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Transparency International is a not-for-profit, non-government organisation, which aims to counter corruption in international and national business transactions and government decision making.

Transparency International is politically non-partisan and does not undertake direct investigation of alleged corruption or expose individual cases.

There are over 100 National Chapters of TI worldwide. Each chapter is an autonomous body supported by a global Secretariat based in Berlin

## TI(NZ) 2010 AGM

This year's Annual General Meeting will be held in Wellington between 5.00 – 7.30pm on Wednesday 24 November. Law firm Kensington Swan have kindly agreed to host the meeting at their offices at 89 The Terrace, and our guest speaker will be the Director of the Serious Fraud Office, Adam Feeley. The members will meet from 5.00 – 6.00 to review work of the past year and to elect directors. The speech by Adam Feeley will start at 6.00. Refreshments will be

provided. All members are welcome to attend and may also bring a guest, but because space at the meeting is limited, it is very important if you are going to attend the meeting that you let us know by emailing us at [admin@transparencynz.org.nz](mailto:admin@transparencynz.org.nz) Please note: We regret that we cannot guarantee admittance for guests if we have not been notified of their attendance in advance.

## TI(NZ) Co-Chairs: Murray Petrie & Claire Johnstone

Murray Petrie and Claire Johnstone have been appointed by the TINZ Board as Co-Chairs of TINZ. Both Murray and Claire have been involved with TINZ since its inception in the late 1990s, Murray as Executive Officer and then Director and Claire as Director and then Deputy Chair. The Co-Chair arrangement is part of an approach in which individual Directors are increasingly taking the lead on specific elements of our work programme. The Board is also looking

to re-balance our strategic approach, with more emphasis on the domestic NZ agenda made possible in part through a change in the nature of our involvement in the Pacific Support Programme (see the item on the Strategic Plan 2011-2015 below). Claire will represent TINZ at the Annual General Meeting of Transparency International in Bangkok in November.

## TI(NZ) Strategic Plan 2011-2015

Over the past couple of months TINZ has been working on developing a new strategic plan. To help us identify which programmes we should be prioritising, and to seek ideas for activities, we will soon be carrying out a short survey of our

members and Newsletter readers. You will receive an email with a link to an online survey and we would be very grateful if you could spend 5 minutes giving us feedback on what you think our priorities should be going forward.

## Call for Interest in Board Membership

The activities of TINZ are overseen by a Board of Directors who are elected at the Annual General Meetings for 2 year terms. At present there are 9 directors on the Board, 5 of whom will complete their two year terms this year. Some will be standing down from the Board at that time; some will be seeking re-election. If you are interested in standing for the Board then you should email a short biography / profile and an explanation of

what skills and experience that you think you could bring to the Board to [executive@transparencynz.org.nz](mailto:executive@transparencynz.org.nz) As an organisation with only modest resources TINZ directors tend to be quite "hands on", so potential board members need to be prepared to dedicate a certain amount of time to the organisation and to possibly help develop or run some of TINZ's programmes.

## Mai Chen Seminar on Ensuring Transparency and Accountability in NZ

**27 October, 12.30-1.30**

A TINZ/Institute of Policy Studies Event, Government Buildings Lecture Theatre 1, Victoria University of Wellington.

TINZ member Mai Chen will speak about the

tools in the Public law toolbox to ensure government accountability and transparency. She will discuss the further work that needs to be done to ensure that the Public law toolbox is efficient as

*(Continued on page 3)*

## Membership Dues

There are a number of outstanding membership dues for the 2010/2011 year (which started on July 1) that need to be paid as soon as possible if you are to retain your membership of TINZ. If

you have any questions regarding your membership dues please email

[admin@transparencynz.org.nz](mailto:admin@transparencynz.org.nz)



# Interview: Pascal Fabie

## TI Secretariat Regional Director for Asia Pacific, Director of Organisational Development



Pascal Fabie, together with Berlin-based Programme Coordinator Anna Thayenthal, visited NZ in September for discussions with the TINZ Board and meetings with NZ government agencies and businesses. In addition to his role as Regional Director Asia-Pacific, Pascal is leading the development of TI's current global Strategic Plan 2011-2015, which is expected to be adopted at the AGM in Bangkok in November. During his visit Jenny Browne caught up with Pascal over coffee.

