAA, Nepal.

2. Challenges and Problems Confronting Judiciary in the Changed Political Environment, Kedar Nath Upadhaya, former Chief Justice, Supreme Court Nepal.
3. Government Audit and its Challenges, Gehendra Nath Adhikari, former Auditor General of Nepal.

In an interaction program held on February 22, 2007 former, Chief Commissioner of Commission for Investigation of Abuses of Authority, Mr. Surya Nath Updhaya presented a paper on Challenges of Combating Corruption. The paper contains his experiences, which highlight the challenges faced. The major challenges he mentioned were widespread impunity and its apparent acceptance, poor administrative systems, poor data recording and political influence/protection. He also pointed out that there is a dilemma among politicians, public and state institutions as to whose responsibility is it to control corruption. In the end, the author states that effective implementation of government policies and strategies can control corruption. Strong anticorruption policy can deter and reduce opportunities for indulging in corruption. To successfully fight corruption, initiative must be taken by all concerned, including the head of government.

Another paper Challenges and Problems Confronting Judiciary presented by the former chief justice argues that overall transformation of Nepali Judiciary at existing transitional stage will be too much to expect. Nevertheless, the author feels there are areas where reforms are necessary to strengthen the judiciary and to gain public confidence. Some measures suggested for reforms include: adherence to the principle of Rule of Law, improvement of judicial administration, creation of effective judicial council, formation of separate unit or cell to take disciplinary action against judges if found at fault. The lengthy and costly judicial processes he said need to be corrected because justice delayed is justice denied. He advocates for appointment of judges absolutely on merit basis and not on political influence or intervention. Fairness in appointment of judges, streamlining of court administration and constitution of an effective judicial council he said are some measures that could bring quick and visible change in judiciary to the great relief of people.

Mr. Gehendra Nath Adhikari, the former auditor general of Nepal, in his paper Government-Auditing and its Challenges mentions that democracy and good governance are inseparable. In absence of democracy, good governance remains nothing more than a myth. In this context, he states that the non-existence of parliament between 2002-05 (2059-62 B.S.) was virtually a dark age in the audit history of Nepal, because, during this period, auditor general's reports could not be made public and people were totally in dark as far the status and qualities of revenue, expenditure and questions of public finances were concerned. On the question of continuing piling of irregular expenses, a little seriousness on part of ministries, departments and other institutions could drastically reduce the amounts. He argues for close cooperation and strong coalition between public accounts committee of parliament and office of the auditor general to improve transparency and accountability of government, improve financial administration, and minimize incidence of corruptions.

II. Public Sensitization

Press releases

To sensitize public on issues of public concern and to draw attention of decision makers, TIN issued press releases some of which were:

- Global Corruption Report 2007, which focused on Corruption in Nepali Judiciary and highlights Nepal's Judiciary as one of the most corrupt sectors. Senior advocate Krishna Prasad Bhandari prepared the report for Transparency International.

- Corruption Perception Indices (CPI) 2006 and 2007 in which Nepal scored 2.5 out of 10 and was categorized as a country with rampant corruption.
- Wrote letter to the Special Court drawing their attention in corruption related cases. The letter mentioned that such rulings make the judiciary unpopular and affect the confidence of the people towards the court.
- Global Corruption Barometer Report 2006. The report showed that governments don't do enough to fight corruption. Public have to pay bribes even to receive essential public services and as usual political parties seem most corrupt. The poll was conducted by Gallop International in 62 countries and among 60,000 citizens for Transparency International.
- Letter of condolence on the tragic and untimely demise of TIN President Dr. Harka Gurung and other eminent personalities in the fateful helicopter accident in Taplejung on September 23, 2006 was issued.

Investigative Fellowships

Under USAID ARD/SEIAC project, fellowships were provided to 12 journalists/researchers with credential, skills and experience mostly from the print media in and outside Kathmandu valley to dig out information on issues of public concern. Some dynamic and upcoming journalists/students were also included in the fellowship awards. Issues investigated and key findings were released through interaction programs by TI Nepal and its support groups. Topics and journalists/students selected for investigative fellowships:

- Corruption in Banking Sector- Hari Bahadur Thapa, TI-Nepal, Kathmandu
- Commercial Cases Filed in the Courts, Status and Myths - Babu Ram Dhakal, TI-Nepal, Kathmandu.
- Business Sector's Influence on Government Policies - Kedar Subedi, TI-Nepal, Kathmandu.
- Control and prevention of Financial Corruption in Government offices of Rupendehi District-T.P. Bhusal, Siddharthanagar Support Group.
- Transparency in Services Provided by Gandaki Zonal Transport Management Office - Him Nidhi Laudari, Pokhara Support Group.
- Gupchup Ganit-Royal Visit to Lumbini Zone and Transparency on Expenses Made - Deepak Gyawali, Butwal Support Group.
- Pokhara Sub-Municipality - Management of Agriculture Market and Transportation - Ishwari Neupane, Pokhara Support Group.
- A study on Services Provided by Biratnagar Sub-Metro and District Development Office - Dhruba Risal, Biratnagar Support Group.
- As study on the Activities of Biratnagar Land Revenue Office and Napi Section - Bishnu Pokharel, Biratnagar Support Group.
- Problems of Corruption and Irregularities in Courts and ways to tackle them - Gopal Baral and Pramod Pd. Shah, Janakpur Support Group.
- Corruption in Judicial Sector – Kanchan Joshi, Kathmandu Women Support Group.
- NGO and Corruption – Amika Rajthala, Kathmandu Women Support Group,

III. Research/Studies

Measurement of Departmental Transparency

The Center for Public Policy Dialogue (CPPD) was engaged by TIN to measure public perception on transparency and accountability of 20 government departments under 12 ministries.. The indices used for this study are- (i) accessibility of beneficiaries to services; (ii) use of discretionary power by the

authority; (iii) assured supply and receipt of services by provider and recipient; (iv) status of monitoring (v) provisions for review and appeal; and (vi) status of corruption and transparency as perceived. The outcome of final analysis of data shows no department could score 66 and/or above points therefore, they fall short of requisite transparency.

Global Corruption Report (GCR), 2008

TIN Executive Committee member Mr. Ramesh Nath Dhungel submitted a paper for incorporation in the Global Corruption Report, 2008, which contains issues of human development and environmental sustainability, and corruption in the water sector. The report has analyzed the nature of corruption, existing political, legal and institutional mechanisms against it and also explored its impact on the Melamchi Drinking Water Project which is vital to address the problems of acute scarcity of water in Kathmandu Valley.

IV. Networking/Interactions

Right to Information

Public Affairs Center, India and TI Nepal jointly organized a 3 day residential training on Right to Information – advocacy work and litigation strategies- from March 18-21, 2007 at Godavari Village Resort. Altogether 17 NGO/Civil society activists from Bangladesh and Nepal working in the fields of good governance, human rights, and development attended the training (8 Bangladeshis and 9 Nepalese). The objective was to increase knowledge on international and national right to information standards and procedures from selected countries and their utilization as a tool for democracy, good governance and fulfillment of other human rights. It was also aimed to strengthen the activists' skills to take up advocacy or strategic litigation projects in the field of right to information.

Meeting with Representatives of Training Institutes

A discussion program was organized to review the usefulness of TIN Anti-corruption Manual on March 16, 2007 at TIN office as well as to find out the types of training the government and semi-government training institutions impart and the possibilities of incorporating anti-corruption component in their regular training programs. Altogether 14 high-level representatives from Police, Nepal Electricity Authority, Telecommunication, Education, Civil Aviation, Postal Service, Judicial Service, Women Skills Development, Revenue Administration and Land Reform and Survey, Commission for the Investigation of Abuses of Authority (CIAA), National Vigilance Center (NVC) and Social Welfare Council participated in the program. Participants expressed considerable interest in the manual and agreed to promote transparency and accountability through incorporation of anti-corruption awareness as a part of their regular training curriculum as and when a decision is taken at policy-level to do so.

Release of Investigative Reports

Interaction programs were organized by TI Nepal and eight support groups to present key findings of a dozen investigative reports undertaken by journalists and students. Local government officials, experts, media personnel, representatives of NGOs, stakeholders and members of business community attended the events. Programs helped to highlight the inaccessibility of information to public and provided a ground for civil society activism. All participants accepted importance of investigative reports and advised concerned authorities to pay close attention to the findings about their organizations. Most of the concerned authorities, who attended the interaction programs, assured general public that they would look into the matters and do the needful. Similarly, general public, civil society, local NGOs were requested to monitor and follow-up the progress.

Interaction with the World Bank

World Bank's Nepal country director Mr. Ken Ohashi invited TIN President and members for an exclusive discussion to review and provide feedback on their Governance and Anti-Corruption strategy paper. The program was organized on January 5, 2007. Mr. Ohashi presented a paper titled 'Strengthening World Bank Group Engagement on Governance and Anti-corruption. The objective of the meeting was to have an in-depth consultation with a broad set of stakeholders, to help refine the strategy and chart the Bank's next steps in governance and anti-corruption. TIN President and 15 members attended the meeting, presented their views on the strategy that the bank should be adopting and also briefed the bank officials about its future plans.

Norwegian Embassy-post conflict interaction

President Damodar Gautam had fruitful participation in a workshop titled 'Strategic Corruption Control in a Post Conflict Situation' organized by Norwegian Embassy on 28 February 07. In the workshop, two papers were presented on Nepal's Financial Management System by secretary of Ministry of Finance, Rameshor Pd Khanal and another paper on CIAA by Secretary Tirtha Sharma. The workshop felt that during post-conflict reconstruction period more vigilance will be needed to stem corruption. International organization, TIRI, involved in the workshop, showed interest in working in Nepal in future post conflict projects.

National Integrity Systems NIS – a Project for funding

TIN developed a proposal titled 'Promoting the National Integrity System' to strengthen national integrity environment and approached Finland Embassy for funding possibilities. The Embassy has in principle agreed to fund the project with adjustment of overhead costs.

The project is for two years with objectives: (i) to support governmental and constitutional agencies to provide transparent and efficient services; (ii) to assist political parties in promoting and practicing transparency and democratization; (iii) to strengthen coalition with civil society; (iv) strengthen collaboration with international agencies; and (v) to build capacities of TIN and its support groups. Through the promotion of the National Integrity System (NIS), it is expected that the project will contribute directly in achieving the TIN mission and will be utilized as a model for future projects to be carried out by TIN and its support groups.

Completion of SEIAC project

TIN has successfully completed the 18-month-long SEIAC project funded by USAID/ ARD -Rule of Law project. The project contributed positively in increasing the level of awareness on corruption among the youth and the society, enhancing the capacity of group members to lead, design, and implement anti-corruption movement at the local level. Training Manual produced under the program has proved useful and handy to many anti-corruption trainers and resource persons. Government at the local level and other related organizations were constantly engaged for more accountability towards their service delivery through interactions, advocacy, and publication of investigative studies. The success of this project has reinforced our belief that community input in problem identification and program design will surely enhance their relevancy and sustainability in the long-term as the community takes initiative to deal with issues of corruption and governance that deeply impacts quality of its life.

V. Publications

Anti-corruption Training Manual

A Training Manual on Anti-Corruption which includes topics such as: definition, meaning, forms, causes, consequences, measurement, interpretation, Anti-corruption global movement, National Integrity System, Anti corruption best practices, Donors Policies, programs and world wide legal instruments etc. has been published. About five-hundred copies of the manual were printed and distributed among training institutions, donor agencies, libraries, NGOs, anti-corruption state agencies and media. The manual has been useful to various segments, trainers, civil society actors, private sector and educational institutions, etc. It has proved a good tool to cultivate anti-corruption culture in the society. The general feedback on the manual is positive and its demand is high.

TIN Progress Report 1995-2006

A 'Progress Report 1995-2006: with outlook towards 2010' has been published and widely distributed. The report is a compilation of annual and financial reports of 1995-2006. It also contains TIN's framework for a holistic approach to counter corruption, recommendations for Constitutional and Legal efforts, and a sketch of TIN's Future Plan: 2006-2010. It is expected that the report will help to draw lessons from our decade-long experience, motivate people to join the struggle against corruption in Nepal and make TIN more transparent among our stakeholders.

Dimensions of Corruption: Investigation of Journalists (e/i6frf/sf cfofdM kqsf/sf vf]h_

This publication is a compilation of investigative studies conducted under ARD/SEIAC project by TIN and support groups. Altogether 12 investigative studies were undertaken by researchers and journalists in and outside Kathmandu. The book contains 5 studies conducted in Kathmandu by TIN and Professional Women Support Group and synopsis of 7 studies made in districts..

VI. Support Group Activities

Eight Support Groups of TIN in Biratnagar, Janakpur, Bharatpur, Siddaratnagar, Butwal, Pokhara and Kathmandu are involved in the most valuable services of combating corruption and social awakening against this evil through a number of programs which suit and meet diverse needs of various groups across communities.

Campaigns in Schools

Among these programs, one is campaigning in schools. As schools are the places where future political, social, economic and business leaders grow and evolve, support groups work very closely with schools in their jurisdictions. With a view to inculcating evil and harmful effects of corruption among young students and awakening them to their social responsibilities, educational campaign was launched in sixty schools. The campaign was designed as a new ethic-based model, which besides other elements, included issues, such as importance of ethics, citizen-and civil-society's role in democracy. The campaign took the form of lectures, role-play, drama, essay writing, elocution, brainstorming, and presentations.

Radio Program

Since radio programs reach out to a very large and diverse audience and are effective in imparting social messages, support groups broadcast almost 100 episodes of programs/messages on FMs. Guest speakers from various government agencies, independent organizations, private sector, academic institutions, political parties and civil society participated in the programs and discussed

issues of corruption and their negative impact on politics, economy and society in general. The programs covered issues of national as well as local interests and concern.

News Bulletins

Sixteen issues of newsletters were published and distributed widely by support groups. Newsletters carried national and international corruption news, reform initiatives, best practices, events, activities of support groups and initiatives taken by the local public.

Interaction Programs

Approximately 16-discussion programs were held on corruption and related issues. Topics and themes covered corruption in executive, judiciary and politics, women empowerment and awareness, etc. These discourses help sensitize cross-section of people - young, old, women, businessmen, civil society, bureaucrats and politicians about the problems created by corruption and their role to control it.

Anti-Corruption Day Celebration

On December 9, support groups organized a range of activities aiming to make people aware of global campaign against corruption and to remind Government, the private sector, NGOs, the media, religious organizations and, most importantly, people in general about the evils of corruption. Together, they organized 7 public rallies and 20 street dramas. Conducted art, essay and elocution competitions among school children. Celebration of anti-corruption day provides opportunity to express national support and solidarity to global issue.

Annual General Meetings

The Annual General Meetings of eight support groups have been held. The groups are in the process of sending Audited Financial reports and Annual Progress Reports together with next year's planned activities and tentative budget. In the meantime, leadership of Siddharthanagar Support Group has passed on to Mr. Kul Prasad Achary who was formerly Vice President.

VII. International Network

TIN president Damodar Pd Gautam participated in TI Annual Membership Meeting and 12th IACC held in Guatemala from 15 to 18 November. The 12th AMM elected Dr. Devendra Raj Panday of Nepal as a TI Board member. In the meeting Dr. Panday presented a paper titled *'The 'State for Sale' and the System of Reciprocal Exchanges in Human Society' Contradictions and Challenges.*

President Damodar Gautam, Nepal Bar Association President-Bishwokant Mainali, Padmini Pradhananga, Treasurer of Professional Women Support Group and Ashish Thapa TIN ED represented Nepal at the 7th TI South Asia Sub Regional Meeting in Colombo from 31 May to 2 June. In the meeting, Ashish Thapa presented the chapter report.

VIII. Institutional Arrangements

Executive Committee

The present Executive Committee consists of:

Damodar Prasad Gautam	- President
Ram Krishna Manadhar (Sneh Sayami)	- Vice President
Dr. Leela Pathak	- Secretary General
Anand Raj Mulmi	- Treasurer/Institutional Member (FNCCI)
Ramesh Nath Dhungel	- Member
Dr. Ganesh Man Gurung	- Member
Dr. Meena Acharya	- Member
Krishna Pd Bhandari	- Member
<i>Mr. Shreebhadra Sharma</i>	<i>- Member (Invitee) - Chair TIN Advisory Council</i>
<i>Dr. Devendra Raj Panday</i>	<i>- Member (Invitee) – Former President, TIN</i>

The 11th AGM held on December 29, 2006 elected members Dr. Meena Acharya and Dr. Ram Prakash Yadav to the Executive Committee. The 147th meeting of the Executive Committee held on September 26, 06 after the demise of Dr. Harka Gurung elected Damodar Prasad Gautam as President.

Dr. Ram Prakash Yadav resigned from executive committee membership of TIN on March 2, 2007 after his appointment in Poverty Alleviation Fund in the capacity of Vice President. The EC 152nd meeting held on April 06, 2007 elected Treasurer Ram Krishna Manandhar as Vice President in the post vacated by Dr Ram P Yadav and institutional member Ananda Raj Mulmi was elected TIN Treasurer.

The Executive Committee (EC) of April 20, 2007 decided to invite Dr. Devendra Raj Panday to committee meetings.

Members, Dr Leela Pathak and Dr Ganesh Gurung will complete their three-year tenures as Executive Committee members at the 12th AGM.

Membership Sub - Committee

A new Membership Sub-Committee (MSC) was constituted under the convenorship of Dr. Ganesh Gurung with Dr Leela Pathak and Dr Ram Prakash Yadav as members to propose names for TIN membership. The MSC submitted its report to the EC which is put on hold.

