

# ANNUAL REVIEW

SEPTEMBER 2004 TO MARCH 2006



Transparency International (Ireland)

## INTRODUCTION

2004 and 2005 were important years in the fight against corruption.

The United Nations Convention Against Corruption secured the final ratification needed to come into effect; Paul Volcker published his hard-hitting report on corruption in the UN Oil for Food Programme. Meanwhile corruption was finally recognised by governments and civil society as an important issue in international aid and development.

At home, we saw the Morris Tribunal expose corruption in An Garda Síochána and more revelations coming from the Mahon Tribunal. Government moved to reform the laws governing tribunals of inquiry, a new Financial Services Ombudsman was established and new Civil Service Codes of Standard and Behaviour were implemented.

2004 also saw the formation of a chapter of Transparency International in Ireland.

Work began on establishing TI Ireland in December 2003 when a steering group was brought together to oversee the formation of the chapter. In February 2004, €60,000 was pledged by the Joseph Rowntree Charitable Trust (JRCT) to fund the formation of TI Ireland.

A non-partisan coalition of individuals with extensive experience in business, the non-profit sector, politics and public service formed TI Ireland's first Board of Directors. An Advisory Council, appointed by the Board, was also established and continues to offer support and guidance to the Board and staff.

Since our launch at the Law Society in December 2004, we have focussed our efforts on laying the foundations for our future programmes.

In January 2006 TI Ireland moved to its new offices at the School of Business, Trinity College Dublin, as part of a strategic partnership between the two organisations. Trinity College's School of Business and TI Ireland will support each other in providing anti-corruption education and research, which will in turn, support reform and compliance at home and around the world.

Over the past eighteen months, we have been busy on the following fronts:

## ADVOCACY

### **Campaign on Development Policy**

Ireland's overseas development agency, Development Cooperation Ireland (DCI), launched a public consultation on the future of the government's aid programme in 2005. As part of this process, TI Ireland made a formal submission recommending that the Irish government ratify the United Nations Convention Against Corruption and develop a coherent policy and devote the necessary resources to combat corruption in aid and development. DCI (now named Irish Aid) subsequently announced that it would develop a policy on governance and corruption with the help of non-governmental organisations. The United Nations Convention is expected to be ratified this year.

### **Publish What You Pay**

TI Ireland joined the Publish What You Pay campaign in 2005. The Publish What You Pay campaign aims to help citizens of resource-rich developing countries hold their governments accountable for the management of revenues from the oil, gas and mining industries. Publish What You Pay is led by an alliance of civil society organisations. TI Ireland has also backed the Extractive Industries Transparency Initiative which compels governments to publish the financial details of deals done with mining and refining companies. Both initiatives are valuable tools in driving demand for accountability and transparency.

## **RESEARCH AND EDUCATION**

### **National Integrity System Country Study**

The Department of Justice, Equality and Law Reform confirmed its financial support for a National Integrity System Country Study (NIS) of Ireland in October 2005. The assessment will help form the basis for TI Ireland's advocacy work. It will also present a clearer picture of how well prepared government, business and civil society are to combat corruption and the misuse of power in Ireland. A lead researcher has been sought, with a decision on the candidate expected to be made in April, and publication due in October. €50,000 has been provided by the Department of Justice for the research, TI Ireland's coordination of the project and publication of the study.

### **Website and E-Zine**

In July 2005 we launched the country's first corruption and governance news service. *TIQ Ireland*. It offers free quarterly news and analysis on governance and corruption from home and abroad. Our website *transparency.ie* was launched in 2004, and provides access to a wealth of resources and information on TI and on corruption in general.

### **Global Corruption Report**

TI Ireland edited the first contributions to the Global Corruption Report, the only independent annual review of corruption around the world. The reviews explained and commented on government and business efforts to combat corruption since 2003. Dr Gary Murphy, Dublin City University and Elaine Byrne of the University of Limerick wrote 2005 and 2006's reviews respectively. Dr Murphy recommended that the government establish a police ombudsman and that the tribunals be allowed to continue their work. Ms Byrne meanwhile called for whistleblower legislation to protect those who report wrongdoing in public and corporate life.

### **The Corruption Perceptions Index and Global Corruption Barometer**

The Corruption Perceptions Index (CPI) and Global Corruption Barometer were launched by TI in Ireland for the first time. Both surveys provide a snapshot of experiences and attitudes to corruption. In announcing the latest results, TI Ireland urged the Irish Government to commit itself to taking further action to prevent corruption both at home and abroad. TI Ireland also called on the government to ratify the United Nations Convention on Corruption.

### **OECD Anti-Bribery Convention Report Card**

The first preliminary assessment of Ireland's implementation and promotion of the OECD Anti-Bribery Convention has been compiled by Diarmuid Griffin, a lecturer in criminal law at NUI Galway on behalf of Transparency International. The report should be available later this spring. The convention was enacted into Irish law in 2001 and outlaws the bribery of foreign public officials by Irish companies and agents.

