



Transparency International (Ireland)

ANNUAL REVIEW

2006 TO 2007

INTRODUCTION

The past year has been a busy one for prosecutors and judges around the world. Indeed anyone with an interest in monitoring corruption will have had plenty to get their teeth into. The Enron trial finally came to a dramatic conclusion, while new major investigations opened into corruption allegations at Siemens and Volkswagen. In the United States, Vietnam, Nigeria and Bangladesh political leaders were indicted for corruption. New bribery investigations were also launched in countries such as the UK, New Zealand, Australia and Sweden.

At home, the Moriarty Tribunal into payments to politicians published its first report, finding that a former Taoiseach had "devalued democracy". A local politician was imprisoned for theft and fraud. An additional five local authorities were the subject of official investigations. Five case files were opened by the Gardaí into the bribery of foreign public officials. We also saw the first prosecution of public officials and a developer for bribery in twenty years. For the first time ever, land believed to have been rezoned after councillors were bribed, was "frozen" by the High Court.

Meanwhile the Council of Europe and the OECD recommended that Ireland reduce Freedom of Information fees, offer legal protection for whistleblowers, and train public officials in corruption control.

Sharing this information with the general public is an important part of Transparency International's (TI) work - TI Ireland's website and quarterly e-zine, for instance, now serve almost a hundred people every day. However information is of limited use unless it can be transformed into knowledge, used to create understanding and ultimately affect change.

Partnership with institutions of learning provides the ideal platform to undertake this kind of work. Since 2006 TI Ireland's offices have been based at Trinity College Dublin's School of Business. Most recently, our Executive Education Programme, funded by Irish Aid and Dóchas, and to be developed with Trinity's School of Business, has been launched for members of both the Irish business community and development agencies.

An assessment of Ireland's ability to prevent and counter corruption, a National Integrity System Study (NIS) was also undertaken in 2006 and is due to be published soon. The NIS, which is funded by the Department of Justice, will be one of about 70 conducted by TI so far worldwide. It will form a medium-term benchmark for TI Ireland's education and research programmes in Ireland.

TI Ireland became the newest full chapter of TI in November 2006, after an independent review of its programmes and governance described the chapter's development as "exemplary".

This is due in no small measure to the generous support of the Joseph Rowntree Charitable Trust. Since 2004, their backing has allowed us to establish a small but effective organisation, and in a very short space of time. Last year they agreed to continue their support of TI Ireland with an additional €70,000 in funding for a further two years.

Nevertheless this level of funding is not enough on its own to continue our work in the long term. Your support, whether as a TI Ireland member or donor, will be critical in ensuring that we have the resources to share information, develop understanding and build coalitions to fight corruption at home and abroad.

Thank you,

Patrick D'Arcy
Chair

John Devitt
Chief Executive

Transparency International Ireland, School of Business, Trinity College Dublin, Dublin 2
22 May 2007

TI's VISION AND MISSION

Our vision is a world in which government, politics, business, civil society and the daily lives of people are free of corruption. Our mission is to work to create change towards a world free of corruption. Our work is conducted under the headings of Research and Innovation and Education and Information.

RESEARCH AND INNOVATION

National Integrity System Country Study

The National Integrity System Country Study (NIS) for Ireland will be published in the autumn of 2007. Dr Elaine Byrne of the University of Limerick (Lead Researcher) and John Devitt (Managing Editor and Researcher) have worked together to deliver the first comprehensive assessment of how well prepared government, business and civil society are to combat corruption and the misuse of power in Ireland. €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. More recently John provided NIS training on behalf of the United Nations Development Programme in Tajikistan, while Dr Byrne has just completed a term with the UN Office on Drugs and Crime in Vienna.

Dóchas Resource on Anti-Corruption

TI Ireland worked with Dóchas, the umbrella body for Ireland's international development agencies in writing an anti-corruption resource for member organisations. The resource highlights a number of key domestic and international initiatives underway to fight corruption and promote good governance in the world's poorest countries.

EDUCATION AND INFORMATION

Executive Education Programme

The first of our workshops on preventing corruption in international business and development was launched in February 2007. Funded by Irish Aid and Dóchas (the umbrella body for aid organisations in Ireland) the pilot programme consists of six seminars designed specifically for Irish development agencies on the one hand and Irish exporters and investors on the other. The programme has been coordinated from our offices in Trinity College Dublin and the response from participants has been very positive so far. The series will be used to consult business and development NGOs on the design of a long-term education programme for those working in countries with weak rule of law.

International Anti-Corruption Conference

TI Ireland worked with Dr Victoria Jennett from TI Secretariat to design and coordinate a workshop on sharing information and knowledge at the Twelfth International Anti-Corruption Conference in Guatemala in December 2006. Experts from the United Nations, Goldman Sachs International, Californian technology company Benetech, and the Association for Progressive Communications spoke about how they use software and internet technologies and other knowledge sharing strategies to either prevent and detect corruption or promote good governance. The workshop paper is available on our website and will help develop a proposal for a TI Technology Programme. Such a programme would identify best practice in the use of technologies to promote good governance and promote its use and innovation in the field.