Before joining the TI Secretariat in Berlin, Pascal was based in Hong Kong and worked in the Asia Pacific region since 1994. From 2000 to 2006, he was a founding director and lead consultant of Aspiral Learning International, an independent management learning consultancy committed to ethical business practice, and serving organisations engaged in the advancement of sustainable development, social justice and environmental protection. Pascal holds a Masters Degree in Responsibility and Business Practice from the University of Bath, in the UK. In his earlier career, Pascal worked in management and business development positions with large multinationals in the IT, oil and telecom industries. He is a member of the Association of Sustainability Practitioners (ASP) and represents TI on the advisory group of the ADB OECD Anti-corruption Initiative for Asia Pacific.

### 1. Why did you become interested in the Anti-corruption movement?

I started out as an environmental activist joining a local environmental group in France where I worked in my twenties. My career started in the business sector, and after 12 years working in business development for multinationals I became disenchanted with the impact and meaning of my work. As I decided to move on, I decided to apply my business and management experience to the NGO sector and began to consult for different NGOs mainly in the field of organisational development. As I got to understand the issues NGOs were working on and the challenges they were facing, I realised that a major root cause for the lack of progress on environmental protection, poverty alleviation, humanitarian relief, sustainable development etc. was the enormous negative effect that bad governance had on these agendas. To me this was especially evident in poverty relief efforts in Africa. When I decided to join the NGO sector from within, the cross-cutting nature of the work done by TI on corruption appealed to me. As the position for Asia Pacific Director became vacant, it was an opportunity I could not miss.

### 2. What do you feel have been the most significant advances in the anti-corruption movement in recent years?

Well I think that one of the most significant advances is that we are now able to have this conversation openly. Previously there were many countries where people could not have even spoken about corruption or questioned their governance. What's more, issues of corruption were seen as issues that people could not really do anything about. What the movement has managed to achieve is that corruption issues now have a prominent place on the global agenda. This is something that TI has played a major part in doing and can claim as a key success. As the first step in

addressing most problems is to admit that the problem exists, getting the world to recognise the negative impact of corruption has been a significant advance in recent times and one that could not ever have been achieved without TI.

### 3. What do you see as the greatest challenges currently facing TI globally?

Transparency International has done extremely well in regards to bringing the issue of corruption to the forefront of the global political agenda. In terms of the next steps, I feel that there are three major areas that need to be tackled in order for TI to advance its objectives.

First, one of TI's greatest strengths as an organisation lies in the amazing diversity stemming from its 100 national chapters. However, a major challenge for TI is to find a way to turn this diversity into a real asset, ensuring that the whole of TI is greater than the sum of its parts. There is a need to unify and take advantage of this diversity in order for TI to achieve greater positive results.

Secondly, I feel that there is a need to bring together and learn from the multitude of anti-corruption efforts that TI works on, and in doing so have a far greater and measurable impact. The third challenge I see facing TI is to develop the skills and capacities to mobilise the public at large by creating incentives for them to form part of the anti-corruption movement.

### 4. What do you feel are the most significant areas of concern in terms of corruption currently facing the Asia/Pacific region?

The biggest issues facing the region are the foreign bribery practices of emerging powers and the depletion of the remaining natural resources in the region. Governments in our region do not seem to be able

to control the corrupt practices of their business sectors and the role these play in the ruthless rape of our earth systems and natural resources. I am notably thinking about fisheries, forestry, water sectors. So I believe that one of the only ways to prevent this depletion is by further raising awareness and mobilizing the public around the impact all forms of corruption have on natural resources and common goods in general.