## CAPACITY BUILDING

### Advice to the OECD

TI Ireland presented its advice on conducting business in weak governance zones to the OECD Investment Committee in July 2005. The OECD's public consultation addressed UN and OECD reports on corporate corruption in the Democratic Republic of Congo. TI Ireland's recommendations are available on the TI Ireland and OECD websites.

### Executive Education Programme

We have designed and developed an Anti-Corruption Executive Education Programme for business, government and civil society. The programme, titled *Building Global Integrity* will be coordinated from our offices in Trinity College Dublin and use both local and international expertise in corruption control and prevention. We expect to launch the first phase of the project by September 2006.

## CONCLUSION

TI Ireland will seek the support of a broad coalition of individuals of integrity with representation from across the political, professional and social spectrum. TII will also act as a forum for disparate opinion and encourage reasonable and balanced debate on corruption.

Horizontal accountability is a key principle of the TI movement. Directors and staff of TI Ireland will consult widely, including other TI chapters, in determining the course of the organisation and its programmes. TI Ireland will also work closely with Transparency International Secretariat (TI-S) in Berlin.

While the sum donated by the JRCT is adequate to support the foundation of TI Ireland and its core activities up to April 2006, the credibility and mission of the organisation will rely on its success in identifying and securing diverse sources of funding.

TI Ireland's ability to put itself on a sound financial footing will in turn depend upon the commitment of its directors, staff, volunteers, membership and supporters.

Informing the general public and government of the devastating costs of corruption and ways in which we can prevent it, will be crucial if TI Ireland is to make a lasting difference. We need your help to make that difference.

Colm McCarthy  
Chairman

John Devitt  
Acting Chief Executive

13 March 2006

Transparency International Ireland  
School of Business  
Trinity College Dublin  
Dublin 2

Please refer to The Director's Report and Financial Statements for details of income, expenditure and statutory details

## **ANNEX**

### **1. WHAT IS TI?**

Transparency International (TI) is the leading international movement dedicated to fighting corruption throughout the world. TI's drive against global corruption manifests itself through a range of public information, advocacy, capacity-building and research programmes in both the "developed" and "developing" world.

TI carries out its work with the support of its International Secretariat based in Berlin and its network of over 100 chapters and affiliates worldwide.

The Irish chapter of TI was established in September 2004.

### **2. BOARD OF DIRECTORS**

- Tom Arnold - Chief Executive, Concern
- Dr Valerie Bresnihan - Social and Human Rights Researcher
- Paul Cullen - Development Correspondent, The Irish Times
- Patrick D'Arcy (Honorary Treasurer) - Senior manager of forensic services with RSM
- Robson Rhodes and former member of the Garda fraud squad
- John Donnelly - Deputy Chairman Hypo Real Estate Bank International
- Eithne Fitzgerald - Senior Advisor, National Disability Authority
- Dr Garret FitzGerald - Former Taoiseach
- Noeleen Hartigan - Social Policy and Campaigns Coordinator at the Simon Community. Former Campaigns Director for the Irish National Organisation for the Unemployed
- Colm McCarthy (Chairman) - Managing Director of DKM Economic Consultants
- Alex McLean - Partner at Arthur Cox
- Dr Justin O'Brien - Senior Lecturer at Queens University Belfast School of Law. Former producer and investigative journalist for the BBC World Service, BBC News and RTE
- Dr Eleanor O'Higgins - Faculty of UCD Business Schools, Visiting Fellow at London School of Economics and Political Science, Member of UN Global Compact Learning Forum
- Toby Wolfe - Policy Analyst for the Local Development Social Inclusion Programme at Area Development Management Ltd. Former editor of the Global Corruption Report and currently co-editor of TIQ Ireland

### **3. STAFF**

- John Devitt - Acting Chief Executive and Company Secretary, Co-Editor of TIQ Ireland
- Toby Wolfe - Co-Editor of TIQ Ireland

### **4. ADVISORY COUNCIL**

- David Andrews - Former Minister for Foreign Affairs. Currently Chairman of the Irish Red Cross
- Donal Barrington - Former Judge of the Supreme Court
- Dr Louis Brennan - Senior Lecturer in Business Studies, Trinity College Dublin
- Professor Niamh Brennan - Michael MacCormac Professor of Management and Academic Director of the Institute of Directors Centre for Corporate Governance at University College Dublin