European Union Transparency Initiative

TI Ireland was heavily involved in the preparation of TI's submission on how the EU could enhance transparency and accountability within the European Commission and in the use of its funds. TI recommended that details of EU fund beneficiaries be published and that a register of lobbyists be established for public affairs practitioners spending over a certain limit on any campaign. Since then the EC and European Parliament have agreed that the disclosure of

structural funds and the CAP will be obligatory from 2008 and 2009 respectively.

Poverty and Development

Last year's submission on the Government's development policy contributed to greater emphasis than ever before on the need to tackle corruption in the world's poorest countries. Corruption and governance featured prominently. Irish Aid announced that a Governance Unit would be established in the near future; expressed its commitment to the UN Convention against Corruption and support for the work of anti-corruption NGOs in the developing world. That said, little detail was provided on what measures Government would undertake and it will be important that TI Ireland continues to advise and work with Irish Aid in implementing sustainable needs-based programmes. See also the Dóchas Anti-Corruption Resource.

Website and E-Zine

Launched in July 2005, we continue to offer the country's only 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 2004, and is regularly updated. It provides access to a wealth of resources and information on TI and on corruption in general. From June 2006 to March 2007, 20,000 people visited the site and numbers grew steadily. During 2007 we expect to develop the site and news service further to allow visitors access to daily updates on related news coverage from Ireland.

The Corruption Perceptions Index

The Corruption Perceptions Index (CPI) was released again by TI Ireland in for 2006. In doing so, we have attempted to build understanding of corruption both home and abroad and placed the issue more firmly in the public arena. In announcing the results for this year, TI Ireland urged the Irish Government to commit itself to taking further action to prevent corruption in international development and called again on the Government to ratify the United Nations Convention on Corruption.

OECD Anti-Bribery Convention – Report Card

TI published the first preliminary assessment of Ireland's implementation and promotion of the OECD Anti-Bribery Convention in mid 2006. The Irish results were compiled by Diarmuid Griffin, a lecturer in criminal law at NUI Galway. The report was met with a great deal of media attention and examined by the OECD when conducting its formal Phase 2 review of Ireland's anti-bribery safeguards in March 2007. Both the TI and OECD reports were highly critical of efforts to promote and implement the Convention in Ireland. TI Ireland will work closely with Government and business in identifying practical measures to improve compliance over the coming year. The convention was enacted into Irish law in 2001 and outlaws the bribery of foreign public officials by Irish companies and nationals.

United Nations Convention against Corruption – Gap Analysis

TI Ireland also conducted the first Gap Analysis in of measures needed to be adopted by the Irish Government in order to fully implement the UN Convention against Corruption (UNCAC) in late 2006. Our Chief Executive also played an active role in promoting the adoption of an agreement on global monitoring and communicating the voice of civil society at the first UN Conference of signatory States in Jordan last December. The Convention has been signed but yet to be ratified by Ireland.

Media Coverage

Our Chief Executive has been a regular contributor to radio and press including RTÉ, *Newstalk 106*, *Business & Finance Magazine*, the *Irish Times*, and the *Irish Examiner*. TI Ireland news releases are posted on TI's global website and have been published widely and regularly in every Irish daily newspaper in 2006.

See also page 7 for financial summary. Please refer to The Director's Report and Financial Statements for details of income, expenditure and statutory details

ACTION PLAN 2004 TO 2007 – With 2008 projected budget

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

RESEARCH AND INNOVATION

Objective	Activity	Anticipated Outcome	Target Dates	Responsibility	Budget
To design practical solutions to corruption in government and the private sector	Completing the first National Integrity System Country Study for Ireland	The basis for TI Ireland's future domestic education and research programmes	November 2006 – missed October 2007 – new target date	TI Ireland in collaboration with our partners at Transparency International Secretariat, TI chapters worldwide, and TCD School of Business	<u>€50,000 – Received/Pledged</u>
	Undertaking original research in corruption measurement, National Integrity System assessment, and anti-corruption programme design	New discourse on corruption within the Irish education sector	From 2007		<u>None yet available</u>
	Developing and evaluating Anti-Corruption tools and strategies	The deployment of more effective and relevant anti-corruption strategies.			Projected for 2008 on: €200,000 per year Budget includes two members of staff, Annual Survey, Ancillary/Promotion Costs/Books/Conference Fees