TI-Seed Fund

TI has been granting seed fund for chapters in the Asia Pacific Region through AusAID support. The purpose of the seed fund is to increase chapter sustainability. TIN received Euro 5,000.00 (Five thousand only) as seed fund grant from TI as support towards its operations during the year 2007/08.

Conclusion

In days to come, to fight corruption, TIN will emphasize good governance for which it will closely work with parliamentarians, civil societies, teachers, students, former and incumbent members of constitutional bodies, judiciary and high government officials. It will also work towards further refinement of National Integrity System (NIS) and effective public services delivery. As corruption is

a function of bribe-taking and giving, demand and supply of bribes, both takers and givers will be alerted about the evil consequences of corruption to both, in the long run. In Nepal, the prevailing state of impunity is the prime culprit for the spread of rampant corruption. It is in this context worth mentioning that Nepal has consistently scored 2.5 points on the Corruption Perception Index (CPI) out of 10 since 2005-2007, and ironically, secured a place for itself among the comity of most corrupt nations. TIN will keep constantly hammering this point to the government and all stake-holders for cleaning this country of this stink and make it a better place to live.

Government of Nepal has committed for almost a decade through citizen' charter (CC) to give good governance to people, in practice, it has failed in fulfillment of commitment. TIN will insist on and launch a movement for fulfillment of CCs by all government offices, district development committees (DDCs), municipalities, and public institutions.

As transparency is antithetical to corruption, TIN will advocate for adoption of UNCAC and other international conventions on corruption. Recently, the interim parliament has passed the Right to Information Act, TIN will work towards effective implementation of this and empower people to challenge corruption anywhere.

In addition to traditional strategies of advocacy, creation of awareness among people against corruption, awarding of fellowships and financial assistance for investigative journalism, inducement to students to work for corruption-free society, publication of books and bulletins, organization of training/workshops/seminars/colloquim, TIN will look for new strategies and programs to advance fight against corruption on all fronts.

For expansion of anti-corruption program at grass root, TIN in keeping with resources available, will establish a few new support groups and help the existing eight to make their programs more people-centric and effective.

TRANSPARENCY INTERNATIONAL NEPAL
ANNUAL PROGRESS REPORT 2005/2006

A. NATIONAL INTEGRITY AND CORRUPTION CONTROL

The National Integrity System (NIS), built slowly by elected governments following the restoration of multi-party parliamentary system in 1990, was made ineffective by the King's Direct Rule since February 1, 2005. Parliament remained abolished; Government was formed of handpicked loyalists; Judiciary was encroached upon by forming a parallel high level Royal Commission on Corruption Control that had all power to investigate, prosecute and adjudicate. Election Commission was used for holding guided municipal polls without participation of major political parties. Press was gagged and Government budget was announced under Ordinances. Auditor General's report remained ignored due to lack of parliamentary oversight. Civil society organizations were not allowed to raise a strong voice against the administration and anti-corruption bodies did not have the courage to move strongly against the corrupt regime. The period (February 2005 -March 2006) was a dark era for NIS and the anti-corruption movement.

After People's Movement II 2006 became a success in April defeating the Direct Rule, politicians under the new government and the parliament are busy working out mechanism for having Constituent Assembly (CA) election and resolving Maoist conflict. In an effort not to let the King grab power and introduce yet another autocratic rule, the parliament made a Parliamentary Declaration 2006 stripping the monarchy of all power related to parliament, executive, judiciary and the army. It ensured unfettered freedom to civil society, political parties, press and all constitutional bodies.

What has been done in the last four months is important for the cause of NIS but one has to wait to see its impact on the whole country. It would actually take sometime to re-create a network of functioning NIS. The Peoples' Movement of 2006 has raised the expectations of the people and politicians alike. They want the resolution of the Maoist conflict once and for all. They want decommissioning of arms, interim constitution and government in place, holding of constitutional assembly elections in the most peaceful, fair and transparent environment and constitution of peoples' democratic government. These high agendas of the country are keeping everyone – politicians, civil society, press, NGOs and INGOs- terribly busy, sparing little or almost no-time for anti- corruption movement.

B. ACTIVITIES DURING 2005/06

In view of the changing context, both external and institutional, to fight corruption, TIN adopted the modified strategy of –

- ❖ Policy advocacy for governance reforms;
- ❖ Sensitization for public mobilization;
- ❖ Research of information, and, dissemination;
- ❖ Strengthening anti-corruption networks.

Based on the strategies, core activities and additional programs were developed. In keeping with resources availability, core and additional programs were executed. TIN was financially assisted by the Embassy of Finland, USAID- ARD/ROL project, TI Berlin and DANIDA/HUGOU.

Here are glimpses of the main activities conducted during the year:

1. POLICY ADVOCACY

Governance Reform

On corruption-related issues, following six policy papers were written and presented by experts in interactive programs attended by policy advocates, TIN members, government representatives, members of parliament, anti-corruption institutions, donors and other stakeholders.

- ❖ Corruption and Anti-corruption, Dr. Narayan Manandhar
- ❖ Donors' Policies against Corruption, Dr. Rabindra Khanal
- ❖ National Integrity System' Mr Rama Krishna Regmee
- ❖ Preventing Corruption in Development Cooperation' Mr. Prakash A. Raj
- ❖ Corruption and Social Crises' Dr. Kailash N. Pyakurel
- ❖ Anti-corruption Laws and Judicial Reforms' Mr. Biswakanta Mainali

Discussion on the paper 'Corruption and Anti-corruption' focused on a wider perspective on corruption- its definition, causes, effects and consequences. It was agreed that corruption impedes freedom, democracy, politics and development, hence a holistic approach to control it, is needed. This approach should be focused on awareness raising, preventive and curative approaches.

Discussions on 'Donors' Policies against Corruption in Nepal' focused on anti-corruption policies of World Bank/IMF, Asian Development Bank, DFID, USAID, DANIDA, NORAD and SDC. It was agreed that democratic values, citizens' awareness, decentralization, administrative reforms, fair justice and clean procurement system should be the main focus of donors' anti corruption policies. It was also agreed that more responsibility to the stakeholders in handling the development aid could be an effective tool in combating corruption.

Interaction on 'National Integrity System' (NIS) focused on the need of a structural accountability mechanism as a means for checking corruption on a permanent basis through a network of state institutions and bodies in the private sector. It was agreed that a proper NIS promotes checks and balances, which by design leaves no room for corruption. Functional NIS would enhance the performance and efficiency of institutions concerned and strengthen rule of law for corruption control.

Paper on 'Preventing Corruption in Development Cooperation' highlighted lack of accountability and transparency in development aid. The general perspective that development aid is a fertile ground for corruption was highlighted. Elected parliament at the national level and elected assembly at the local level, for accountability and transparency of aid, was discussed. The need of aid to be brought under the framework of national budget and the Auditor General's audit was agreed upon.

Discussions on 'Corruption and Social Crisis' highlighted the consequences and crisis brought about by corruption in social, political, economical and cultural sectors. It was agreed that social disorders like distorted values, materialistic culture and unfair competition could be checked by instilling the virtues of simple living, integrity and moral among the future generation through school curriculum and training to teachers.

'Anti-corruption laws and Judicial Reforms' focused on many institutional and legal steps being taken to control corruption in Nepal. As the problem is still rampant, a 14- point suggestion for judicial reform was made.

2. PUBLIC SENSITIZATION

Press releases

To draw the attention of decision makers and sensitize public on issues of public concern, TIN welcomed, appealed, condemned, demanded and promptly issued press releases some of which are:

- ❖ Appealed the Speaker of the House of Representative for urgent ratification of United Nations Convention against Corruption (UNCAC) by the Parliament.
- ❖ Welcomed the 8 point understanding reached between the Government and the Maoist and submitted 31-point memorandum for constitutional and legal reforms to the Prime Minister with a copy each to eight political parties and interim statute drafting committee. The suggestions included *Reforms in the Council of Ministers and Governance process,, Financial Discipline and Transparency, Political Reforms, Corruption Control and Guarantee of Rights to Information.*
- ❖ Welcomed the historic political change brought about by the Janaandolan II after restoration of the Parliament and congratulating the Nepalese people for their role in the change.
- ❖ Expressed solidarity with the Seven Party Alliance (SPA) and civil society in the demand for the restoration of democratic rights and immediate release of all political detainees.
- ❖ Informed about the financial contribution made by TIN staff for the treatment of the injured during the Janaandolan II.
- ❖ Condemned the unjustified detainment of TIN Past President Dr. Devendra Raj Panday and appealing the government to respect the right of speech and release Dr. Panday, immediately
- ❖ Resolution passed by the meeting of the South Asian chapters of TI expressing deep concern at the Media Ordinance and solidarity in seeking restoration of democracy, fundamental rights and rule of law in Nepal.
- ❖ On the Global Corruption Report 2005, Global Corruption Barometer 2004 and various national and international statistics related to corruption.
- ❖ Information on Corruption Perception Index 2005 with Nepal's score of 2.5 out of 10, ranked 117th out of 159 countries, categorizing it as a country with rampant corruption.
- ❖ Demanding restoration of fundamental rights, free press and rule of law to facilitate an effective anticorruption drive, issued after His Majesty's February 1 royal takeover and the formation of the Royal Commission for Corruption Control (RCCC).
- ❖ Protesting the reported arbitrary distribution of Dashain expenses from state coffers to party workers by Deuba government Ministers, and presenting a memorandum to the then Prime Minister, for making the Prime Minister's Relief Fund transparent and rendering the distribution of the same legally appropriate.

Investigative Fellowships

Under the investigative fellowship program initiated with the Federation of Nepalese Journalists (FNJ), 10 investigative reports prepared by prominent journalist, have been received. The investigative reports have been published in various Nepali newspapers to inform the public about the Corruption practices in Nepalese NIS. The following reports were also forwarded to CIAA for possible actions and are currently under the review of Publication Committee:

1. Corruption in Higher Secondary Board - *Devendra Bhattarai*
2. How general populace are being deceived in the share market - *Shreedhar Khanal*
3. Robinson scandal and corruption in judiciary - *Bal Krishna Basnet*
4. Corruption in promotion and transfer of civil servants - *Bimal Gautam*
5. Corruption by Doctors of government hospital (Bir Hospital)- *Khagendra Khatri*
6. Corruption in Private Trusts (Guthi) - *Saroj Adhikari*
7. Corruption in Morang Letang Community Fores - *Mahendra Bista*
8. Irregularities in sales and distribution of Medicines- *Ramesh Poudel*
9. Corruption in development budgets allocated for VDCs of Baitadi Districts- *Laxmi Datta Panday*
10. Corruption in Khajura Cotton Industry - *Jhalak Gaire*

Radio and Print

TIN continued broadcasting its weekly radio program 'Achar Bichar' from Radio Sagarmatha and six FM stations - Koshi, Makwanpur, Kalika, Himchuli, Bheri and Saipal. Contemporary issues of concern and opinions of prominent people have been picked up in the Achar Bichar program. According to the report submitted by Radio Sagarmatha more than 100 experts and eminent personalities took part and contributed in the program. Some of the issues discussed in the program include UNCAC, CIAA and its activities, judiciary, reformation/modernization of custom sector, RCCC legitimacy, business sector ethics, international aid effectiveness, supremacy of the parliament, interim constitution, CPI, Global Corruption Barometer, Corruption at Pushapatinath etc.

To avail more anti corruption knowledge in the public domain, three books titled 'Corruption and Anti-corruption' authored by Dr. Narayan Manandhar, 'Nepal: National Integrity System 2004' authored by Rama Krishna Regmee and Donors' Policy Against Corruption in Nepal' written by Prof. Rabindra Khanal were published and made available for sale/distribution.

3. RESEARCH

User survey

Public experiences on delivery of services by government entities - District Administration, Electricity and Water Office, Land Revenue Office, Municipalities, Telecommunication and Transport Management - were measured in Pokhara and Biratnagar. The survey was conducted on 400 household of each municipality and findings disseminated through local support groups. Results showed that only 18.75% people in Biratnagar and 9.75% in Pokhara knew about 'Citizen Charters'. Monetary bribe was found to be the most practiced mode of corruption in both places. 49.4% in Biratnagar and 17.95% in Pokhara, who visited Land Revenue Offices, paid bribe. Land Revenue was followed by Transport Office. Respondents seem optimistic as 74.49% in Pokhara and 85.75% in Biratnagar felt corruption could be contained.

News scan

A scan of Nepali newspapers for corruption stories was done and data generated for the analysis of corruption reporting. News scan database, of daily newspapers, basically provides snapshot of information on corruption. This year's report covered a period of seven months period from October 2005 to April 2006. The results show that Fraud was the most reported form of corruption with 34% coverage in the 'selected news'. Bribery news had only 10% coverage. The primary cause of corruption analyzed were Lack of accountability (43%) followed by Kickback arrangement (17%) and Discretionary Power (15%). Violation of law (59%) was the main effect of corruption, noticed.

Monitoring NGOs

TIN Professional Women Support Group Kathmandu, carried out a survey. to evaluate the effectiveness of child laborer support program run by NGOs. The findings revealed that there is a lack of clear criteria for the selection of beneficiaries leaving scope for abuse and fraud. Out of 95 beneficiaries interviewed, 29.5% were employed in the domestic service sector; the next largest group receiving the support (26.3%) was ordinary students who did not work at all. Similarly, there seem to be no coordination between NGOs engaged in child labor education support programs, which resulted in overlapping and duplication of work.

GCR 2007

As contribution to the Global Corruption Report 2007, a report on 'Corruption in Nepal's Judiciary', prepared by Mr. Krishna Prasad Bhandari, was sent to TI. Inconsistency in interpretation of the constitution and laws, conservative attitude in handling public interest litigation and delays in delivering judgments have been identified as problems in the judiciary. The report highlighted the need to initiate a judicial integrity program by reorganization and giving more power to the Judicial Council.

4. NETWORK STRENGTHENING

Seminars

Two-interaction programs were held jointly with Center for Public Policy Dialogue (CPPD) to highlight the reports prepared by the Public Service Commission and the Auditor General's Office, for fiscal years 058/059, 059/60 and 060/061. Since the Reports of the constitutional bodies had been published after a long gap, the interaction programs were focused on disseminating recommendations made by them. Among the participants included civil servants, government representatives, civil society members, NGOs and media. The issue of lack of government follow up on the reports of the constitutional bodies was agreed upon during the programs. This problem was more evident during the absence of the Parliament. The recommendation framed were forwarded, to concerned authorities for necessary actions

On the issue of human rights violation due to corruption, interaction programs were held with Nepal Bar Association in Mahendranagar and Jhapa. Delays in service delivery, undue processes, denial of basic rights were the main issues identified as human rights problems related to corruption. The programs opened avenues to work in coalition with human right activists and lawyers to reduce incidence of corruption and human rights abuses.

SEIAC

Transparency International Nepal signed a contract with USAID- ARD Inc. Rule of Law Project on to carry out a project titled 'Sustainability and Empowerment Initiative Against Corruption (SEIAC)' in 7 districts through its 8 support groups. The project covers a period of 18 months starting December 2005 and aims to raise public awareness, strengthen Support Groups, conduct interactions and measure transparency and accountability within Nepal.

Support Group Activities

District level support groups were provided financial support to conduct their anti-corruption activities. The main activities conducted by Support Groups under the SEIAC programs were:

- ❖ 10 Billboards, with public service messages, were prepared and installed by 8 support groups. The billboards are placed in highways, busy city centers and in-front of government offices. Each group has prepared different anti-corruption messages taking into consideration the local situations/ conditions.
- ❖ All 8 TIN support groups celebrated the 2nd Anti-corruption day on December 9, 2006. To mark the day, support groups' organized rallies and processions involving members of civil society, students, individuals etc. Children's art and essay competition on corruption were organized and awards given to the winners. Similarly street dramas and interactions were also staged on anti-corruption theme, during the day.
- ❖ Anti-corruption messages and talk programs on contemporary issues are being broadcasted fortnightly through local 5 FM stations in Pokhara, Biratnagar, Butwal, Siddharthanagar and Kathmandu.
- ❖ Six-monthly newsletter have been published and distributed among stakeholders by six groups- Pokhara, Biratnagar, Butwal, Siddharthanagar, Janakpur and Kathmandu - with information about general anti corruption scenario and group activities.
- ❖ Support Groups have developed anti-corruption teaching materials with the help of school teachers to conduct informal anti-corruption educational campaigns. Based on the materials, groups have initiated school level awareness raising and educational programs directly benefiting teachers and students.
- ❖ Activities like : interaction on effective role of lawyers to control corruption, interaction on challenges to control corruption, anti-corruption awareness workshop focusing women,

- public hearing, civil awareness against corruption, printing and publication of brochures, investigative journalism award, and staging anti-corruption shows and rallies have also been conducted by the groups
- ❖ Several interaction programs on anti-corruption themes with local NGOs, civil society members, lawyers and government offices have been organized.
 - ❖ A daylong experience-sharing meeting of Support Groups was held in Kathmandu with donor representatives.

Training Manual and Support Group Training

To enhance the capacity of support groups, coalition partners and stakeholders, TIN decided to develop a Training Manual on Anti Corruption. Based on national and international literatures, first, a training curriculum on anti-corruption was developed and later, using experts' services, a comprehensive anti-corruption training manual in Nepali language, prepared. The manual includes topics such as: Definition, meaning and different forms of corruption, Causes and consequences of corruption, Measurement of corruption, Different interpretation of corruption, Anti-corruption global movement, National Integrity System, Anti corruption best practices, Donors Policies against Corruption and Global legal instruments etc. The manual is expected to be useful to various segments (trainers, civil society actors, private sector and educational institutions, etc.) to cultivate an anti-corruption culture in the society.

