

# Annual Progress Report for the 10<sup>th</sup> 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 10<sup>th</sup> 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 1<sup>st</sup> 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 9<sup>th</sup> AGM

TIN has continued its activities as usual in a planned manner. The TIN Executive Committee has in response to 9<sup>th</sup> 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 1<sup>st</sup> UN Anti-corruption day i.e. December 9<sup>th</sup>, 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 Satarical 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. ACNeilson 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 94<sup>th</sup> 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 126<sup>th</sup> 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 131<sup>st</sup> EC meeting dated 21<sup>st</sup> 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 10<sup>th</sup> AGM. Co-option of Treasurer Mr. Ram Krishna Manandhar and Mr. Krishna Prasad Bhandari as executive members will also expire on the 10<sup>th</sup> 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: Bishwambher 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

## *Annex 1*

### **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.

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