EDUCATION AND INFORMATION

Objective	Activity	Anticipated Outcome	Target Dates	Responsibility	Budget
To be a high-quality, accessible Anti-Corruption Education Provider	Publishing <i>TIQ Ireland</i>	Better informed decision making More public demand for accountability in government and business	Ongoing since December 2004	TI Ireland in collaboration with our partners at Transparency International Secretariat, TI chapters worldwide, and TCD School of Business	<u>€5000 – Received</u>
	Launching the <i>Corruption Perceptions Index</i> , the <i>Global Corruption Barometer</i> and <i>Global Corruption Report</i> in Ireland				Included in Core Expenses
	Delivering Lectures, Seminars, Debates and Conferences		<u>€2000 - Received</u>		
	Developing Ireland's first Anti Corruption Executive Education Programme	Ireland's business community, public servants and civil society will be better able to prevent, detect and combat corruption.	From September 2006		<u>€10,000 Received/Pledged</u> Projected for 2008 on: €200,000 per year - Staff, Fees, Ancillary Costs
To serve as a reliable and authoritative source of Information and Advice on Corruption and Governance in Ireland	Designing and Updating of our website <i>transparency.ie</i>	Better public understanding of the costs and possible solutions to corruption	Ongoing since 2004		<u>€5000 – Received (included under TIQ Ireland)</u> Projected for 2008 on: €3000 per year
	Establishing an Anti-Corruption Resource Centre		From 2007		Costs included in Research/Executive Education Budget
	Participating in TI's international programmes including the EU Transparency Programme, Conventions, Poverty and Development, and Access to Information Programmes	The dedication of greater resources to prevent corruption in aid and development Greater transparency and accountability within EU and national bodies Stronger connection and coherence between local and global programmes	Ongoing since 2005		Projected for 2008 on: €4000 per year additional Conference and Travel Expenses

Projected Required Budget from 2008 - €470,000 per year (inc. fifteen per cent admin and contingency expense). Available funds to 2008 - €35,000

FINANCIAL SUMMARY TO 31 DECEMBER 2006

Income and Expenditure

	2006 12 Months	2005 16 Months
	€	€
INCOME		
Grants from Joseph Rowntree Charitable Trust	34,219	52,557
Membership Fees	1,721	441
Research income from Department of Justice	14,970	-
	50,910	52,998
ADMINISTRATIVE EXPENSES		
Wages and salaries (Before Tax)	30,604	26,183
Employer's PRSI contributions	3,288	2,811
Venue hire and catering (Launch, AGM)	675	1,906
Printing, postage and stationery (Brochures, Forms etc)	6,165	1,709
Public Information (Web, Newsletter)	219	4,780
Telephone & Internet (Inc. Mobile)	1,651	2,274
Computer costs (Software, Peripherals and Hosting)	484	1,946
Motor & travel expenses (AMM, ECA, IACC)	2,138	2,621
Research Expenses (NIS Research and Workshop)	2,842	-
Publicity (Graphic Design, Photography, NIS Notice)	3,329	200
Audit	900	800
Bank charges	131	176
Staff Training (CNM Summer School + Anti-Corruption Course)	913	-
General expenses (Interns, CRO, Seal, Peripherals)	655	147
Subscriptions (Irish Times, Common Room, The Wheel)	197	149
Depreciation	1,043	285
	(55,234)	(45,987)
Excess of expenditure over income	(4,324)	7,011

Balance Sheet

	2006	2005
	€	€
FIXED ASSETS		
Tangible assets	3,888	1,142
CURRENT ASSETS		
Debtors	1,764	-
Cash at bank and in hand	2,617	8,069
	4,381	8,069
CREDITORS: amounts falling due within one year	(5,582)	(2,200)
NET CURRENT (LIABILITIES)/ASSETS	(1,201)	5,869
Total Assets less Current Liabilities	<u>2,687</u>	<u>7,011</u>
REPRESENTED BY:		
Accumulated surplus	2,687	7,011
General fund	<u>2,687</u>	<u>7,011</u>

ANNEX

1. WHO ARE 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 some 90 chapters and affiliates worldwide. The Irish chapter of TI was established in September 2004.

2. BOARD OF DIRECTORS

- Tom Arnold - Chief Executive, Concern
- Dr Louis Brennan – Senior Lecturer, School of Business, Trinity College Dublin
- Patrick D'Arcy (Chair) - 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 – (Vice Chair) Policy Director at Amnesty International Irish Section
- Colm McCarthy (Honorary Treasurer) – Lecturer
- 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
- Michael Smith – Barrister
- 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 - Chief Executive and Company Secretary, Co-Editor of TIQ Ireland

4. VOLUNTEERS

- Eoin Carolan – Global Corruption Report 2007
- Krina Despota – Communications and Research (To April 2007)
- Clare Mason – Administration (Ongoing)
- Althea O'Sullivan – Administration and Research (To March 2007)
- Diarmuid O'Sullivan – OECD Convention Report Card 2006 and 2007
- Tom Rowe – Communications (Ongoing)
- Lorraine Whitty – Communications (Ongoing)

5. 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

- Dr Elaine Byrne – Lead Researcher on NIS Study for 2007. 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
- Professor Justin O'Brien – Professor of Corporate Governance, Centre for Applied Philosophy and Public Ethics, Australian National University
- 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

6. 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.

7. 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.

8. IRELAND'S POSITION ON THE CORRUPTION PERCEPTIONS INDEX 1995 to 2006

Year	95	96	97	98	99	00	01	02	03	04	05	06
Ranking	11	11	12	14	15	19	18	23	18	17	19	18
Score	8.57	8.45	8.28	8.2	7.7	7.2	7.5	6.9	7.5	7.5	7.4	7.4
No. of Countries	41	54	52	85	99	90	91	102	133	145	159	163
Surveys Used	6	6	6	10	10	8	7	8	9	10	10	7