Based on the Manual, a three-day residential workshop cum training program for 8 support group was organized in Chitwan. The purpose of training was to broaden the knowledge of support group members on corruption and further disseminate this knowledge. The highlights of the program were-eight theme papers presented by Experts on issues related to corruption and participants' analysis of corruption and possible remedies. Information about the need to understand corruption, its types and effects, anti-corruption works of state agencies and civil society organizations, NIS picture, legal provisions for corruption control, and Nepal's UNCAC ratification process, and how corruption bred social and political crisis in Nepal, were discussed. At the end of the program, a detailed analysis of corruption related problems in Nepalese NIS was made by the participants.

Western Regional Workshop

TIN organized a Western Regional Workshop in Pokhara. The workshop was coordinated by Pokhara Support Group with the objective to inform participants on different dimensions of corruption and the need of civil society networks for corruption control. The workshop was participated in by 89 civil society representatives of 14 districts within the Western Development Region (Kaski, Gorkha, Tanahu, Lamjung, Syangja, Parbat, Myagdi, Baglung, Arghakanchi, Palpa, Rupendehi, Nawalparashi Kapilbatu and Gulmi). It ended with the following declaration:

1. "No sector is devoid of corruption. So, the civil society and the private sector have agreed to change their behavior, attitude and the circumstances against corruption.
2. We express our commitment to initiate civic education programs to minimize corruption.
3. We will continue to draw attention of the state for the guarantee of transparency and accountability.
4. No one should devoid the citizen of their fundamental right to get informed about the affairs of the state. Hence, we appeal for a favorable environment for the right of information and human rights.
5. We are committed towards lobbying for the effective and easy utilization of services by the citizens.
6. We pledge to follow a system based on integrity and discourage bad behaviors that reflect social anomalies.
7. We call on the government to prepare a curriculum on moral education for its implementation.
8. We are committed towards initiating a movement to socially boycott the corrupt people.

9. We will include all sectors to strengthen and make effective the anti corruption movement.
10. We are committed to initiate a joint anti corruption movement in Western Development Region.
11. We wish to draw the attention of the state that the corrupt people should not be provided immunity under any circumstances"

International Network

TIN executive committee member Mr. Krishna Prasad Bhandari and Deputy Financial Comptroller General Mr. Shakti Prasad Shrestha participated in a workshop on 'Local Government and Procurement' organized by TI in Indonesia from June 28-29, 2006. The workshop focused on developing a Procurement Manual. Treasurer Mr. Ram K. Manandhar participated in the Advocacy and Legal Advice Centers (ALAC) workshop organized by TI in Berlin from 29 January to 02 February 2006. The conference evaluated the work of Advocacy and Legal Advice Centers in eastern Europe for replication possibilities.

TIN President, Dr. Harka Gurung, and Dr. Devendra Raj Panday participated in TI AMM held in Berlin from 10-15 November 2005. The main theme of the conference was fostering development and improving lives. At the AMM, Dr. Gurung Presented the TI-Nepal's statement about the primacy of political environment in Nepal. TIN ED Mr. Ashish Thapa participated in an International Visitors (IV) Leadership Program, from October 10-November 3, 2005 in the USA. The theme of the program was NGO Management with objectives to examine the management strategies of NGOs, fundraising techniques, leadership, volunteer mobilization and board management, etc.

TIN Executive Committee Member Ganesh Man Gurung attended the OECD/ADB for Asia Pacific Region held in Beijing on September 28-30, 2005. The objective of the conference was to strengthen regional cooperation, exchange knowledge, and build synergies and networks among the concerned stakeholders. Mr. Bishnu Nisthuri-President, FNJ, Mr. Mahendra N. Shrestha and Rambabu Dahal-TIN support group chairpersons and TIN PO Rosy Adhikari participated in the TI South Asian Regional Meeting in Delhi from November 25-27, 2005. Presentation were made by Mr. Nisthuri on Investigative journalism and role of media, Mr. Shrestha on Outreach: Support Group and Ms. Adhikari on 'TIN activities from the perspective of anti-corruption moves and the National Integrity System (NIS) approach'.

Institutional

The 10th AGM held on 22nd September 2006 elected members Damodar Prasad Gautam, Ramesh Nath Dhungel, Krishna Prasad Bhandari and Ram Krishna Manandhar to the Executive Committee (EC). FNCCI was elected as the Institutional members' representative to the EC. The 138th Executive Committee meeting held on 6th October 2006 elected member Damodar Gautam, Vice President and reelected Ram Krishna Manandhar, Treasurer.

On 23rd September, TIN lost its President Dr Harka Gurung in a fateful helicopter crash at Taplejung. This loss was a great setback to TIN. Late Dr Gurung had just initiated a process of framing immediate, medium and long term plans for TIN, and had also got TIN involved in the interim constitution framing exercise by submitting a 31-point memorandum to the Prime Minister, the Speaker, seven major parties, the Maoist and the Interim Constitution Drafting Committee.

TIN deeply mourned the unexpected death of its leader. To fill the leadership void, the 147th EC meeting dated 26 September 2006, elected Vice President Damodar Prasad Gautam as TIN President. In the 148th EC meeting dated 2nd November 2006, member Dr Ram Prakash Yadav was co-opted as a EC member and subsequently elected Vice President by the EC.

The current Executive Committee is composed of-

Damodar Prasad Gautam	President
Ram Prakash Yadav	Vice-President.
Leela Pathak	Secretary General
Ram Krishna Manandhar	Treasurer.
Devendra Raj Panday	Member
Ramesh Nath Dhungel	Member
Ganesh Man Gurung	Member
Krishna Prasad Bhandari	Member
FNCCI, (Anand Raj Mulmi), <i>Institutional Members' Representative</i>	Member
Shreebhadra Sharma <i>(Advisory Council Chair)</i>	Invitee

Co-option of EC membership of Vice President Ram Prakash Yadav expires at the 11th AGM. Similarly three-year EC membership tenure of Devendra Raj Panday expires at the 11th AGM.

During the year, members Daman Nath Dhungana, Rajendra Dahal, Krishna Hachhethu and. Prayag Raj Sharma did not respond to TIN's request to renew their membership status. A new member, Anand Raj Mulmi was added to TIN roster of membership.

TIN member and senior journalist Govinda Biyogi died during the year.

C. CONCLUSION

We at TIN faced some constraints in our campaign against corruption after the dissolution of Parliament in October 2002. Our work became more difficult after the royal take-over of February 2005. Though the political environment was difficult, TIN continued its anti corruption advocacy, sensitizing, research and networking efforts. It kept interacting with its partners, stakeholders and the people on issues related corruption and anti corruption, at the national as well as the district level. It also made its voice heard on important issues like: guarantee of fundamental rights, rule of law, free media, appeal for return of democracy, support to Janandolan II, welcoming the restoration of the Parliament and the accord between 7 political parties and the Maoist.

As we all know, Nepal is experiencing a political transition. The direct rule by the King was stopped by a popular movement in April 2006. Political power has shifted to the resorted Parliament and its government after the end of King's direct rule. The peace process between the Government of Nepal and Communist Party of Nepal (Maoist) has started and the country is now heading towards a new political setup. Future political course is not crystal clear at this point of time however, once the transitional political and economic situation is over, we can look forward to a new era. We hope that the political and social stalemate of the last decade gets sorted out by the political and social actors, amicably. We also hope that working environment for TIN will become comparatively better in the coming days.

In view of the changed political situation in the country, TIN recently carried out a one day workshop on possible policies and programs for future actions. The workshop was participated by TIN members, support groups and staff. Four parallel group works were carried out and four areas of policy intervention identified: political, social, economic and institutional. The proposed policies were later grouped under two categories short-medium term and medium- long term.

Some of the short-medium term policies proposed for the future are: strengthening loktantra, building pressure to end impunity, studying government financial reports, putting pressure for UNCAC ratification, seeking transparency of security forces and political parties, citizen charter monitoring, media mobilization, decentralization and financial sustainability. The medium-long term policies framed are: promotion of democratic values in the society, framing transparency act, promoting codes of conduct, expanding operations countrywide, helping to reinstate etiquette system and broadening the scope of anti-corruption work to judiciary, security agencies, international agencies, and INGOs.

Our path ahead is long and arduous. As a deeply rooted problem, though corruption still continues to flourish in different sphere of lives, we are confident that with the support that is building up against it, we will be able to effectively curb it. We are grateful to our members, support groups, partners, stakeholders, well wishers and friends for their valuable support. We are hopeful that our endeavors will help to make Nepal a better place to live in for the future generations.

Thank you

Leela Pathak
Secretary General
Dec.29, 2006

Annual Progress Report 2004 for the 10th AGM

Fiscal Year 2004/05 (2061/62 B.S.)

It is a great honor to have this opportunity to extend a hearty welcome to you all at the 10th Annual General Meeting of Transparency International Nepal (TIN). This meeting would, as per the high principles of TIN, prove to be a meaningful exercise of deliberations on various components related to anti-corruption drive in Nepal. It would also be a review of activities undertaken to address problems seen in what could be termed "corruption-scape" in the country. Discussion and decisions of the highest body of TIN have in the past been fruitful in making the institution more participative, transparent and democratic in the fight against corruption. The same has enabled TIN to play a creative role for guiding anti-corruption move towards a clear direction. It will continue to do so this time and also provide TIN with enough fuel to take challenges of anti-corruption front in years to come.

1. Environment

At the outset it would be appropriate to have a glimpse of the whole year from the perspective of anti-corruption moves and the National Integrity System (NIS) approach. Since Nepalese NIS was compelled to witness political instability, continued conflict, dismissal of four-party government, subsequent royal takeover, three-month 'emergency' period post February 1st and distorting rule of law situation, problems hindering national integrity system could not be addressed during the year. The issue of improving governance and eliminating corruption appeared as a high priority in the 21 point royal address, but it did not get enough stress in implementation as some components that support anti-corruption environment and the NIS were missing. Restriction on freedom of press; lack of parliament to check government accountability; no entity to address the problems pointed out by Auditor General; confusion and overlap of authority within anti corruption bodies; political parties out of governance structure and civil society's restricted watchdog role contributed negatively towards controlling corruption and building up an atmosphere of integrity.

The arrival of a new anti-corruption high-powered body, Royal Commission for Controlling Corruption (RCCC), also created some confusion. The constitutional rationality of the formation of the RCCC and its continuation even after lifting of Emergency has raised questions related to natural jurisprudence, separation of power and use of anti-corruption movement as a disguised strategy for political interest. That is why the Commission has not been able to generate public confidence despite its work as well as mounting public grievances against political and administrative corruption. Moreover, the need for RCCC in non –Emergency times is questionable, as it looks somewhat parallel and redundant in the presence of CIAA, which, it might be recalled, has kept on its drive of filing high profile cases against politicians and bureaucrats including former police chiefs. What could be done by CIAA through norms and values of rule of law cannot be done by the RCCC because it does three things on its own- prosecution, charge-sheeting, and giving verdict – challenging the very foundation of law. With lawyers, commoners and intellectuals questioning the constitutionality of RCCC and the competence of those manning it, the commission's existence and credibility is eroding day by day.

Due to the political change and subsequent establishment of parallel anti corruption structures like the RCCC and Regional/ Zonal administrators, problems related to exercise of authority and coordination created some confusion. In addition to this, due to the crisis arising out of restrictions in free press, suppression of fundamental rights and weak rule of law situation, anti-corruption initiatives in the country followed a rather routine slow pace. This is, however, not to say that anti corruption agencies did not do anything at all. Even in not-so-friendly situation, various

constitutional, state and civil society agencies such as CIAA, National Vigilance Centre, Pro Public, ReMac, TIN and others continued their work in a steady manner with some success.

2. TIN activities after the 9th AGM

TIN has continued its activities as usual in a planned manner. The TIN Executive Committee has in response to 9th AGM suggestions launched some pragmatic programs during the year. The Research and Publication Sub Committee constituted under the convenorship of Dr. Ganesh Man Gurung intends to boost quality in TIN research besides identifying areas of research. Similarly, the Program Sub-Committee has undertaken the responsibility of preparing, implementing and monitoring TIN programs. Late Mr. Bishnu Pratap Shah, it might be recalled, had contributed significantly to the functioning of the committee as its coordinator. Vice President Mr. Ramesh Dhungel is the current coordinator of the sub committee. To ensure, proper and transparent account keeping, Chartered Accountant Nemlall Amatya and Company has been appointed as External Auditor for one year.

TIN has received assistance from SDC and Embassy of Finland for various activities related to anti-corruption. A few of them particularly seek to support State anti-corruption institutions while others provide help to media, groups, NGOs and political parties. Various other activities aim at consolidating anti-corruption coalition and networks, undertaking public education and raising awareness against corruption. Undertaking relevant research and studies, and strengthening its own institutional capacity are other focus areas of TIN.

3. Highlights

- TIN organized a joint meeting of the executive committee, ordinary members and the advisory council in March 2005 to discuss the changes in the country brought about by His Majesty's February one move of dismissal of the government, declaration of the state of emergency and imposition of direct rule. TIN then promptly issued a public appeal for restoration of fundamental rights, free press and rule of law to facilitate anticorruption campaigns and make them more effective.
- TIN and the Office of the Prime Minister, and Council of Ministers jointly organized a review exercise in December 2004 to evaluate anti-corruption policies and strategies of the government. Secretaries of various government ministries presented progress on the strategy and also expressed difficulties faced. Subsequently, the government constituted a task force to evaluate its action plan against corruption.
- On the reported arbitrary distribution of Dashain expenses from state coffers to party workers by Deuba government Ministers, TIN presented a memorandum to the then Prime Minister, for making the Prime Minister's Relief Fund distribution transparent and rendering the distribution of the same legally appropriate.
- Discussion was held to on the progress made by the government task force constituted for study of implementation of the United Nations Convention against Corruption in December 2004. The program highlighted the provision of the convention, government's initiatives to complete the homework of its implementation and importance of monitoring. Participants emphasized the need to complete the homework for implementing it and ratifying the Convention.
- National Vigilance Center and TIN organized interaction programs in Janakpur, Birgunj, and Siddharthanagar in cooperation with the TIN Support Groups. TIN also joined a discussion program on the long-term strategy planning for National Vigilance Center and presented its recommendation/suggestions together with other civil society organization.
- To mark the 1st UN Anti-corruption day i.e. December 9th , different programs were organized on the recommendation of the TIN program sub committee. One important, among others was a daylong workshop organized under the auspices of TIN and ReMEC Nepal on the theme of unpublished reports of constitutional bodies – Public Service Commission and Office of Auditor General and the way to make them public. Special radio

program from Radio Sagarmatha was another highlight of the day. Sisnupani Satirical show was also organized in Basantapur and press release of Global Corruption Barometer survey was made. Similarly various other programs were organized by district based support groups to mark the day.

- Preliminary finding of a survey titled 'Transparency Index of Government Ministries', conducted through USAID support, was presented at Ministry of Finance and USAID. ACNielsen and CPPD conducted the study jointly, which ranked 12 government ministries based on their level of transparency.
- TIN assisted CIAA in republishing a book with collection of laws and regulations related to anti-corruption. The publication has been highly helpful in corruption research and training matters.
- TIN handed over the recommendations of Business Sector Sub-committee related to anti-corruption business principles to the Anti-Corruption Project Chief of FNCCI, urging all concerned to pursue the principles in practice.
- On the recommendation of a TIN Research and Publication sub-committee TIN has published a book on 'Corruption and Anti-corruption' authored by Dr. Narayan Manandhar. Other publication under consideration for printing includes "TIN's Annual Reports 2000-05", "Donors' Policies against Corruption" in Nepal written by Professor Rabindra Khanal, "The Moral Commitment of Political Parties for Clean, Transparent and Corruption-free Politics" penned by Professor Krishna Khanal, Write-ups prepared by journalists under fellowship offered through Federation of Nepalese Journalists, "The National Integrity System Study Report" updated by senior journalist Rama Regmee and "Transparency Indexes of Government Ministries" prepared by TIN/ACNielsen/CPPD jointly.
- Transparency International Nepal assisted Sisnu Pani Nepal to organize satirical anti-corruption shows in Bhaktapur, Dhulikhel, and Kathmandu municipalities during the year to sensitize people in a user-friendly way, against corruption.
- In partnership with Sarbanam Natya Samuha new series of street drama based on anti-corruption themes were launched in October/November in Western and Far Western Nepal. The shows were presented in Mahendranagar, Dhangadhi, Kohalpur, Nepalgunj, Ghorahi, Taulihawa, and Tansen.
- TIN through Federation of Nepali Journalists awarded writing fellowships to seven journalists of Kathmandu and eight media persons outside Kathmandu for concentrated write-ups on corruption and related matters.
- TIN and Nepal Press Institute organized journalism-training workshop in Hetauda for FM Radio journalists based outside Kathmandu to enable them to cover corruption. Emphasis was laid on in-depth reporting of corruption cases.
- The annual meeting of Support Group meeting was held in Kathmandu on to discuss about the prevailing situations in different districts, activities conducted by support groups and their future plans.
- CIAA Secretary, Deputy Auditor General, President of Federation of Nepali Journalists, researcher and TIN office bearers participated in the South Asian National Integrity System workshop held in Karachi, Pakistan by Transparency International. The international workshop heard the report of National Integrity System in Nepal along with those of Bangladesh, India, Pakistan and Sri Lanka. A comparative analysis of the regional integrity systems was also presented on the occasion.
- Public perception survey of public service delivery organizations were conducted in Pokhara and Biratnagar to determine the effectiveness of public services delivery, people's satisfaction on services and existing extent of corruption of some important public entities like Nepal Drinking Water Corporation, Nepal Electricity Authority, Nepal Telecommunication Corporation, Municipality, District Administration Office, Office of Land Revenue and Department of Transport Management.