### 5. Having worked in the private sector, what do you see as the steps that corporations need to take in order to prevent their employees paying bribes?

Companies need to take a holistic approach to the problem of corrupt practices, including bribery. Their approach must include strategies for prevention, verification, and corrective measures, and they must be genuine in their desire to curb corrupt practices. Companies need to adequately train their employees, and of course create deterrents but also create incentives that value those employees who demonstrate integrity over those who don't. The zero tolerance approach can be tricky as it can in the short term bring a competitive disadvantage for companies. That is why I feel that there is a need for the leading businesses in any field to join forces and create a level playing field so that those who value integrity are not left behind. To this end, companies need to encourage outside initiatives which will serve to help increase the level of integrity within their sectors. Truly visionary companies can do this by supporting NGOs who are willing and able to promote integrity on their behalf.



The TI(NZ) Members' Update page invites one of our members to share their thoughts on corruption and on the role of TI(NZ).



## Dan Zirker

Since 2004 Dan Zirker has been the Dean of Arts and Social Sciences at the University of Waikato. Dan has also served as Dean of Arts and Sciences and Professor at Montana State University-Billings as well as having taught political science at the University of Idaho and Minnesota State University. He is the past chair/president of the Research Committee on Armed Forces and Society of the International Political Science Association. A former U.S. Peace Corps volunteer in Northeast Brazil, he was also a Fulbright senior lecturer at the University of Dar es Salaam.

### **1. How do you think corruption affects New Zealand?**

It is my observation that inappropriate allegations of corrupt practices, often made for transparently political and media reasons, are common. New Zealand is very definitely extremely low in its levels of societal corruption. However, such allegations of corrupt practices, so often inappropriately made, seem (in my view) to be fostering an admittedly inchoate and minor national sense that corrupt practices are commonly employed. We are well aware that citizens who assume that their country is corrupt are far more likely to engage in corrupt practices. Hence, the relatively recent (and slowly growing) obsession of the New Zealand media with 'corruption' as a defining descriptive of a range of relatively minor events may have unintended consequences. However, in all reality, NZ is clearly the least corrupt country in the world, and likely to stay that way.

### **2. How do you think we minimise corruption in New Zealand?**

The profound level of honesty in New Zealand society, something that I am especially sensitive to as a new citizen of the country, is by far the best barrier to corruption. Recent moves by the Government to weaken the Serious Fraud Office represent a threat, and should be opposed. The numerous agencies in government responsible for minimising corruption represent a problem

as well. There should be fewer, more centralised, controlling agencies. More centralised governmental oversight of practices that are vulnerable to corruption would be optimal.

In the recent TI report, "As Good as We Are Perceived," it was observed that only 44% of NZ companies have explicit anti-bribery policies for their dealings abroad, as opposed to much higher rates in the US and Europe. 44% is not bad, however, and does represent a significant way in which NZ society minimises its own corruption (corrupt practices abroad inevitably infiltrate practices at home), but this could be improved.

### **3) Why do you feel that Transparency International is an important organisation?**

TI's Corruption Perceptions Index (CPI) is extremely important in generating an international awareness of TI and, more importantly, in reminding societies of the danger posed by corruption. The TI is important internationally (my studies in Brazilian politics, for example, reveal Brazil's meticulous attention to the TI CPI). TI's CPI has shone a light on many societies, and hence has had far more influence in remedying corruption than any other vehicle.

### **4. What do you think the focus of TI(NZ) should be in New Zealand?**

I believe that current foci—serving as an important source of support for Pacific nations, reinforcing the NZ self-analysis regarding corruption, and beginning to seek greater understanding of the factors that have continually placed NZ at the top of the CPI—are excellent, very thoughtful, and very effective. TINZ is, in my view, an outstanding organisation, reflective, self critical, and very effective. NZ is a world leader in this area, and is recognised in that role.