- Elaine Byrne - PhD candidate in "Typologies of Irish Corruption", University of Limerick. Irish contributor to the Global Corruption Report 2006
- Professor Neil Collins - Professor of Public Administration, University College Cork
- Des Geraghty - Former President of the Services Industrial Professional and Technical Union (SIPTU)
- John Grindle - Development Economist and Consultant. Research Fellow on Development Cooperation Ireland civil society project at DCU
- Professor Bob Holton - Professor of Sociology and Professorial Fellow of Trinity College
- Colm MacEochaidh - Barrister
- Professor Maeve McDonagh - Professor of Law, University College Cork
- Dr. Gary Murphy - Senior Lecturer in Government at Dublin City University
- Kevin Murphy - Former Ombudsman and Information Commissioner
- Roslyn Hees O'Leary - TI Secretariat Senior Adviser and former TI Executive Director for Africa and the Middle East
- Annrai O'Toole - Chief Executive of Cape Clear software and co-founder of Iona Technologies
- Dr. Edward M Walsh - Former President of the University of Limerick and current Chairman of the Irish Council for Science Technology and Innovation
- Mary Robinson - Former President of Ireland and UN High Commissioner for Human Rights

## **5. TI'S DEFINITION OF CORRUPTION**

TI defines corruption as "the misuse of entrusted power for private gain", a definition which applies to both the public and private sector. It can take many forms including but not limited to bribery and theft of public assets.

## **6. DOES TI INVESTIGATE INDIVIDUAL CASES OF CORRUPTION?**

No, nor do we 'name names'. TI is convinced that its role is best served with the support of coalitions of civil society, private business and government. Becoming involved with individual cases could adversely affect the formation of such coalitions, by deterring individuals and organisations from becoming involved.

We do not represent the interests of our members but those of society as a whole.

## **7. WHY ESTABLISH A CHAPTER OF TI IN IRELAND?**

Despite enduring public cynicism towards political and commercial actors and systems, until recently, there has been no independent organisation working in Ireland dedicated to raising awareness of the human and financial costs of corruption at home and abroad, and building the capacity of business, government and civil society to combat corruption.

## **8. WHO FUNDS TI?**

TI Ireland is currently supported by the Joseph Rowntree Charitable Trust (JRCT), an independent charitable trust which is based in York, England. The JRCT donated €60,000 (£42,000) in April 2004 to help establish TI Ireland. The current round of funding ended in January 2006.

## 9. TI IRELAND'S ACTION PLAN FOR 2004 TO 2007

### Aims

- 1 ▪ To promote Transparency International's efforts to combat corruption throughout the world
- 2 ▪ To support necessary reform and compliance in Ireland's public and corporate affairs

Programme	Objective	Activity	Anticipated Outcome	Target Dates	Responsibility
Research and Education	To serve as a high-quality, accessible Anti-Corruption Information Resource	<p>Design and Promotion of our website <i>transparency.ie</i></p> <p>Publication of our journal <i>TIQ Ireland</i></p> <p>Release of the <i>Corruption Perceptions Index</i>, the <i>Global Corruption Barometer</i> and <i>Global Corruption Report</i> in Ireland</p> <p>Delivery of Lectures, Seminars, Debates and Conferences</p>	<p>Greater public understanding of the costs and possible solutions to corruption</p> <p>Better informed decision making</p>	Ongoing since December 2004	TI Ireland in collaboration with Transparency International Secretariat and TI chapters worldwide
Research and Education	The completion of the first National Integrity System Country Study for Ireland	<p>Research</p> <p>Consultation</p> <p>Publication and Promotion</p>	To provide the basis for TI Ireland's future domestic advocacy and research programmes	October 2006	Lead Researcher, TI Ireland, Transparency International Secretariat
Advocacy	To promote anti-corruption standards in international aid and development	<p>Public Information</p> <p>Advice to government, business and NGOs</p> <p>Monitoring of Ireland's implementation and promotion of international conventions against corruption</p>	<p>Irish government and business promotion and adherence to international standards that prevent the bribery of foreign officials overseas by Irish business.</p> <p>Policy design on corruption and the dedication of staff and resources to prevent corruption in aid and development</p>	Ongoing since March 2005	TI Ireland in collaboration with Transparency International Secretariat and TI chapters worldwide
Capacity Building	To establish an Anti Corruption Capacity Building Programme	<p>Development of Ireland's first Anti Corruption Executive Education Programme</p> <p>Assistance to TI's International Programmes</p>	Ireland's business community, public servants and civil society will be better informed and able to prevent, detect and combat corruption.	From September 2006	TI Ireland, TCD School of Business, TI Chapters, TI Secretariat

**10. IRELAND'S POSITION ON THE CORRUPTION PERCEPTIONS INDEX**  
**1995 to 2005**

Year	95	96	97	98	99	00	01	02	03	04	05
<b>Ranking</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>14</b>	<b>15</b>	<b>19</b>	<b>18</b>	<b>23</b>	<b>18</b>	<b>17</b>	<b>19</b>
Score	8.57	8.45	8.28	8.2	7.7	7.2	7.5	6.9	7.5	7.5	7.4
No. of Countries	41	54	52	85	99	90	91	102	133	145	159
Surveys Used	6	6	6	10	10	8	7	8	9	10	10