- Anti-corruption Public service announcements were transmitted through Radio Nepal and Nepal TV through out the year. Discussions, interviews and reporting on contemporary issues were conducted from Radio Sagarmatha and five local FM stations outside Kathmandu.
- Publication/distribution of quarterly newsletters for both TIN and CIAA continued, and TIN website was upgraded on a monthly basis. A forum of investigative journalists, Research and media against Corruption (ReMaC) was engaged to upgrade the quality of news content in TIN newsletter and its Radio program.
- TIN deeply mourned the sad killing of 11 Nepali workers in Iraq by Iraqi fundamentalists and the subsequent looting and arson that took place in Kathmandu.
- TIN also helped the flow of information of the Corruption Perception Index 2004. Nepal was enlisted in the Corruption Perception Index for the first time, with a score of 2.8 out of 10; Nepal is ranked at 94th position among 146 countries. Similarly Global Corruption Report 2005, Global Corruption Barometer Index–2004 and various national and international statistics related to corruption were also transmitted to the media.
- Press releases were made on resolutions reached at the Karachi NIS regional meet in Dec 04 about the need to include corruption in SAARC Meet Agenda as well as the reforms sought in political, legislative, media, civil society and anti-corruption sectors in South Asian countries. Another was on the Tsunami disaster and the need for the proper utilization of funds being collected for Tsunami disaster relief works.
- SDC External review team carried out a review of TIN project from December 14-30 2004 with the purpose of providing a critical analysis of the program for its relevance, potentiality and the effectiveness in achieving its objective in the conflict situation. The report recommended relevance of TIN in pre and post conflict scenario.
- A TIN delegation comprising EC members and Pokhara Support Group President participated at the TI Annual Membership Meeting held in Kenya during October 2004. The delegates voted to elect members of the TI Board and also presented a report titled ‘Transparency movement in Nepal’. Similarly, TIN ED participated in a training program in Germany on Measuring levels of Governance, Human Rights and democracy of different countries.
- Honoring his contributions to the global anti-corruption campaign, former TIN President Dr Devendra Raj Panday was nominated by TI to its prestigious ‘Chair Selection Committee’ and ‘Integrity Award Selection Committee’. Dr Panday is also a member of the TI Advisory Committee and Global Corruption Report Editorial Board.
- A Nepal Status report for contribution to the Global Corruption Report 2006 was prepared in consultation with senior journalist Rama Krishna Regmee and made available to TI. The report highlights contemporary issues related to Nepalese National Integrity System and the problems related to it.
- In line of the Accreditation policy approved by the TI Annual Meeting in held on Korea in May 2003, TI Nepal was re- accredited by TI as its National Chapter in Nepal. This was done after submission and evaluation of details related to TIN governance, management, membership, programs, finance by the TI Board. As requested by TI, a register mentioning interests and involvements of TIN members is to be prepared and provided to TI.
- TIN has managed a savings of around Rs 6.0 million and this fund is being used to purchase a piece of land for TIN office. The search for a suitable piece of land is currently underway.

4. Future Program Focus

TIN is determined to continue pushing forward the anti-corruption program in the country. Its priority during 2005/06 will mainly be advocacy and sensitization activities:

- Policy research and advocacy: strengthening democracy and rule of law for corruption control; securing access to information for greater transparency; corruption control for peace building; corruption and current crisis; curbing corruption in public procurement; reducing corruption in politics; asset declaration by public officials; promoting anti-corruption education and ethics; preventing corruption in development cooperation; promoting judicial reforms and application of anti-corruption laws; money laundering, banking frauds and defaults; corruption in specific sectors (health, education and foreign employment).
- Public sensitization through consolidated networks of TIN Support Groups, CIAA and NVC, major Political parties, Radio Sagarmatha, Journalists, Nepal Bar Association, Federation of Nepalese Journalists, and FNCCI district units.
- Research on policy issues, corruption profile and Nepalese Integrity System.

Like in the past years, TIN has decided to implement its programs with the support of Swiss Agency for Development and Cooperation and Embassy of Finland. SDC has, because of its policy change of laying more stress on conflict, indicated that it would not be able to continue its support on TIN's anti corruption activities from January 15, 2006. However, financial support to TIN's anti-corruption programs from Embassy of Finland support will continue on a limited scale till July 15, 2007. Taking into consideration this situation, TIN is seeking funding from ARD Rule of Law Project (USAID) to address public awareness raising activities, capacity building of support groups to lead effective and high impact anti-corruption initiatives, and training and analyzing corruption in Nepal in order to develop corruption preventative measures. Also the possibility of seeking a long-term donor will be explored after the completion of a medium term planning exercise during November.

5. Executive Committee

The 129th Executive Committee meeting held on 6 Jan. 2005 elected a new Secretary General a new Treasurer and also co-opted a new member in the nine-member committee. Treasurer, Dr. Leela Pathak was elected Secretary General in the position lying vacant after the demise of the then Secretary General Mr. Bishwambher Man Singh Pradhan. Subsequently Mr. Ramkrishna Manandhar was elected as Treasurer in the position vacated by Dr. Pathak. Mr. Manandhar had been co-opted as an EC member in the 126th EC Meeting dated November 01, 2004 after the resignation of Mr. Kul Shekhar Sharma. During the year another member Mr. Krishna Prasad Bhandari was also co-opted in a vacant seat at the EC.

The composition of the current Executive Committee is as follows:

Dr. Harka Gurung	President
Mr. Ramesh N.Dhungel	Vice President
Dr. Leela Pathak	Secretary General
Mr. Ram Krishna Manandhar	Treasurer
Dr. Devendra Raj Panday	Member
Dr. Ganesh Man Gurung	Member
Mr. Krishna Prasad Bhandari	Member
Mr. Bishnu Nisthuri, Federation of Nepalese Journalists–	Member
Mr. Shree Bhadra Sharma (Advisory Council, Chair) –	Invitee

The 131st EC meeting dated 21st April 2005 approved to invite some prominent persons for Advisory Council membership. These include:

- Trilok Pratap Rana (former Chief Justice)

- Bishnu Bahadur KC (former Auditor General)
- Representatives of Eight TIN Support Groups

Three years EC tenure of Vice President Mr. Ramesh Nath Dhungel and FNJ representative, Mr. Bishnu Nisthuri will expire on the 10th AGM. Co-option of Treasurer Mr. Ram Krishna Manandhar and Mr. Krishna Prasad Bhandari as executive members will also expire on the 10th AGM. One membership for executive committee is vacant due to the demise of Mr. Bishnu Pratap Shah.

TIN EC also accepted the resignation given by its founding member Radheshyam Adhikari from his ordinary membership.

Now a very sad note: It was most unfortunate for TIN to lose through untimely demise three TIN personalities who contributed so much for the image and growth. We all deeply mourn the death of: Bishmwambher Man Singh Pradhan, Bishnu Pratap Shah, and Chudamani Raj Singh Malla and pray for the eternal peace of the departed souls. TIN remembers them particularly for their untiring efforts to fight against corruption.

Conclusion

The fight against corruption is not easy. It does not have a rosy path. A well-built strategy and political support could make the anti-corruption struggle successful. This year, the emphasis on fighting corruption has encountered a bump but this should not disappoint us in our efforts to create ultimately a corruption-free society. The National Integrity System which has been distorted at present needs to be re-built with a view to preventing corruption, penalizing those involved through proper laws and enabling anti-corruption bodies to work effectively.

Thank you.

Dr. Leela Pathak
Secretary General

TIN Support Groups' activities

The Support Groups that have come up voluntarily have helped in their own way to spread the anti-corruption campaign in various parts of the country. Support Groups of Biratnagar, Birgunj, Janakpur, Pokhara, Bharatpur, Butawal, Siddharthanagar and Kathmandu have contributed significantly in expanding TIN's anti-corruption movement. To further consolidate this network, numerous programs were organized by the Groups throughout the year. Their activity highlights are as follows:

1. Biratnagar Support Group

- An Interaction program on the theme of Recommendations for corruption control, good governance and integrity
- A study of the aftermath effect of conviction of former minister Chiranjibi Wagle by Special Court and findings through a press conference.
- A competitive poem symposium against corruption in collaboration with the Bani Publications with the participation of four dozens poets from Eastern Development Region
- A weeklong program against corruption to mark the International Anti-Corruption Day. Chief Editor of Jana Awaj weekly Keshab Bahadur Karki was awarded Anti-Corruption Journalism Award 2060 on the occasion for contributing most to the anti-corruption move through the media.
- Anti-corruption rally under the aegis of PABSON Biratnagar, and
- Special program in Koshi FM.
- Eastern Regional Symposium on local participation in the control of corruption in collaboration with CIAA.

2. Birgunj Support Group

- Worked with local media to generate awareness about controlling corruption in public offices on the occasion of Anti-Corruption Day.
- Jointly held the CIAA Central Regional Symposium on Public Awareness for controlling corruption.
- One-day workshop jointly with Birjung FNCCI unit on the importance and effect of Business principles.
- An interaction program with NVC to discuss about corruption control measures in the local level.

3. Janakpur Support Group

- Anti-corruption messages in six hoarding boards in public places of Janakpur and in three places in Jaleshwar.
- Celebrated anti-corruption Day to create awareness about the need to control corruption for public good by organizing rally in cooperation with Mechi-Kali Media Society.
- Media interaction on the issue of spreading the awareness about anti-corruption activities.
- An interaction program on the Rule of Law and Corruption Control with the participation of teachers and students in women's college.
- An elocution competition in 5 school on the topic 'Measures for combating corruption'.
- A Public hearing on the issue of responsibility of government bodies and public attention regarding the protection of religious, cultural and public heritages.

- Interaction program jointly with NVC on the issue of raising awareness on combating corruption.
- A workshop on Conflict, Human Rights and Anti-corruption Movement with the active participation of lawyers and teachers.
- Inter-school elocution competition on Role of students in Combating Corruption.

4. Pokhara Support Group

- Second annual general body meeting of the group inaugurated by the then Prime Minister Sher Bahadur Deuba.
- Poem symposium jointly with Pokhareli Youth Cultural Family at Chipledhunga and bus-park of Begnas Lake against corruption.
- Talk program on the state of good governance in Nepal and efforts made for controlling corruption.
- Interaction program in Pokhara with Swiss Development Mission leader Markus Sheffer, SDC governance Advisor and TIN Executive Director.
- Celebrated Anti-Corruption Day organizing several program including an inter-school essay competition and outstanding essay writers received prizes from the then Industry and Trade Minister Ishwar Pokhrel.
- Programs in 16 schools in cooperation with the 'Teachers' Union Kaski with the participation of headmasters, teachers and members of managing committees who underlined the need to promote the sense of integrity, ethics and cultural development in the society.
- Undertook initiation in preparing a Civic Charter for obtaining citizenship certificate and passport and got the same publicly displayed in the Kaski District Administration Office.
- A bulletin summarizing events and actions related to good governance and anti-corruption in the district. A Calendar was published jointly with Baidam Shrot Bikas Kendra and distributed. Group brochure was also published.
- An Interaction program where participants underlined the need to make non-government organizations' activities transparent for gaining public trust.
- Discussion program under the auspices of Pokhara Regional Administration Office where participants discussed irregularities and corruption in the service oriented offices.
- Interaction program to discuss the need and justification of local efforts for promoting good governance and discouraging corruption. CIAA chief Mr. Surya Nath Upadhyaya speaking on the occasion underlined the need to check petty corruption to close the possibility of high intensity corruption.
- Sensitization workshop with ward level communities.

5. Bharatpur Support Group

- Interaction programs focusing on the issues of the red tape, accountability and illegal activities occurring in NEA of Bharatpur and Integrity Pact in Bharatpur Municipality.
- Published and distributed newsletters.
- A special supplement on the issue of anti-corruption activities.
- Organized an interaction program on the theme of search for coalition against corruption with the participation of all office chiefs, politicians and members of civil society.
- A workshop was organized on Integrity and Anti-corruption. The attendees of the workshop included the eminent personalities like Surya Nath Upadhyaya-CIAA Chief, James F. Moriarty – American Ambassador, August Von Millard – Governance Advisor, Team Leader –USAID, and TIN executive and advisory council members.

6. Butwal Support Group

- Awareness raising in the midst of school students, college youths, mothers' group, communicators, artists, litterateurs.
- Public hearing about the goods and services public utilities.
- A program on the theme of controlling corruption for the betterment of society to mark the International Anti-Corruption Day.
- A program to launch the report prepared by Journalist Mahendra Thapa on corruption in Lumbini Zonal Hospital.
- A lecture program on Role of Youth in controlling corruption' jointly with Leo Club of Butwal.
- 5 Investigative fellowships and the impact of investigative reports evaluated through interaction program. The Group has called upon the press to publish messages of anti-corruption movement for making people understand it better
- Poem competition on corruption.

7. Sidharthanagar Support Group

- A daylong poem symposium on the theme "Let us punch out corruption" to mark the birth anniversary of Moti Ram Bhatta.
- A Teej song competition to oppose corruption in joint collaboration with Women's Development Branch, Siddharthanagar, ABC, Nepal Women Unity Association, District Development Committee.
- A rally with the slogans "Peace, not war is the need of the hour; good governance, not bad governance is what we need today; corruption is a serious crime, take firm action against the corrupted" to celebrate the Anti-Corruption Day
- A discussion program inviting all local bodies' representatives to discuss ways to make all development and construction works people oriented and transparent for helping the cause of good governance.
- A satirical Folk Dohori Song Competition to mark the constitution day.
- Published finding of study titled Measurement of Corruption in Rupendehi District in a book form.
- An interaction program on Good Governance and Transparency with the participation of Municipality, DDC and VDC representatives.
- A program on the role of civil society and government officials for good governance.

8. Professional Women's Support Group, Kathmandu

- Several awareness raising campaigns and programs with major focus on school-level education in six schools in Kathmandu to foster anti-corruption culture among school children and raise overall awareness among civil society.
- A rally in Kathmandu to mark the First International Anti-Corruption Day involving executive members of PWSG and children of various schools.
- Paintings competition to expose the understanding of school level students aged 10-16 of some 20 schools. Prominent artist of Nepal evaluated 140 paintings exhibited and selected 12 paintings, which were awarded certificates.
- A Calendar for B.S. 2062 (A.D.2005-2006) with the reproductions of awarded paintings in the school level students' paintings competition.
- An introductory brochure of the group.
- A study on Monitoring of NGOs pertaining to Child Labor Education in Nepal with the funding support of TI- Berlin.

Annual Progress Report for the 9th AGM

Fiscal year 2003/04 (2060/61 BS)

TIN feels highly honored to welcome you all at the 9th Annual General Meeting of Transparency International Nepal. We hope to have, like in previous meetings, a free and open discussion, which could guide all of us in the fight against the cancerous crime – corruption. This is an occasion in which the top body of TIN evaluates its performance in the past year and charts its path for the next year. The convention followed by TIN over the years has motivated it to practice values of participation, democratization, and transparency. Your presence and participation today in this AGM has encouraged us very much and your deliberations here would definitely steer TIN better in the year ahead

1.0 Context

To begin with, the year 2003/04 was not conducive for governance-related works. Political uncertainty and unrest along with conflict, which continued during the whole period like in previous years, did not allow good governance a comfortable passage. It might be appropriate at this moment to reflect upon the prevailing state of the society and the nation in which TIN has been launching its various activities.

- growing subversion and disorder,
- lack of consensus among the political parties about the ways of solving present problems,
- growing disenchantment of the people with the performance of government leaders,
- deceleration in the pace of development,
- increased incidents of human rights violations,
- difficulties on the part of the government to exercise effective control in different parts of the country,
- bleak chances of local and general elections taking place,
- continued armed conflict between the security forces and rebels, and
- the worsening economic and security situation.

All of these factors have contributed towards an increase in conflict, violence, deaths, closures, protest and rallies throughout the year, demanding urgent attention of the government and the people. This has diverted the attention of government and other institutions from governance and anti-corruption activities to conflict resolution and peace building. In spite of this, public awareness about a need to stem corruption and public support for the activities of CIAA, the main state authority for controlling corruption, has increased tremendously.

1.1 Anti-corruption initiatives in the country

Despite of the prevalence of such adverse situation in the country during 2003/04, the state and civil society organizations concerned have vigorously pursued their efforts against corruption.

The top constitutional anti-corruption body- Commission for Investigation of Abuse of Authority- (CIAA) appears confident and consistent in investigating the corrupt including highly placed politicians. It maintained the drive of filing cases against high officials of the government including ministers and top law enforcement officers and showed that from now on no one found involved in corruption, even though in high places, can escape punishment. Statistics show: Special Court dispensed more than 130 cases this year related to corruption out of which CIAA achieved a success rate of around 82%. The figure has raised hopes and indicates the level of seriousness the new court

gives to the white-collar crime. This will contribute positively to the CIAA strategic plans to lower corruption within the next three years.