### **5. How does corruption in other countries impact on New Zealand?**

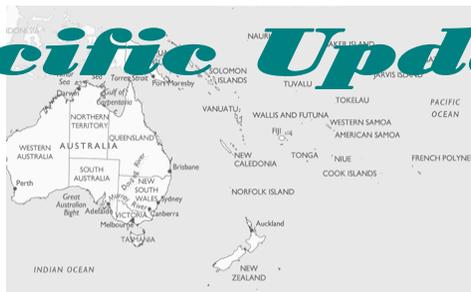
New Zealand companies do business in other countries, and thereby run the risk of being involved in corrupt practices. Also, New Zealand has a very diverse and multi-national immigrant population, and corruption abroad can, very occasionally, find its way, either culturally or based upon specific incidents, into NZ. However, I am deeply impressed with the steady, firm and vibrant culture of New Zealand, and see that the rejection of corrupt practices is an important part of that culture. It is not an accident that New Zealand has frequently been, and is now, at the very top of the CPI. It is, clearly, the least corrupt country in the world.

## Mai Chen Seminar Continued From Pg. 1

well as effective and that there are no overlaps and gaps. What is the minimum public law toolbox a country needs to give its citizens confidence in government?  
Mai Chen LLB (Hons) Otago LLM

(Harvard) FNZIM is a partner in Chen Palmer New Zealand Public law Specialists, which has won the New Zealand Law Award for best Public Law Firm in 2007, 2008 and 2009. She is writing a book on the

Public Law Toolbox with LexisNexis for publication in December 2011.



## Solomon Islands Elections: peaceful and transparent

On the 4th of August 2010 the Solomon Islands held what was hailed to be its first peaceful election since the civil war. International delegates from the Pacific Islands Forum Secretariat, Australia and New Zealand observed about fifty per cent of the polling stations. The independent observers reported that the elections were not only peaceful but also transparent and that voters were able to exercise their right to vote freely and secretly. However, observers did express some concerns regarding the accuracy of the electoral roll and recommended that a comprehensive review of the roll be undertaken before the next elections. Part of their concerns regarding the electoral system arose from the non-existence of “out of area” voting systems, which meant that many registered voters were unable to vote as they were outside their normal constituency.

Mr. Danny Philips was elected Prime Minister over opposition leader Steve Abana by a margin of just three votes.

Due to Mr. Philips coming into office by such a small majority and party lines being extremely thin in the Solomon Islands he has reportedly been forced to make concessions to fellow party members in order to keep them on his side of the floor. In fact just days after his election Mr. Philips was rumored to have staved off a vote of no-confidence by installing Snyder Rini, a member of his own coalition, as a cabinet member to prevent him from crossing the floor. Interestingly enough, Mr. Rini is the same politician who in the 2006 elections lasted just eight days as PM before resigning in the face of a no-confidence motion.



On the campaign trail

Although Mr. Philips has hung onto power he has also managed to stir up some controversy regarding his choice of fellow party

MPs. Eighteen of the fifty elected MPs have had petitions filed against them which are to go before the High Court. It is reported that at least three of the petitions are against current MPs for bribery and the majority are in relation to electoral processes claiming that the electoral lists were inconsistent.

Processing the petitions will take time and it will be interesting to see the High Court's findings over the coming months.



Danny Philips newly elected PM

members. Mr. Philips loose coalition includes a casino operator as well as former members of the Malaita Eagle Forces (MEF) militia. The most controversial of his coalition members is recently elected MP of North Malaita Jimmy “Rasta” Lusibaea. Lusibaea was imprisoned for crimes committed during the Solomon Islands’ tension years and was released in 2007 after serving a four year prison sentence.