Also some measures taken by government bodies proved helpful in nourishing the fight against the vice. The anti-corruption strategy and action plan, formulated by the Government, is currently being implemented under supervision of the Chief Secretary of HMG. For greater accountability and transparency in government work, 48 government departments, as a result of CIAA initiatives, have prepared their Working Procedure Manuals and announced their determination to implement them. HMG and civil society actors concluded the drafts of different anti-corruption acts like the Fiscal Transparency Act, Anti-Money laundering Act, Whistleblowers Act and Public Procurement Act to strengthen anti-corruption legal framework. UN Convention against Corruption was signed by Nepal paving way for future possibilities in fighting corruption and illegal foreign deposits, developing mutual legal assistance with other countries and bringing business sector under corruption investigation.

The civil society appears to be increasingly aware of its role in preparing the mind-set of the citizens against corruption. The wide support TIN has received from the civil society over time stands witness to the fact that it can play its role effectively. Joint anti-corruption programs with different NGOs and the composition of TIN Support Groups countrywide have well demonstrated the wide representation of almost all strata of society in the anti-corruption drive. This could prove to be a very useful resource for countering corruption trend in the long run.

Donors also initiated various anti-corruption projects this year. USAID/Nepal initiated a three-year anti-corruption project that will focus on rule of law and building corruption coalition. DANIDA / DFID jointly agreed to assist CIAA in their ten district corruption-control pilot project. Capacity of CIAA offices in those districts will be strengthened under this program. Under DFID support, FNCCI started the task of drafting code of conduct for the business sector to enhance integrity in the business sector.

2.0 Highlight of TIN programs and activities

It is well known that corruption has compromised good governance and retarded social and economic development, eroded public services and undermined democratic values in the country.

To fight the evil of corruption, TIN, as we all know, has been working for the promotion of transparency, accountability and integrity in Nepal. To achieve this, it has adopted a working modality of raising public awareness against the ill-effects of corruption, enhancing integrity in all walks of life, building coalition with like-minded institutions, generating empirical data for public information and mobilizing media for public sensitization.

The recent programmes of TIN have aimed at supporting State Institutions and Political Parties in designing and implementing laws and guidelines, consolidating anti-corruption coalition and networks, carrying out public education and awareness against corruption; undertaking relevant research and studies; pursuing increased donor transparency and strengthening its own institutional capacity. Details of these programs are mentioned below, along with their basic objective:

- TIN leadership is working out a comprehensive strategy to control corruption with a holistic approach. Under this approach, a comprehensive strategy targeting political, administrative and business sector reforms was broadly laid out. A set of recommendations regarding principles of good governance and codes of conduct for ministers and civil servants was prepared as part of the above strategy and presented to the Prime Minister to assist government in its professed anti-corruption strategy. The objective: to make the top officials more integrity conscious.

Also under preparation, is a plan for reforms in political parties with a view to, among others, bringing about greater transparency in their financial matters.

- The ethical commitments of parliamentary political parties - Nepali Congress, Unified Marxist Leninist, Samyukta Janamorcha, Rastriya Prajatantra Party, Nepal Sadbhavana Party, Nepal Sadbhavana Party (A) and Nepali Congress (D) – towards a clean, transparent and corruption free politics is being studied on the basis of their policy documents. The objective: to make political parties conscious about their ethical responsibility in checking corruption.
- Government actions on the major recommendations of the Auditor General's Office and Public Service Commission, the constitutional bodies, from 2054 to 2058 BS, were studied and the findings made public in a workshop. The reports were also made available to the constitutional bodies. The objective: to build up a situation for the compliance of the reports.
- TIN and Secretary of the Law Ministry discussed about working together for drafting new laws and reviewing old ones to make the existing Nepalese laws compatible with UN Convention. The objective: to update laws with international norms and assist the "HMG Task Force on UN Convention against corruption".
- Chief Secretary of HMG has agreed to involve TIN in reviewing progress in the implementation of 'HMG anti-corruption strategy and action. The objective: to maintain a good follow-up in government work.
- National Vigilance Center was assisted in developing guidelines and indicators for selecting a government department/office with outstanding performance to combat corruption. The objective: to help develop appropriate reward mechanism for anti corruption work.
- A Work Procedure Manual on Development, Construction and General Works was published by TIN for CIAA in order to streamline construction malpractice and irregularities. The objective: to prepare a base for checking technically disguised or hidden corruption.
- CIAA newsletters with special focus on corruption cases were prepared, published and distributed. New TV and radio messages aimed at curtailing purchase and sale of stolen vehicles were prepared upon CIAA request and aired from NTV and FM. The objective: to provide people with regular information about the activities of the anti-graft body.
- Website was prepared for the government anti-corruption body, National Vigilance Center (NVC) to disseminate basic information about the new organization. A regional workshop was held by Pokhara Support Group with NVC in Pokhara to orient the Government district office bearers about its preventive role. The objective: to familiarize individuals and institutions with NVC.
- Street drama entitled Roop Anek Anek emphasizing anti-corruption theme was staged in public platforms and busy intersections of major cities in 10 districts amid great public interest, in partnership with Sarvanam Natya Samooaha, the renowned theatre group and TIN Support Groups. The objective: to inform the common people about anti-corruption.
- TIN Business Principles was prepared and finalized based on feedback received from district FNCCI offices and TIN Support Groups and provided to the FNCCI Code of Conduct project for considerations in the final codes. The objective: to make private sector conscious of corruption and to encourage it to undertake anti-corruption measures in its own premises.
- Press meets were organized with CIAA and Federation of Nepalese Journalists participation to foster greater media support in CIAA work. Similarly a training workshop for print journalists was organized jointly with Nepal Press Institute to orient the reporters on CIAA's investigation and prosecution system for better news writings. The objective: to ensure cooperation from media persons in a professional manner.
- New Support groups were formed in Siddharthanagar and Kathmandu with the involvement of local people to expand TIN mission. To encourage gender balance in anti-corruption work, the Kathmandu group was constituted as an All Women Group comprising professional women. A Support Group Directive was also prepared to bring uniformity in the functioning of the

Groups. Review and Planning of Support Groups' activities was done with the participation of all seven TIN Support Groups. The objective: to prepare more and more people for Integrity approach for checking corruption. (See Annex –1 for details about Support Groups' programmes).

- Anti-corruption messages were broadcast from Radio Nepal and Nepal TV during prime time throughout the year to motivate and educate the general population against corruption. TIN's anti-corruption radio messages were also transmitted from FM stations in Biratnagar, Pokhara and Chitwan. The objective: to further strengthen anti-corruption signals to the public.
- The output of contemporary radio program 'Aachar Bichar', being broadcast from Radio Sagarmatha, and the content of quarterly TIN newsletters was modified with contribution from REMAC – Nepal, a forum of investigative anti-corruption mainstream journalists. The objective: to upgrade broadcasting on anti-corruption.
- Investigative fellowships were provided to journalists through Federation of Nepalese Journalists to dig out stories of irregularities and publish them for public education. The objective: to motivate journalists to dig out corruption stories.
- In partnership with Sishnupani Nepal, anti-corruption satire shows were performed amid great interest of the students in Kathmandu University, Tribhuvan University, Pokhara University, Purbanchal University and Teaching Hospital. The objective: to make educated youths conscious about the need for anti-corruption measures in entertaining manner and humorous style.
- Interaction, workshops, and discussions were organized jointly with partner NGOs- Forum for Sustainable development, Forum for Human Rights and Democracy, and Nepal Council for World Affairs on contemporary issues like UN Convention, corruption and human rights and CIAA performance respectively, in order to expand the anti-corruption institutional network. Numerous meetings were held with NGOs, donor representatives, foreign consultants, reporters, researchers, and business organizations to share and impart anti-corruption information. The objective: dissemination of anti-corruption experiences and exploration of ways to tackle the crime better.
- Public perception survey of six public service delivery organizations related to electricity, water, sanitation, telecom, district administration and vehicle registration was completed in Kathmandu. The objective: to determine the state of public services.
- Study of anti-corruption policies of major donors- USAID, JICA, SDC, DANIDA, FINNIDA and DFID was initiated. The objective: to familiarize Nepalis individuals and organizations about donors' preventive mechanism.
- Saving was made on the Overhead Expenses provided by SDC and Endowment Fund contributed by Embassy of Finland. The objective: to assist future sustainability of TIN.
- Capacity enhancing training were provided to the staff on proposal writing, fund raising, conflict management, civil society and local governance, memos, minuting and letter writing and accounting practices. The objective: enhancing the human resource capacity in the institution.

2.1 Future TIN programs

To continue the anti-corruption campaign initiated, TIN has decided to implement the following programs and activities in the fiscal year 2004/05. Like in the past years, these programs and activities are being conducted through the support of our partner donor organizations – Swiss Agency for Development and Cooperation, Embassy of Finland and USAID/ Nepal. We express our sincere gratitude to them for their crucial and valuable support.

Targeting state institutions and political parties:

- Support to Law Ministry Task Force on UN Convention against corruption for follow-up works in Nepal.

- Monitor and review of progress on HMG anti-corruption strategy / action plan jointly with Cabinet Secretariat.
- Contribute to reforming and monitoring implementation of Working Manual of government departments with CIAA.
- Provide suggestions on political party reforms, party funding and election candidates to major political parties and monitor its effectiveness during the general election.

Targeting civil society:

- Provide investigative fellowships to Federation of Nepalese Journalists for preparation and publication of reports.
- Involve Research and Media against Corruption in disseminating investigative information through radio and print medium.
- Organize public interactions involving CIAA and NVC for public grievances in and out of Kathmandu.
- Advocate Corporate Ethics Forum/FNCCI to incorporate TIN Business principles in Business Code of Conduct.
- Establish TIN Supports groups in Palpa, Surkhet, Dhangadi, Ilam and other feasible cities.
- Providing financial support to the existing 8 TIN Support groups to prepare and implement annual programmes.

Education-oriented:

- Broadcast radio spots from Radio Nepal and TV spots from NTV.
- Broadcast Aachar Bichar program from Radio Sagarmatha.
- Publish TIN quarterly newsletters in English and Nepali and updating website bimonthly.
- Work jointly with Sishnupani Nepal and Sarvanam Natya Samooha to conduct anti-corruption shows / dramas in Universities, Schools and public places.
- Organize workshops with partner NGOs / organizations on corruption related themes in and out of Kathmandu.

Research-oriented:

- Hold training workshop with Nepal Press Institute for FM programmers outside Kathmandu.
- Discuss main features of donors' – USAID, DFID, DANIDA, SDC, JICA and FINNIDA – anti-corruption policies.
- Study procurement systems in Royal Nepal Airlines Corporation and Nepal Electricity Authority.
- Prepare Transparency Index of HMG Ministries.

Institutional strengthening:

- Build up TIN's Consolidated Savings Fund.
- Participate in TI AGM, TI regional meeting, international workshops and chapter visits.

3.0 Executive Committee

The current Executive Committee composition stands as follows:

Mr. Kul Shekhar Sharma	President
Mr. Shree Bhadra Sharma	Chair, Advisory Council
Mr. Ramesh Nath Dhungel	Vice - President
Mr. Biswambher Man Singh Pradhan	Secretary General
Mr. Bishnu Pratap Shah	Treasurer

Dr. Devendra Raj Panday	Member
Dr. Harka Gurung	Member
Dr. Meena Acharya	Member
Mr. Tara Nath Dahal	Institutional member

Member Mr. Bishnu Pratap Shah was co-opted as EC member and elected Treasurer by the 120th EC meeting held on 21 April 2004 after the EC accepted the then Treasurer Mr. Sunil Adhikary's resignation.

Three-year EC tenure of Mr. Shree Bhadra Sharma, Dr. Harka Gurung and Dr. Meena Acharya expires at the 9th AGM and co-option of Bishnu Pratap Shah as EC member also expires at the 9th AGM. The EC met 9 times between 8th and 9th AGM. The 123rd EC meeting, keeping in view the ethnic and geographical factors, decided to grant TIN memberships to Mr. Santa Bahadur Rai, Mr. Ganesh Man Gurung and Mr. Ram Prakash Yadav.

4.0 **Conclusion**

Controlling corruption in Nepal is really a long-term task because the root causes of corruption are well entrenched into the fabric of our society. Various values such as materialistic thinking, excessive consumerism, nepotism, poverty, low salary, costly elections, state monopoly in public services, discretionary power, red tape, lack of accountability at political and civil service level, and judicial immunity have been breeding corruption over the years and there is no short-cut to eliminate these factors overnight. So the fight against corruption must continue for a long time and it has to be carried out in the mode of civil society working together with State institutions. For this, the prerequisites are democracy, political stability, peace, good governance, and propagation and inculcation of high moral values of integrity and simple living.

Thank you.

Mr. Biswambher Man Singh Pradhan
Secretary General

Support Groups have become the pillars of TIN's countrywide anti-corruption drive and their activism is crucial in expanding TIN network. To further consolidate this network numerous programs were organized by the Groups in coordination with TIN, throughout the year.

Highlights of main activities undertaken by TIN Support Groups during 2003/04.

Biratnagar Support Group headed by Mr Radha Prashad Ghimere,

- Established Investigative Journalism Award for Eastern Development Region journalists writing excellently on corruption issues.
- Represented the Group in coalition program launched by NGOs and HMG particularly local development units and trade and industry organizations.
- Provided help for performance of the anti-corruption street drama organized by TIN and Sarvanam Natya Samooha in Eastern Development Region.
- Opened office with modest facilities and hired Supervisor of the Offices to initiate Integrity Pact.
- Offered instruction services from the Group for Staff training organized by Nepal Administrative Staff College.
- Interacted on corruption and fund terrorism in conflict situation with United Kingdom Embassy Team, that came to Biratnagar for studying conflict management and peace establishment.

Birgunj Support Group headed by Prof. Mohan Yadav,

- Launched programmes against corruption in cooperation with other institutions of civil society.
- Provided help for Sarvanam Natya Samooha in performing Street Drama.
- Decided to celebrate Baishakh 15 as the Group's anniversary.
- Published annual bulletin on anti-corruption information.

Janakpur Support Group headed by Mr Madan Mohan Thapa,

- Organized a seminar on CIAA against corruption.
- Held discussion with businesspersons on the working paper entitled Principles Against Bribery.
- Sponsored an interaction program in Siraha with cooperation from local individuals and organizations on the theme Public participation against corruption.
- Completed an interaction program on the theme The role of women teachers in controlling corruption.
- Helped Mahottari district to organize a discussion program on the theme Integrity is the main basis for Good Governance.
- Undertook the task of holding a symposium on the role of organized women in eliminating corruption.
- Had a meeting held in Lahan to discuss the role of civil society against corruption
- Put up in public places six hoarding boards with anti corruption slogans
- Became actively engaged in helping the performance of Street Drama organized by Sarbanam Natya Samooha
- Motivated writers to publish articles against corruption

Pokhara Support Group headed by Mr Ananda Raj Mulmi,

- Conducted essay writing, interaction and oratory against corruption in schools and colleges
- Put up hoarding boards in the city with cooperation from Pokhara sub- municipality
- Got the local media publicize messages against corruption in an intensive manner

- Published bulletin with news materials
- Issued public appeal in a decent manner for economizing in public functions and avoiding unnecessary expenses in individual celebrations
- Requested Pokhara Jaycees to hold interaction program on good governance and avoiding corruption among organizations
- Got Lekhnath Lions Club motivated to organize a workshop for familiarizing 56 organizations with TIN and its activities and collecting suggestions for future activities
- Discussed with local administration about the prospects of organizing anti-corruption activities in cooperation with the civil society
- Exhibited 37 anti corruption pieces of art prepared by Sirjansheel Kalakar Samooaha in the colleges, public places and fairs
- Distributed anti-corruption materials and those materials received from TIN to libraries and public places for public use and viewing
- Organized an introductory program with National Vigilance Centre on the preliminaries of anti-corruption actions
- Published and distributed calendar with anti-corruption messages
- Provided 3-day training to Social Science teachers of 80 schools in Kaski district in cooperation with Nepal Teachers' Association, Kaski
- Requested Lekhnath Chambers of Commerce and Industries to familiarize its members with code of conduct.
- Facilitated the display of street dramas in Pokhara and Lekhnath.

Bharatpur Support Group headed by Mr Leela Nath Subedi,

- Helped the Sarbanam Natya Samooaha perform street drama in Narayangadh Bazaar
- Opened office and organized programmes
- Held discussion with district media persons for working together against corruption
- Organized a dialogue among Nepal Telecom Office chief, technical staff, Consumers' Right Protection Forum, civil society, Human Rights and Peace Society, Locality Reform Committee and telephone consumers
- Arranged a special get together for former minister, parliamentarian, civil society member, professors, intellectuals and others to discuss the research paper Corruption and liquor

Butwal Support Group headed by Mr Manohar Kumar Shrestha (Current chair Mr Mahendra Shrestha),

- Formed a research sub-committee to suggest measures for researching corruption, collecting information and controlling the crime.
- Exhibited cartoons and paintings in cooperation with Pokhara Support Group for spreading information about anti-corruption.
- Put up two hoarding boards in public places condemning corruption.
- Constituted an evaluation committee to finalize the Investigative Journalism Award 2060.
- Helped the Sarbanam Natya Samooaha perform street.
- Sponsored an interaction program on the role of civil society and private sector in controlling corruption in the presence of Chief Commissioner of CIAA Rt. Hon. Surya Nath Upadhyaya.
- Brought about agreement in principle with Butwal municipality about the establishment of Group Office.

Siddharthanagar Support Group headed by Mr Somraj Sigdel,

- Organized a talk program on Integrity, Good Governance and Consolidation and Effect in the presence of Chief District Officers and other Chiefs of district offices.
- Arranged for the display of street dramas titled Roop Anek Anek performed by Sarvanam Natya Samooha.
- Sponsored a day long symposium on Democracy and Good Governance.
- Completed a day long seminar on the role of media sector for good governance under the auspices of chief guest Mr. Taranath Dahal, the president of Federation of Nepal Journalists' Association.
- Arranged for a survey of opinion on issues such as the corruption cases in offices between 2046 B.S. and 2060 B.S., what people think about corruption and the most corrupted sector.
- Launched Peace March dubbed Women's campaign for good governance in cooperation with Samudayik Sewa and Aama Samooha.
- Held a symposium on corruption and good governance under the auspices of the chief guest CIAA chief Rt. Hon. Surya Nath Upadhyaya.
- Brought together the Office chiefs of Rupandehi district and TIN Support Group Siddharthanagar for discussing the issue of good governance at a program.
- Held an exhibition of paintings against corruption with aid from Pokhara Support Group.
- Introduced the district wise essay competition on corruption and good governance in collaboration with Siddhartha Sahitya Parishad.

Transparency International Nepal
Annual Progress Report 2003 for the 8th AGM (2003/04)

Respected President and members of TIN,

I would like to welcome you to the 8th Annual General Meeting (AGM) of Transparency International Nepal (TIN) being held today on 31st August 2003. It is a great honor indeed to have you all here. Your presence today and your support throughout these years have been crucial to the anti-corruption movement we have initiated.

As we all know, TIN since its inception in 1996, has been working for corruption control through advocacy of greater accountability and transparency. In the last five years it has worked steadily towards the lofty goal of raising public awareness, enhancing integrity, conducting research, mobilizing media and strengthening its institutional capacity. During this period, specific programs were developed and implemented with the assistance of Swiss Agency for Development and Cooperation (SDC), The Asia Foundation (TAF) and the Embassy of Finland, Kathmandu.

In the year 2002/03, TIN received financial supports from SDC and Embassy of Finland to conduct its anti-corruption programs. Lately, USAID Kathmandu has agreed to provide financial support in developing a Transparency Index of government ministries and departments.

It is my pleasure to present the details of the programs implemented in 2002/03 to the respected members present here today. But before the glimpse of the programs, I would like to submit you a brief update about the national context.

The year 2002/03 was a landmark year on the anti-corruption front considering the initiatives taken at the national level. Three new Acts – Anti Corruption Act 2002, Special Court Act 2002 and Amendment to Commission for the Investigation of Abuse of Authority (CIAA) Act 2002 - were passed by the Parliament, providing CIAA the needed legal frameworks to prosecute the corrupt. The new provisions allows CIAA to order seizure of passports, check bank accounts, put property on hold, raid offices and residences, and arrest the suspect in corruption cases, including even the members of parliament or a Prime Minister.

Armed with new powers, high level politicians, including three former ministers, were prosecuted by the CIAA for their involvement in corruption. CIAA also initiated action on a prioritized list of 40 individual - senior politicians and bureaucrats- based on the report of the Property Probe Commission, which had examined property of around 30,000 public officials. During the year, it prosecuted around 30 high-level government employees, police officials and even business sector people. As per the new Act, corruption cases were taken to the newly established Special Court where CIAA achieved significant success compared to the past.

Impeachment Act 2002 was passed by the Parliament with the view to remove immunity the constitutional appointees and the judges had enjoyed till then. The act however has not been put to test. Act related to Political organizations or Political parties was passed in 2002 aiming to set guidelines for operating political parties, financing them and mobilizing them. However the clauses related to auditing of party funds and fine for breach of the act leaves much to be desired. Public Services Ordinance, 2002 was issued and Seven Mobile Supervision Teams (Daudaha Tolis) set up in five Regional Development Centers, to take action in cases of corruption, fraud, mis-governance and illegal dealing in various government bodies. The powerful and action oriented bodies were in operation till the expiry of the ordinance due to lack of political and bureaucratic support in May 2003. National Vigilance Centre was established in early 2003 to undertake preventive measures to

avoid corruption, irregularities and red tapeism in governance. The center has recently been entrusted to implement government's newly drafted anti-corruption strategy.

The emphasis on good governance and anti-corruption by recent governments has helped positively in building up the momentum against corruption in Nepal. This has come as a supplement to the new agenda of donors and the civil society organizations - better governance of which anti-corruption is a core component. To sum up, the pro-active actions of CIAA, report of the judicial commission on property probe and the consolidated legal frameworks have contributed towards generating great public hope for an end to the long prevailing impunity in Nepal, during 2002/03.

Activity report of TIN

Since corruption has hampered governance and development in Nepal, TIN has taken up a holistic approach - combined effort of civil society, private sector, donors and the state institutions- to fight corruption. A three-year holistic plan (2002/05) was prepared in 2002 with the objective of enhancing the National Integrity System in Nepal and agreement reached with SDC Kathmandu office to fund the plan. The plan mainly focuses on the following outputs:

1. Support to state institutions and political parties
2. Anti-corruption coalition and networks
3. Public education and awareness against corruption
4. Research and studies
5. Institution building

The following are the major activities that were conducted during 2002/03 under the same plan:

Output 1. Support to State Institutions and Political Parties

1. In order to reform governance, a set of recommendations was handed over to the Prime Minister recently. The recommendations contained principles of governance and code of conduct for persons responsible for governance, namely, ministers and civil servants. These principles and codes were prepared as bare minimum standards for a democratic government to follow. During the meeting, assurance was received from the Prime Minister to incorporate the contents into the code of conduct currently being prepared by HMG for public officials.
2. Support was provided to the anti graft body, CIAA, to assist organizational capacity and disseminate information. Investigation guidelines for prosecutors, a Manual on anti-corruption laws, and Court verdicts on corruption cases were compiled and published. Publication of a quarterly newsletter of CIAA was also done. These publications were distributed widely. Annual Reports of CIAA for the period 1998-2001 were hosted at its website ([www. akhtiyar.ntc.net](http://www.akhtiyar.ntc.net)) set-up by TIN. Support to CIAA was also provided through TIN Support Groups in Biratnagar, Pokhara, Janakpur and Birgunj by organizing interaction programs in 7 districts outside Kathmandu to interact with local people and heads of district based government officials. TIN also facilitated participation of two CIAA commissioners in the 11th International Anti-corruption Conference (IACC) held in Seoul to keep them oriented with the latest worldwide initiatives.
3. Realizing public procurement to be the most corruption prone area in Nepal, TIN provided 'Procurement Handbook- Prevention of Corruption in Procurement' to the Financial Comptroller General's Office. This was in response to a request received from the then Comptroller General. The handbook prepared by Dr Michael Wiehen of TI, the Integrity Pact

Specialist, listed recommendations on various issues related to procurement. It is learnt that FCGO is now in the process of preparing a Public Procurement Act.

4. A workshop was organized jointly with the Judicial Council of the Supreme Court to seek avenues for reforming judicial administration. The CIAA, Supreme Court, TIN and the Bar Council each presented papers listing suggestions to establish a clean judicial administration. The papers also highlighted problems faced by the CIAA and the Courts in handling corruption cases. As an outcome of the workshop, understanding was reached between the CIAA and the Judicial Council of the Supreme Court to set up a mechanism to look into complains against the judicial employees.
5. TIN prepared an election appeal targeting political parties, Election Commission and the voters after the announcement of election to the Parliament, in 2002. The appeal framed norms for a clean and transparent election focusing on the candidate selection procedures, party funds, donations, and enforcement of election commission's guidelines. Political parties were approached for consideration of these norms during the distribution of tickets in election time. Support Groups in Biratnagar, Pokhara and Birgunj sensitized local politicians and voter about the appeal. The appeal was also disseminated widely through the media at the central as well as district level before the election was postponed indefinitely.

Output 2 Anti-corruption coalition and networks

6. To sensitize the private sector for ethical business practice, international business principles developed by TI was translated into Nepali and circulated for necessary discussions during a meeting hosted by TIN. Participants of the meet included CIAA, MAN and FNCCI representatives. Consequently, a proposal on business ethics was received from the FNCCI representative. The proposed draft has been distributed to the members of Private sector reform sub-committee of TIN and will also be discussed in the Corporate Ethics Forum of FNCCI.
7. Coalition work with activist NGOs like Sishnupani Nepal and Sarvanam Natya Sammuha was initiated to conduct anti corruption programs among students and the common-man. Satire was used as a medium to convey messages against corruption in shows organised by Sishnupani Nepal in three schools in Kathmandu. Students found the satirical humor presented by Sishnupani Nepal a catchy medium of knowing about corruption.. Similarly Sarbanam Natya Samuha and TIN are putting final touches to a street drama script. Street dramas and street seminars being planned in 10 districts and to be performed by Sarbanam will reach the common man who can never be a part of the usual seminars
8. To expand TIN's base at the district level two Support Groups were established in Bharatpur and Butwal. Dr Leela Subedi chairs the Bharatpur Group and Dr. Manohar Shrestha the Butwal Group. Token financial supports were provided to all the groups to carry out indigenous district based anti-corruption programs. During the year, Support Groups became the focal point of the district based anti corruption activities. They hosted interactions for the CIAA in seven districts. Biratnagar group organized street dramas and street rallies. Pokhara Group organized radio talk programs, school and college lectures/essay competitions, and interactions. Butwal Group organized interaction on the Integrity Pact. Janakpur and Birgunj Groups also conducted regular programs.

Output 3 Public education

9. To mobilize the public by creating awareness about the ill effects of corruption, TV and radio spots were broadcast at least once a week from Nepal TV and Radio Nepal. To lend support to

TIN's efforts, substantial air times were provided as bonus by these organizations.. The messages aired have, among other things, appealed the people to go on hunger strike against bribery, report corruption to CIAA, and socially boycott the corrupt with the aim of bringing about governance and social reforms. Based on public reaction, these messages been the most visible activity of TIN.

10. Contemporary issues of national concern and media highlights on corruption were broadcast jointly with the Kathmandu based community radio station 'Sagarmatha' in the Aachar Bichar program, every week. Views of the key decision-makers, intellectuals, social activists and prominent people were aired for the benefit of the listeners. Public grievances related to financial irregularities and governance were also provided with an outlet in the program.
11. To disseminate information widely, quarterly newsletters in Nepali and English with stories of good initiatives, corruption and international events were published and distributed to the government agencies, NGOs, donors and TI chapters worldwide. A new web-site of TIN www.tinepal.org was launched with updated information and links to all the related sites. Last year the site had around 2000 visitors. Regular press releases and publications were also used to compliment TIN's public education program, making it the most effective people-mobilizing tool.

Output 4 Research and studies

12. Under TI coordination, a South Asian survey was conducted in 3070 households in Nepal in partnership with ORG MARG Nepal. The results stated police and judiciary as the most corrupt sectors in South Asia. The chief Justice of the Supreme Court was briefed about the results and later a workshop on 'Clean judicial administration' was organised jointly with the Supreme Court. International survey results on corruption perception index (CPI), the bribe payers' index (BPI) and the global corruption barometer (GCB) were disseminated through the Nepalese media highlighting international perception on corruption.
13. A data based study on corruption news published in 6 national dailies was prepared and provided to the Federation of Nepalese Journalists as findings. It highlighted lack of investigation, rare follow up of breaking news and fear of reporting as the main problems in corruption reporting by journalists.
14. Realizing the importance of integrity oriented education a status study on the moral education at the secondary school level was initiated. The study expected to examine the moral education curriculum prescribed by HMG and compare its application at the school level. This study was initiated after talks with the Director of Curriculum Development Center with the aim of prescribing a course content on integrity, transparency and anti-corruption for the secondary school level.
15. To orient the Nepali readers about the internationally acclaimed national integrity system approach towards corruption control, TI Source Book 2002, authored by Jeremy Pope, was translated, published and distributed. The book is in great demand and many students, activists, academicians and researchers have found the Nepali version valuable for their uses.
16. Seven research fellowships were provided to the Federation of Nepalese Journalists to publish articles on corruption issues. FNJ awarded the fellowships to prominent journalists involved in national dailies and weeklies. Most stories were published by the fellowship awardees in newspapers, lending support to the on-going struggle against corruption.

Output 5 Institutional strengthening

17. In order to identify new reform oriented programs, four sub-committees were formed involving TIN members. Mr. Shreebhadra Sharma, Mr Ramesh Nath Dhungel, Mr. Sunil Adkhikary and Mr. Bishnu Pratap Shah were nominated as the coordinators of the sub committees on political and electoral reforms, private-sector reforms, TIN actions and administrative reforms, respectively. The Administrative Reform Sub Committee's recommendations have been handed over to the Prime Minister, recently. These recommendations included three papers- governance principles, code of conduct for ministers and code of conduct for civil servants.
18. During the year, TIN membership was strengthened with the induction of three prominent figures as members. Former chief election commissioner Bishnu Pratap Shah, UN civil servants Arjun Keshari Updhaya and independent consultant Prayag Dutta Tiwari have brought in credibility and experience to TIN. The new members were also nominated as members to the various sub committees and have actively contributed in their meetings.
19. To implement plans and programs of the institution in a more professional way, part-time consultants - newsletter editor, web designer and media expert - were engaged on a part time basis. Also the capacity of the regular staff in TIN was further strengthened through training on the core competency areas - anti-corruption, monitoring, project management, finance, data management, and report writing.
20. To share national and international experiences, two TIN delegations participated in the TI AGMs held in Morocco (2002) and Seoul (2003). Dr Devendra Raj Panday retired from the Board of TI in the AGM held at Morocco. During these AGMs, TIN representatives voted to elect members to the TI Board. TIN members also participated in the International Anti-Corruption Conference (IACC), largest gathering of anti-corruption activists from all over the world. Presentations on the Integrity Pact status in Nepal and OECD convention on anti-bribery were also made during these visits by the delegates.
21. With the aim of becoming self-reliant in future, financial sustainability of TIN was consolidated through savings made on the overhead amounts provided by SDC and Embassy of Finland. This has helped in substantial savings.

These are the brief glimpses of our activities that were executed during the year. However, some of TIN's programs targeted toward the political parties, general elections, local bodies and central government ministries could not be completed due to the dramatic turn of events that took place in Nepal at the same time. Elections were postponed indefinitely hence a campaign for lobbying political parties and their candidates and could not be pursued. Local and central governments, which were without elected leaders, looked a bit indecisive and uninspired to initiate new moves. Therefore, Integrity Pact at central and local level could not be initiated. TIN Journalism Award was discontinued and fellowships to investigative journalists was started. Work related to donor transparency was postponed for 2003/04 considering the changed scenario.

As I have stated earlier, in the year 2003, another donor- the Embassy of Finland - agreed to provide financial support to TIN to conduct following programs:

- Study of government actions on the reports of two constitutional bodies
- Study of procurement systems in two public sector units
- Consolidation of TIN Support Groups
- Establishment of an Endowment fund

Activities have already been initiated under these programs and I would like to update you on that as well:

Government's efforts to implement the recommendations of the Auditor General and the Public Service Commission was studied jointly with Center for Policy Reform. This was done to verify the widely held public perception that the reports of the constitutional do not get adequate respect of the government and this contributes to an unaccountable system. The preliminary findings of the study present a bleak picture - recommendations are not taken seriously within the government machinery. TIN will present the findings to the government in order to generate more support towards these constitutional bodies

Support Groups have been provided financial support to conduct district based activities. A Small Endowment fund has been set up to help consolidate TIN's long-term sustainability. Public sector study will be initiated in the near future.

Let me also assure you that we have taken into our plan suggestions made by the members in the last AGM. Issues raised by members on the need of working for political and electoral reforms, greater cooperation with CIAA, legality of the Support Groups, school level activity, and media mobilization have been TIN's focus in 2002/03.

I would also like to present to you today, in short, our main activities for 2003/04. They are

1. Lobby HMG for governance reform and adoption of code of conduct for ministers
2. Work with CIAA, National Vigilance Center and Judicial Council for new laws and dissemination of information.
3. Work with major Political parties for ethical practice in party organization and during elections
4. Frame business principles countering bribery for the private sector jointly with FNCCI
5. Organize street dramas in 10 districts with Sarvanam Natya Sammuha
6. Sign Integrity pledges with Kirtipur, Thimi or Banepa municipality
7. Form four new Supports Groups in Bhairahawa, Dhangadi, Ilam and Surkhet and assist six existing groups to conduct district based programs.
8. Broadcast awareness raising messages from Radio Nepal, NTV and Sagarmatha
9. Provide fellowships to FNJ to publish investigative articles in newspapers
10. Publish TIN newsletters in English and Nepali and update TIN website
11. Hold awareness shows jointly with Sishnupani Nepal in higher secondary schools
12. Prepare a course content on integrity for secondary school
13. Conduct study of laws of enforcement agencies.
14. Survey land revenue, district administration, banks, customs, police, court etc
15. Study anti-corruption policies of major donors
16. Study Public Sector Units
17. Participate in international seminars organized by TI.

Executive Committee (EC) and membership

Now to update you about the EC: Mr. Kul Shekhar Sharma, (President), Mr. Shree Bhadra Sharma (Chair, Advisory Council), Mr. Ramesh Nath Dhungel (Vice-President), Mr. Biswambher Man Singh Pradhan (Secretary General), Mr. Sunil Adhikary (Treasurer), Dr. Devendra Raj Panday, Dr. Harka Gurung, Dr. Meena Acharya and Mr. Tara Nath Dahal (Institutional Member) are the current EC members.