Furthermore, it appears that not everyone was as satisfied with the electoral process as the international observers. On the 17th of September Radio New Zealand International reported a record number of petitions filed against the recently elected



Voters line up on election day



Voters in Solomon Islands look for their names before going on to cast their ballot paper in Honiara. Source: ABC Radio Australia



## The 2009 Transparency International Annual Report

Transparency International (Berlin) has recently released its 2009 Annual Report and it is clear that although 2009 saw numerous advances in the fight against corruption, there remain many areas that are vulnerable to corruption and its negative effects. One area that has gained international attention over the last few years has been the prevalence of corruption within the private sector. As reported in the TI 2009 Annual report, almost a fifth of more than 1,000 executives surveyed by Ernst & Young claimed to have lost business due to a competitor paying bribes, and more than a third felt that corruption was getting worse. However, cases such as Siemens and BAE have made it clear that government agencies are no longer willing to ignore bribes by their corporates, and 2009 was a year marked by billion dollar settlements by some of the world's major corporations.

It is not just government agencies that made progress against corruption. As the TI 2009 Annual report demonstrates, numerous TI chapters around the world took significant action both on a domestic and international scale to curb corruption and minimise its effects.

Below is a summation of some of the significant activities of 2009 undertaken by TI secretariat and TI chapters from around the globe.

### Government and Politics

**The 2009 Global Corruption Barometer**  
Transparency International's 2009 Global Corruption Barometer found that the general public see political parties as the most corrupt domestic institution, followed by civil servants and parliaments.

### **TI El Salvador**

Funde, the TI chapter in El Salvador, obtained commitments from newly-elected President Mauricio Funes on a series of anti-corruption measures. As a result, the TI chapter was asked to create a citizens' observation platform for the independent monitoring of public works.

### **TI UK**

TI UK continued 12 years of campaigning for reform of outdated anti-bribery legislation, feeding into a draft Bribery Bill in compliance with the OECD Anti-Bribery

Convention. The chapter was cited regularly during parliamentary debates, and the bill passed into law in early 2010.

### **TI targets the G8: The 2009 G8 Progress Report**

2009 saw TI continue to target the world's economic powerhouses which constitute the Group of Eight (G8). TI was asked to participate in the G8 2009 summit held in Italy and presented the group with its third annual G8 Progress Report, a report that assesses member states' action on key anti-corruption commitments.

In the report, Germany and the U.S were the obvious forerunners and were the only members to receive a positive assessment from TI in relation to their enforcement of foreign anti-bribery laws. Canada, France, Japan and the U.K.'s efforts to curb foreign bribery practices were found to be insufficient. The assessment also found Russia to be not meeting its commitments under the UN Convention against Corruption or under the Council of Europe Criminal Law Convention on Corruption.

### International Conventions

TI's 2009 OECD Anti-Bribery Convention Progress Report

The overwhelming majority of the world's leading exporting nations are failing to fully enforce a ban on foreign bribery, revealed TI's 2009 OECD Anti-Bribery Convention Progress Report. The fifth edition of the annual report showed that just four of 36 countries party to the OECD Convention are active enforcers. There is moderate enforcement in 11 and little to no enforcement in the 21 remaining countries (including NZ).

However, major international players like France, Germany, Norway and the U.S all stepped up their enforcement, with a record number of prosecutions in the United States.

### **TI France landmark case against impunity**

In 2008 TI France and its partner organization Sherpa lodged a complaint calling for an investigation into how three African leaders and some of their relatives had financed acquisitions in France. Although, the leader's lawyers deny any wrong doing, a police investigation found that the

Gabonese President Bongo and his relatives had assets in France that included 39 properties, 70 bank accounts and 9 luxury cars. The value of these assets far exceeds the official earnings of the President and his family.

In 2009, a French magistrate accepted a lawsuit brought against the leaders by TI France, Sherpa and a Gabonese citizen Gregory Ngbwa Mintsu. The acceptance of the lawsuit paved the way for an official investigation. However, France's public prosecutor's office appealed the ruling and succeeded in blocking the investigation. TI France is planning an appeal before the French Supreme Court. The chapter believes that France is obliged to hear the case due to its obligations under the UN Convention against Corruption. TI France hopes that the case will eventually lead to citizens having the right to restitution, allowing entire populations to recover stolen assets.