Mr. Kul Shekhar Sharma, Mr. Ramesh Dhungel, Mr Sunil Adhikary and Mr. Tara Nath Dahal were elected to the EC for a three-year term at the 7th Annual General Meeting (AGM) held on September 29, 2002.

Mr. Kul Shekhar Sharma, Mr. Ramesh Dhungel and Mr. Sunil Adhikary were elected President, Vice President and Treasurer respectively during the 111th EC meeting held on September 29, 2001.

The 115th EC meeting held on March 19, 2003 granted TIN memberships to Mr. Bishnu Pratap Shah, Mr. Arjun Keshari Updhaya and Mr. Prayag Dutta Tewari.

Three-year EC tenures of Mr. Biswambher Pradhan and Dr Devendra Raj Panday expires at the 8th AGM (31 August 2003). Elections for two seats in the executive Committee will be held in this AGM.

The EC met 6 times between the 7th and the 8th AGM.

At the end, let me thank you all once again for being present today at the AGM. TIN holds a very high opinion of your support for the anti-corruption movement.

Thank you.

Biswambher Man Singh Pradhan
Secretary General
TIN, 31 August 2003

**Transparency International Nepal (TIN)
Annual Progress Report 2002 (July 16, 2001 to July 15, 2002)**

1. Status of Executive Committee

The present members of the Executive Committee (EC) are Dr. Devendra Raj Panday, President; Mr. Ramesh Nath Dhungel, Vice-President; Mr. Biswambher Man Singh Pradhan, Secretary General; Mr. Sunil Adhikari, Treasurer; Mr. Shree Bhadra Sharma, Mr. Sarachandra Wasti, Dr. Harka Gurung and Dr. Meena Acharya.

Mr. Shree Bhadra Sharma, Dr. Harka Gurung and Dr. Meena Acharya were elected to the Executive Committee for a three-year tenure at the Sixth Annual General Meeting (AGM) held on September 3, 2001.

Three-year tenures of Vice President, Ramesh Nath Dhungel, Treasurer, Sunil Adhikary and member, Sarachandra Wasti expire on the Seventh AGM.

The 104th EC meeting nominated Nepal Engineers' Association, Federation of Nepalese Journalists' Association and Nepal Chartered Accountants' Association as institutional members of TIN.

The 107th EC meeting decided to grant TIN memberships to Mr. Kul Shekhar Sharma, Ms. Usha Nepal, Dr. Leela Pathak, Mr. Sneh Sayami and Mr. Shree Hari Aryal.

The EC met seven times between the sixth and the seventh AGMs.

2. Cooperation with Swiss Agency for Development and Cooperation (SDC)

To enhance transparency and accountability in Nepal the following programs were implemented by TIN during the 2001-2002, under SDC support.

- A. Implementation of the Integrity Pact (I.P.) in Municipalities
- B. Joint programs with professional organizations and the private sector
- C. Building anti-corruption values in the society
- D. Joint programs with donors
- E. Surveys, studies, polls, and their result dissemination
- F. Institutional networking
- G. Institutional capacity building of TIN

A. Implementation of the Integrity Pact (IP) in Municipalities

• **I.P. Launching and assisting monitoring committees:**

Through encouragement of TIN and the active interest of the municipalities concerned, the number of municipalities adopting the TIN IP is growing rapidly in Nepal. Two new municipalities, Vyas and Ratnanagar, adopted the TIN IP this year, expanding TIN's network. At a function held in Vyas municipality on November 23, 2001, Mayor Dhruva Wagle signed the IP on behalf of his institution in the presence of the TIN Advisory Council Chairman Shree Bhadra Sharma, Chairman of the District Development Committee (DDC), CDO of Tanahu and several other distinguished people.

Similarly the Mayor of Ratnanagar municipality Narayan Ban signed the IP at a separate function held on November 25, 2001. The function was attended by a number of people including TIN Advisory Council Chairman Mr. Shree Bhadra Sharma and members of the local civil society.

The IP family today comprises of six municipalities like Bhaktapur, Lekhnath, Butwal, Bharatpur, Vyas and Ratnanagar and Bhaktapur DDC. Hetauda municipality has also shown an interest in being a part of the IP family, in the near future.

TIN assisted Butwal, Ratnanagar and Lekhnath municipalities to oversee implementation of the IP they had signed. It provided financial support to each member of the IP family for preparation of display materials, signboards and ID cards etc. In addition, further financial assistance was provided to Lekhnath Municipality to prepare and publish a Citizens' Charter. The monitoring committees in most municipalities have worked out a phase-wise schedule to implement the IP.

A survey was carried out between March 15 and April 30, 2002 to find out how the public rate the municipalities that had pledged for the IP. The survey results showed that 82% in Bharatpur, 80.5% in Lekhnath and 89.5% in Butwal did not have to pay extra fees or bribes to do their work. It also showed that 70.3% in Bharatpur, 46.34% in Lekhnath and 54.61% in Butwal municipality felt that the municipal officials were very prompt in providing information on matters of public interest. People also seem to be fairly satisfied with the activities carried out by the municipalities. The satisfaction level was 74.26% in Bharatpur, 68.29% in Lekhnath and 66.87% in Butwal.

B. Joint Program with Professional Organizations and Private Sector

- Interactions and Working Sessions:

As a follow up to the meeting held with several professional associations on December 22, 2000, to jointly address issues of ethics and accountability in media, medical, engineering, law, medicine, audit, accountancy and the business sector, TIN appointed Mr. R. K. Regmee, a senior journalist, to explore the status of codes of conduct and their implementation aspects in these associations. Mr. Regmee has prepared a reporter entitled 'Study of Provisions and Practices of Accountability in Nepal's Civil Society'. The findings of the report highlight the fact that there exists a lack of accountability in the Nepalese civil society especially among professionals. Even though professional associations are theoretically familiar with the concept of accountability, it is not practiced in day-to-day dealings. Code of conduct is also not taken as a tool to ensure accountability and guide the professional's performance. Professionals claim that they are fully accountable in their dealings but according to the public, journalists, doctors and engineers are not very serious about aspects of accountability towards the common man. The lawyers and accountants/auditors are only slightly more careful on accountability aspects, whereas private sector business people are self centered and guided only by profit making. The report has been distributed to the respective associations for their study with the aim of working-out joint programs, in future.

TIN is also assisting to frame practical ways to build up an ethical system in the business community in the capacity of a member of the recently established FNCCI Corporate Ethics Forum; the apex business ethics body in Nepal. The forum is now in the process of identifying the core problem areas for the business community viz. a viz. corruption.

C. Building Anti-Corruption Value

- Media Campaign:

New radio and TV spots, prepared and transmitted on a cost-sharing basis, at least twice a week from Nepal Television and Radio Nepal have reached a large number of people imparting social messages. Weekly 'Achar Bichar' programs on contemporary issues were broadcasted from Kathmandu based FM Radio-Sagarmatha throughout the year. This has become one of the most popular programs as the incoming calls, feedback and letters from listeners are increasing day by day. The ratio of participation of the decision makers of Nepal in the radio program is also high. TIN media campaigns from radio and TV have been one of its most visible activities to the public. Its messages have generated public interest well beyond expectations. This has helped in building awareness and empowering people to demand improved governance.

- Press releases/articles

Regular media contacts and press releases on issues of public interests were made during the period. Some of the press releases made covered:

- ◆ TI Journalism Award 2057
- ◆ TIN Integrity Pact
- ◆ Property Probe Commission
- ◆ New members in the TIN EC
- ◆ Agreement with The Asia Foundation
- ◆ TIN Advisory Council Election
- ◆ Bribe Payers Index 2002

- Best Story Award:

On the recommendation of the TIN Journalism Award Selection Sub-Committee, consisting of Sunil Adhikari, Rajendra Dahal and Rama Krishna Regmee, TIN decided to honor journalist Baburam Dhakal with the TIN Award 2057, on March 14, 2002, based upon the best investigative articles published in Dristi Weekly. TIN also provided fellowships to journalists Bishun Subedi, Deepak Risal, Kishore Sapkota, Muna Kiran Koirala, Ragabesh Gyawali, and Santosh Neupane. The TIN journalism award bears a cash prize of Rs. 15,000 and fellowship a sum of Rs. 5000. TIN awards and fellowships have contributed in motivating journalists to investigate and publish more stories on corruption. This is evident in greater media reporting currently covering corruption.

- Investigative Journalism:

Nepal Press Institute engaged young journalists undergoing investigative journalism training to undertake research on the following issues, as per the agreement signed with TIN on May 31, 2001. The aim of the program was to enhance the investigative skills and the capabilities of the journalists.

1. Udayapur Cement Factory
2. Bribery in Judiciary
3. Use of discretionary funds by MPs
4. Expired medicine
5. Adulterated dry food

Some of these reports have already been published in newspapers and magazines. They are also being disseminated to the public through TIN's newsletters and the 'Achar Bichar' program from Radio Sagarmatha.

D. Surveys, Polls, Studies, Reports and Publications

- Surveys, Studies, Polls:

Integrated Development and Research Services Pvt. Ltd. (IDRS) submitted a survey report entitled 'Accountability in the Civil Society', conducted in Ilam, Kathmandu and Sidharthanagar municipalities with special focus on the role of media, education, health, justice, police and NGOs on January 17, 2002. The survey was carried out through the administration of a questionnaire on a sample size of 3010 households. The findings revealed that 63.7% of the prominent newspapers under private management are perceived to be under the direct influence of politicians. 60.5% felt that the present judicial system is unable to deliver fair and timely justice. 50.7% were of the opinion that the present education system is highly expensive and beyond the reach of common people. 58.7% were of the opinion that organizations providing health services are largely business orientated and 33.6% said that NGOs are profit orientated.

Unique Software College submitted a report entitled 'Users Survey for the Evaluation of the Implementation of Integrity Pact in Lekhnath, Bharatpur and Butwal municipalities'. Major highlights of the report have been mentioned earlier in page 2 of this report.

TIN engaged ORG Marg Nepal on March 15, 2002 to conduct a South Asian Regional Survey to find out the 'Corruption experience' of the people in different service delivery sectors of Nepal. The survey was carried out through the administration of a questionnaire provided by TI on a nationally representative sample size of around 3020 Households. The report is in the process of being finalized.

- Newsletters and reports:

TIN publications during this period include:

Newsletters in English and Nepali

- ◆ August and December 2001 issues
- ◆ April and August 2002 issues

Reports:

- ◆ Proceedings of Transparency in Development Workshop
- ◆ A study report on Accountability in the Nepalese Civil Society
- ◆ Perception Survey on Accountability in the Nepalese Society
- ◆ A survey report on Users Survey for the Evaluation of the Implementation of Integrity Pact in Lekhnath, Bharatpur and Butwal municipalities

Books:

- ◆ Corruption, Governance and International Cooperation, Essays and Impressions by Devendra Raj Panday
- ◆ Firing Corruption by Rama Krishna Regmee
- ◆ Samakalin Nepal Jalda Balda Prashna by Biswambher Man Singh Pradhan
- ◆ A Manual on Anti-corruption Laws and Corruption Cases: CIAA
- ◆ Adaptation of TI Source Book in Nepali

Websites:

- ◆ TIN
- ◆ CIAA

E. Institutional Networking

- State Lobbying

An interaction program was organized on September 20, 2001 to discuss the anti-corruption bills that had been tabled in the State Affairs Committee of the House of Representatives. Chairs of the State Affairs Committee, Public Account Committee, Chief Commissioner of the Commission for Investigation of Abuse of Authority, Attorney General, lawyers, journalists and intellectuals were among the prominent participants. TIN provided its feedback to the committee, on the bills, based on the discussion held.

A TIN delegation led by the TIN President, had discussions with the Chief Justice and other Judges of the Supreme Court of Nepal on exploring ways to develop coalition work with the judicial sector for promoting transparency and accountability. Altogether 17 judges and senior lawyers participated in the discussion. All stressed the need to work out a joint cooperative scheme by TIN and SC for enhancing transparency in courts. The judges were of the opinion that the courts did have a comparatively high sense of transparency and accountability. Yet, they displayed remarkable interest in joining schemes emphasizing greater transparency and accountability. So did the senior lawyers.

As a joint work plan of TIN and CIAA, TIN has prepared and submitted to CIAA a manual compiling of anti-corruption laws of Nepal and Supreme Court decisions on corruption. Similarly the website of CIAA has been launched under *www.aktthiyar.org.np* and quarterly CIAA newsletters are being prepared and published by TIN to highlight efforts of the state watch dog body.

- Meetings:

On August 16, 2001, President Dr. Panday attended a meeting of the Donors group on Governance to stress the need for joint action with donor involvement to combat corruption through the OECD convention, donor transparency and other possible unilateral measures. He also met with the Hon. Prime Minister, Mr. Sher Bahadur Deuba on August 22, 2001 and stressed the need for a comprehensive anti-corruption plan for Nepal.

TIN President, Dr. Panday attended the Nepal Development Forum 2002 held in Pokhara on February 4-7, 2002 on behalf of Nepalese civil society. Highlighting the importance of transparency and better management of development aid for greater effectiveness, he welcomed the emphasis in recent years by major donors on transparency and the anti-corruption agenda. Altogether 89 representatives attended the forum from donor countries and agencies.

TIN Advisory Council Meeting was held on August 12, 2001. The meeting re-elected Mr. Shree Bhadra Sharma as its Chairman.

Vice President, Ramesh Nath Dhungel and Executive Director, Ashish Thapa represented TIN at the 'National Conference on Anti-Money Laundering' held in Kathmandu on March 13-14 under the auspices of the Ministry of General Administration and CIAA. Ashish Thapa also participated in the Good Governance workshop organized by SDC on April 24-25 and Public Hearing organized by Pro Public on June 23, 2002.

- TIN Support Group

To expand its regional network, TIN support groups in Birgunj and Janakpur were formalized on April 28 and 29, respectively, in the presence of TIN President Dr. Devendra Raj Panday, Mr.

Krishna Prasad Bhandari and Mr. Ashish Thapa. The Chairpersons of the groups were Prof. Mohan Yadav and Lawyer Mr. Madan Mohan respectively. In a separate function organized on May 6, 2002, a support group in Pokhara was formalized with Mr. Anand Raj Mulmi as its Chairman in the presence of TIN Advisory Council Chairman, Shree Bhadra Sharma; Vice-President, Ramesh Nath Dhungel and Member Radheshyam Adhikary. These support groups are expected to act as local watchdogs on the workings of local governments and district based service delivery organizations. TIN will provide assistance for the activities of these groups.

- Participation in International Events

A four-member delegation of TIN participated in the TI AGM and 10th IACC held in Prague, Czech Republic during October 6-10, 2001. Members of the delegation were Dr. Devendra Raj Panday, Ramesh Nath Dhungel, Biswambher MS Pradhan and Ashish Thapa. On the occasion Dr. Panday presided over the workshop that discussed various issues related to aid and debt in contemporary times under the title 'Conditionality in Aid and Debt Relief: Is it justified? Does it work?' After the IACC meeting, some members of the team also visited TI secretariat in Berlin

Secretary General Biswambher M.S. Pradhan represented TIN in the South Asians for Human Rights summit in New Delhi, India from November 11-12, 2001.

TIN President, Dr. Devendra Raj Panday attended the 3rd OECD/ADB Conference held in Tokyo, Japan on November 28-30, 2001. He also attended TI-AGM in Berlin in March where crucial issues like NC-TI relationship, consultancy by TI and accreditation processes were discussed.

TIN Program Officer, Ms. Rosy Adhikari and Researcher Mr. Rama. Krishna Regmee participated in a two-day training program on News Scan Database held at TI-Bangladesh on December 21-22, 2001.

TIN Vice President Ramesh Nath Dhungel and Treasurer Sunil Adhikari participated in the International Conference on Sustainable Resource Mobilization held in Agra, India from March 4-7, 2002.

President Dr. Panday, Secretary General, Mr. Pradhan member Krishna Hachhethu and Ashish Thapa attended the TI South Asian Regional Meeting from June 9-12 in Dhaka, Bangladesh.

G. Institutional Capacity Building

- Management

In the 4th Project Steering Committee (PSC) meeting held on 23rd January 2002, Ms. Kathy Schmitter and Mr. Madhu Sharma from SDC; and Ramesh Nath Dhungel, Sunil Adhikari and Ashish Thapa from TIN reviewed TIN's six monthly progress made during July-December, 2001.

Evaluation and planning workshops were organized on March 30-31 and April 7, 2002 with SDC participation to finalize TIN's plan of action for the next three years. A log frame was prepared and project proposal developed based on the workshop. The same proposal was forwarded to SDC requesting assistance. TIN and SDC signed an agreement on 25 July 2002 to extend their cooperation on anti-corruption work for three more years. The following programs will be implemented during this cooperation:

1. Support State Institutions, Political Parties to design and implement laws and guidelines.
2. Anti-corruption coalition and networks consolidation
3. Carry out Public education against corruption
4. Carry out Research and Studies
5. Donor transparency
6. Strengthen Institutional capacity

TIN Operation Manual prepared with SDC support was adopted by the EC for better management of TIN's future operations.

- Human Resource Development
Relevant training on report writing, English language, database management, computerized accounting and driving were provided to the staff.

- Project material/Documentation Center

Project materials purchased during the period include two computers, a projector and a printer.

During the year, books on corruption and related topics were received from The Asia Foundation. TIN acquired the following renowned international literature on corruption from the United Kingdom:

1. A four-volume set of The Politics of Corruption
 - a) Explaining Corruption edited by Robert Williams
 - b) Corruption in the Developing World edited by Robert Williams & Robin Theobald
 - c) Corruption in the Developed World edited by Robert Williams, Jonathan Moran & Rachel Flanary
 - d) Controlling Corruption edited by Robert Williams & Alan Doig
2. Policies, Institutions and the Dark Side of Economics by Vito Tanzi

3. Cooperation with The Asia Foundation

A one-year agreement was signed on August 24, 2001 between The Asia Foundation and TIN to promote anti-corruption work in Nepal. Under the agreement the following activities will be carried out by TIN.

- ◆ A News Scan Database on corruption-related news in the print media
- ◆ A book with investigative reports on issues of corruption and irregularities
- ◆ An updated TIN website
- ◆ An updated TIN library

Under the news-scan six national dailies: Rajdhani, Kantipur, Samacharpatra, Himalaya Times, The Rising Nepal and Space Time Today were analyzed for corruption news articles published during October 2001 - March 2002.

In the six-month period, the total number of corruption stories reported in those newspapers were 838. Among the types of corruption reported, fraud cases were found to be the highest with 340 cases. Govt. department level was the most corrupt sector with 335 cases. Government officials being the most corrupt group reported with 346 cases. Under the effects of corruption, deterioration of law and order, which reached 571 cases, was the highest.

Agreements have also been signed with Radio Sagarmatha and Asmita publications on February 18, and February 20, 2002 respectively to produce investigative reports on corruption on the following topics:

- ◆ Evaluation of investments made against trafficking of women.
- ◆ Evaluation of investments made to enhance legal rights of women
- ◆ Benefits of women's income generation projects
- ◆ Role of the Business sector in corruption
- ◆ Commission, agents and corruption
- ◆ Misuse of financial support, donations and prizes
- ◆ Misuse of public property

The reports have recently been received. Works on upgrading TIN website and Library are ongoing.

4. Cooperation with The Embassy of Finland

TIN organized a Workshop entitled Transparency in Development Aid on September 2, 2001 with the support of the Embassy of Finland. In the workshop a message from the Finnish Minister for Environment and Development Cooperation was read out. Papers presented in the workshop included *Transparency in Development Aid: Towards a Mutual Accountability System* by Dr. Devendra Raj Panday, *Transparency in Development Aid* by Dr. Harka Gurung, *Transparency In Finnish Development Cooperation with Special Reference to the Rural Water Supply and Sanitation Support Programme* Kari Leminen-Plancenter Ltd. and *Foreign Assistance & Its Audit* -Rt. Hon. Mr. Bishnu Bdr. K.C, the Auditor General of Nepal.

The participants of the workshop agreed with the authors of the papers that lack of transparency in development aid is a serious problem in Nepal and Government and donors both have important roles to play in rectifying the situation.

On 19th December 2002 an agreement was signed with the Embassy of Finland to strengthen TIN's anti-corruption coalition work with the government and major constitutional bodies in Nepal. The activities to be conducted under the agreement are:

- ◆ Study of government actions on the reports of the Commission for the Investigation of Abuses of Authority (CIAA), Auditor General (AG)
- ◆ Study of procurement systems in Royal Nepal Airlines (RNAC) and Nepal Oil Cooperation (NOC)
- ◆ Consolidation of TIN Support Groups outside Kathmandu
- ◆ Establishment of an Endowment fund

It is expected that the support will be useful in strengthening the anti-corruption coalition between the state institutions and the civil society.

**Transparency International Nepal (TIN)
Annual Progress Report 2001 (July 16, 2000 to July 15 2001)**

1. Status of Executive Committee

The present members of the Executive Committee are Devendra Raj Panday, President; Shree Bhadra Sharma, Chairman, Advisory Council; Ramesh Nath Dhungel, Vice-President; Biswambher Man Singh Pradhan, Secretary General; Sunil Adhikari, Treasurer; Ambica Shrestha, Posh Raj Panday and Sarat Chandra Wasti.

Devendra Raj Panday, Biswambher Man Singh Pradhan and Radheshyam Adhikari were re-elected to the Executive Committee in the Fifth Annual General Meeting. The executive committee meeting of Kartik 14, 2057, elected Devendra Raj Panday as the President and Biswambher Man Singh Pradhan as the Secretary General. Resignation tendered by Aditya Man Shrestha from Executive Committee on Falgun 8, 2057, unanimously co-opted Shree Bhadra Sharm (invitee) as an Executive member of TI-Nepal.

Before the acceptance of above resignations the Executive Committee comprised of Devendra Raj Panday, President; Ramesh Nath Dhungel, Vice President; Biswambher Man Singh Pradhan, Secretary General; Sunil Adhikari; Treasurer; Ambica Shrestha; Radheshyam Adhikari, Posh Raj Pandey, Sarat Chandra Wasti and Shree Bhadra Sharma as an invitee.

The executive committee met 11 times between the fifth and the sixth Annual General Meetings. The three years term of Ambica Shrestha and Posh Raj Panday expires on the sixth Annual General Meeting. Co-option of Shree Bhadra Sharm also expires on the Sixth Annual General Meeting.

2. Cooperation with SDC/N

New agreement was signed on Shrawan 9, 2057, between Swiss Agency for Development and Cooperation (SDC) Coordination Office, Kathmandu and TI-Nepal to implement seven programmes in the second phase of cooperation starting from July 2000 to June 2002. The programmes are:

- A. Implementation of the Integrity Pact (I.P.) in Municipalities
- B. Joint programmes with professional organisations and private sector
- C. Building Anti-Corruption values in the society
- D. Joint programmes with donors for greater transparency
- E. Surveys, studies, polls, and its result dissemination
- F. Institutional networking against corruption
- G. Institutional capacity building of TIN

A. Implementation of the Integrity Pact (I.P.) in Municipalities

- I.P. Modification and Launching:

A committee of TIN staff and members of Bhaktpur DDC modified 'TI Nepal Integrity Pact-Bhaktpur Framework' to make it applicable also at the DDC. The modified IP highlights: transparency of activities through public notices, pledges for integrity from DDC members/staff and suppliers of goods/services, procurement guidelines, installation of grievances redressal system and formation of a Monitoring Committee.

President Dr. Devendra Raj Panday led a TIN delegation to five districts from January 21-30, 2001 and participated in highly frank discussions with politicians and officials engaged in local governance, promoting three Municipalities to publicly pledge transparency, accountability and stand against corruption. Following on the spot interactive dialogues, Lekhnath, Butwal and Bharatpur Municipality signed public pledges to adopt the system at a later date. Following the pledges, Monitoring committees, with TIN as invitee, have been formed in Bhaktapur DDC, Lekhnath and Butwal and Bharatpur municipalities. The Committees have met and worked out a phase wise schedule to implement the Pact.

B. Joint Program with Professional Organisations and Private Sector

- Interactions and Working Sessions:

To jointly address issues of ethics and accountability in respective sectors, a meeting was held with FNCCI President on September 4, 2000. The meetings decided to hold a working session with the participation of 10 representatives from each organisations. Another meeting was held at TIN office on December 22, 2000, with the participation of Nepal Engineers' Association. In the meeting, TIN explored the status of Codes of Conduct and its implementations aspects in these organisations. To assist this work. Mr. R. K. Regmee, a senior journalist has been assigned to conduct a study on the status of Codes of Conduct of medical, engineering, audit and accountancies, legal and journalist associations besides FNCCI from the private sector. The report will be used to work out joint programs in future.

C. Building Anti-Corruption Value

- Media Campaign:

With the aim of raising mass awareness on corruption, transparency and accountability, agreements were signed with Radion Nepal on March 28, 2001 and Nepal television on November 1, 2001, to provide bonus time up to 30 percent on TIN's new messages of 30/45 seconds begin transmitted 8 times/month from Radio Nepal and 15 times/month from Nepal Television. Similarly fresh agreement was also signed with Radio Sagarmatha on September 18, 2000, to broadcast the weekly talk program 'Achar Bichar' every Saturday from 7:30-8:00 pm on contemporary issues. A tele-serial titled "Hamro Bijaya" was produced and was transmitted on two episodes through Nepal Television on October 7 and 14, 2000, with financial support from the Ministry of Health. The serial tried to convey the message that despite of adverse situation rule of law prevails in the end.

- Press releases/Articles

Regular media contacts and press releases on issues of public interests were made during the period. Some of the press releases included; TI Journalism Award Winners for the year 2056, communications with Royal Nepal Airlines requesting to follow Integrity Pact in its procurement process, satisfaction on Public Account Committee's instructions to halt the purchase of the controversial RJ 100 Aircraft and signing of co-operation agreement with SDC. Also, articles of TIN members have features quite often in national dailies and weeklies on issues of public concern.

- Best Story Award:

Meetings of TIN Journalism Award 2056 Selection Sub-Committee consisting senior journalists Govinda Biyogi, Gokul Pokharel and Surech Acharya were held on different dates to finalise the winner of TIN Journalism Award 2056 provided to journalists for their continuous involvement in

investigative writings. It was decided to honour Kedar Subedi from Kathmandu Valley and Leela Udahshi, Himnidhi Laudari and Bikash Amatya from outside, with the award. TIN also awarded Baburam Dhakal, an investigative fellowship. The award distribution ceremony took place at TIN office on November 22, 2000. A TIN Journalism Award Selection Sub-Committee-2057 with Sarat Chandra Wasti as its convener and Rajendra Dahal and Rama Krishna Regmee as members has been constituted. TIN Journalism Award has been established with the purpose of motivating journalists to come up with investigative articles on corruption.

- Investigative Journalism:

TIN has signed an agreement with Nepal Press Institute (NPI) on May 31, 2001, to provide fellowship to Journalists to undertake investigative reporting on the following topics:

Udayapur Cement Factory: A live story on management corruption

Corruption in Judicial System: Burning case of districts

Use of discretionary funds by MPs

Hetauda Textile Industry: Closure through arbitrary managements

Ethics in Business Sector

D. Joint Program with Donors

TIN addressed letters to the Ambassador of OECD countries on September 22, 2000, to explore possibilities of making the OECD convention functional in business transactions, aid financed or otherwise between Nepal and their respective countries. For this purpose, meetings were held with Norwegian Embassy, Embassy of Finland, American Embassy, was also suggested to organize a workshop, inviting representative from Secretariat of TI-Berlin to make appropriate contribution.

E. Surveys, Polls, Studies, Reports and Publications

- Surveys, Studies, Polls:

As per the agreement signed between TI-Nepal and Participatory and Holistic Approach to Development (PAHAD), Integrity Pact survey in Bhaktapur, Kirtipur Municipalities and Bhaktapur District Development Committee has been completed. During the surveys, 153 respondents from Bhaktapur Municipality, 101 from Kirtipur and 52 from Bhaktapur DDC were interviewed. The survey findings showed that service delivery, transparency and accountability aspects of Bhaktapur Municipality, where the TIN-IP had been applicable for quite some time, were better off compared to other Municipalities where IP had not been applied.

A TIN report on Users Survey of public offices in Chitwan districts released to the media on October 22, 2000, provides information on service delivery by public services provides like: the District Administration, Court, Electricity Office, Financial Institutions, Hospital, Land Revenue Office and Local Government as observed by the people of Bharatpur Municipality. The survey results showed that Political Sector was perceived as the most corrupt sector and monetary bribing the most practiced mode of corruption. Land revenue was placed by the respondents at the top in the list of services provider where no work was done without paying bribe whereas hospital was placed at the last. 43.31% of the respondents said that the corruption was a result of interest on accumulation of wealth and 32.97% said that it was because of low salary.

Transparency International Nepal (TIN) assigned Mr. Rama Krishna Regmee, a senior journalist, as a Researcher, to conduct a study of National Integrity System in Nepal. The study looked into the integrity system prevailing in the country against corruption. The country report was presented in the ministerial meeting of the Global Forum II conference in Hague, recently. As per agreement signed

by TIN with IDRS on 4th March 2001, Perception survey on 'Accountability in the Nepalese Society' with special focus on role of media, education, health, justice police and NGOs in Bhairawa, Kathmandu and Ilam has been completed. Finalization of the report is in process.

- Newsletter and reports:

Mr. R. K. Regmee has also been appointed as the Newsletter editor for English/Nepali versions.

TIN publications during this period include:

- ❖ Newsletters- Dec and April issues
- ❖ Translation and publication of TI-IP in Nepal (It is expected to be useful for HMG/N in its procurement process)
- ❖ TI-IP in English
- ❖ 11 questions most frequently asked by Journalists to TI (in Nepali)
- ❖ TIN Nepal First Annual Report (1995-2000)

F. Institutional Networking

- Public Meetings:

On August 26, 2000, an Interaction program was held with leaders of the political parties represented in the House of Representatives to discuss their support in the anti-corruption movement in Nepal.

TIN President and Treasurer participated in Rajya Byabastha Samiti's meeting held on September 5, 2000, in relation to the proposed anti-corruption bills tabled in the House of Representatives. An interaction program was held in TI Nepal office premises on September 10, 2000, on issues related to the Draft Bills introduced in the House of Representatives. The draft bills discussed were: Anti-Corruption, Rights to information and Political Parties. TIN also sent its comments on the draft anti-corruption bills to the State Affairs Committee of the Parliament.

The 89th meeting of the executive committee held on October 30 decided to invite institutions represented in its advisory council to become TIN institutional members. TIN Advisory Council Meeting was held on February 19, 2001, at TIN office.

TIN delegation called on Rt. Hon Surya Nath Upadhaya, Chief Commissioner of CIAA on December 15, 2000. During the meeting, TIN highlighted the importance of IP for building accountability in national procurement procedures and suggested holding a National Integrity Workshop jointly. The meeting decided to work in close collaboration to frame future action plans. TIN members also met the Chief Justice, Judges of Supreme Court and members of Judicial Council on June 1, 2001, in order to explore possibilities of working together for greater transparency in the judicial sector.

TIN assisted the visit of Aqil Shah from 19-20 March, in meeting State Officials and members of civil society to write the South Asian section of the Global Corruption Report 2001, which will be presented by TI in the 10th International Anti-Corruption Conference in Prague in October 2001.

The President attended The Asia Foundation meeting on 28 Feb for its Country Strategy Program. In the meeting Dr. Panday explained the status of corruption in Nepal and pointed out its roots besides shedding light on some ways to control it. In a workshop organised to discuss the Yearly Plan of Operation of the Department of Roads, held in Pokhara on March 1-2 2001, Dr. Panday

discussed about transparency, governance and the importance of Integrity Pact. He also suggested the participants of the workshop for the application of Integrity Pact in the engineering works so that they can contribute to the nation-building task by curbing corruption. Vice President Ramesh Nath Dhungel held meetings with National Democratic Institute (NDI) external evaluation team on 9th April. Secretary General met with Austrian Trade Commissioners on 26 March in relation to the 'OECD' letter of TIN President sent to Ambassador.

- TIN Support Group

In a meeting organised in Biratnagar on 25 Feb, TIN support group 'Sahayopgi Samuha-Biratnagar' with 16 members was formalized, with Radha Prasad Ghimire as its convener, in the presence of TIN Advisory Council Chairman-Shree Bhadra Sharm, Vice-President- Ramesh Nath Dhungel and Treasurer-Sunil Adhikary. The first meeting of the Samuha, held on 6th March, decided to induct three new members and organize a program in future with the participation of TIN President.

- Exposure to Events

TIN President, Dr. Devendra Raj Panday; Treasurer, Sunil Adhikary and Executive member Radheshyam Adhikari participated in an International Anti-Corruption Conference and TI AGM held in Ottawa on September 28-30, 2000. In the AGM, discussion was held on TI-Code of Conduct prepared in the previous AGM and it was decided to formally adopt the Code of Conduct for TI movement in the next AGM.

Secretary General, Bishwambher M.S. Pradhan attended the OECD/ADB Conference on Combating Corruption in the Asia -Pacific Region held in Seoul from December 11-13, 2000. TIN President, Dr. Panday attended the TI Board Meeting from March 9-10 in Berlin. He also participated in the Debt Relief Workshop organised by T-Kenya from May 14-15, 2001. The objective of the workshop was to frame TI position on the issue of dept relief. Ashish Thapa participated in the TI South Asian Survey meeting held in Dhaka from April 2-5, 2001 to finalise the regional survey questionnaire. Vice President, Ramesh Nath Dhungel attended a Conference on Fighting Corruption: Common Challenges and Shared Experience, held in Singapore from May 10-11, 2001. TIN President, Dr. Devendra Raj Panday; Treasurer, Sunil Adhikari and Executive member Dr. Posh Raj Panday and Mr. Ashish Thapa participated in a regional meeting in Colombo from June 16-18, 2001. The meeting addressed issues relating to present and future programs, credibility and accountability of TI, capacity building of National chapters and possibility of mutual assistance between the countries of the region.

G. Institutional Capacity Building

- Support to TI

A Project Steering Committee (PSC) consisting of Madhu Sharma from SDC and Ramesh Nath Dhungel, Biswambher MS Pradhan, Sunil Adhikari, Narayan Manandhar and Ashish Thapa approved the Yearly Plan of Operation 2000-2001. The second (PSC) meeting was held at TIN office on 17th January 2001.

- Project material/Documentation Center

Project materials purchased during the period includes a computer and other office materials. During this year, approximately 180 books were purchased by TIN. Systematic organization and classification of existing books and documents is on-going.