### Access to Information

Chapters from around the globe continued their campaign

More than 40 TI chapters have campaigned for access to information laws to be adopted in their countries, and where successful, have gone on to participate in monitoring how thoroughly their requirements are carried out. As part of its coalition-building approach, TI is active in the Freedom of Information Advocates Network, a civil society platform for experts to share learning and information.

### **TI Croatia**

TI Croatia's We Have the Right to Know! campaign focused on presidential elections and citizens' right to hold public officials accountable. Chapter staff visited towns across the country to inform people about the Freedom of Information Act, and held a press conference with partner organisations outside parliament on International Right to Know Day. They highlighted the act's restrictions on citizens' right to protest, gaining wide media coverage, including on television and social networks.

### Public Procurement

TI USA launches major international assessment

*(Continued on page 6)*



# The 2009 Transparency International Annual Report: Cont

*(Continued from page 5)*

TI USA launched a project to assess whether the Asia-Pacific Economic Cooperation's Procurement Transparency Standards are being upheld in Indonesia, Mexico, Peru and Vietnam. Under the project, local experts assessed relevant laws and regulations to see whether they meet required standards. Chapters then consulted local and international business people for a private sector perspective on the regulations' effectiveness. The project will result in country-specific recommendations being made to increase transparency and block corruption in procurement, to be used in advocacy with relevant trade and procurement officials and other stakeholders.

## Private Sector

### TI's Transparency in Reporting on Anti-Corruption – a Report of Corporate Practices.

While companies may often cite high-level, strategic commitments to prevent corruption, TI's "Transparency in Reporting on Anti-Corruption" illustrates that the majority of the almost 500 leading listed companies from 17 countries do not provide meaningful details on the support systems required.

Only seven companies achieved the highest possible five star score. The strongest performance was found in companies based in Canada, the Netherlands, Switzerland, the United Kingdom and United States, with a three-star ranking. While companies based in Belgium, China, Japan, Russia and Taiwan achieved a one-star ranking on average. The report also shows that Chinese,

Indian and Russian companies in high-risk sectors are falling far behind their competitors in other countries when it comes to reporting practices.

**You can download the full Transparency International Annual Report 2009 at the following link:**

[http://www.transparency.org/content/download/53922/860361/Annual+Report+2009\\_web.pdf](http://www.transparency.org/content/download/53922/860361/Annual+Report+2009_web.pdf)

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## Links & Papers of Interest



<http://www.foiadvocates.net/>

### The Freedom of Information Advocates Network

Transparency International together with other civil society organisations form the **Freedom of Information Advocates Network (FOIA)**. The **FOIA** is designed to bring together various organisations from around the world who share a common interest in the promotion of a citizen's right to access information. Part of FOIA's work has included the creation of a discussion page, where people and organizations can engage in debate and discussion regarding the freedom of information. The discussion page currently has over 400 people involved. FOIA is also responsible for the creation and promotion of **The International Right to Know Day** which takes place on the **28<sup>th</sup> of September** every year.



<http://www.uncaccoalition.org/>

### The UNCAC Coalition

This is the official webpage for civil society coalition for the promotion of **The United Nations Convention Against Corruption (UNCAC)**. UNCAC represents the legally binding document in the anti-corruption movement with 131 countries bound to it. The convention came into force in 2005 and represents the world's most comprehensive anti-corruption initiative to date. Transparency International, Global Witness and Oxfam represent just a few of the coalition's members who are dedicated to the enforcement of UNCAC. The coalition blog (found under the "Get Involved" tab) provides an easy way for people to keep up with progress and events from around the world that are going on in relation to UNCAC.