

PRESS CONFERENCE TO LAUNCH TI'S 2006 CORRUPTION PERCEPTION INDEX (CPI 2006)

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VENUE: KAMA CONFERENCE CENTRE, LABONE, ACCRA

**ORGANISATION: GHANA INTEGRITY INITIATIVE – NATIONAL CHAPTER OF
TRANSPARENCY INTERNATIONAL (TI)**

1. INTRODUCTION

Good morning, Ladies and Gentlemen of the media and all other invited guests. On behalf of the Board of the Ghana Integrity Initiative (GII) I welcome you to this morning's press conference.

We are gathered this morning to share with you the 2006 Corruption Perception Index (CPI) which is being launched today at the Transparency International (TI) Secretariat in Berlin, and around the world. As many of you already know, Transparency International is the leading international non-governmental organization devoted solely to the fight against corruption worldwide, and GII is the National Chapter of TI in Ghana.

The CPI has been published annually by TI over the past 12 years and Ghana has been included in the Index for the last eight years. As we noted at the launch of last year's CPI, the number of countries included in the index has been increasing steadily. The number of countries covered in the 2006 CPI is 163, compared to 159 in 2005, an increase of 4 new entrants.

2. ABOUT THE CPI

The annual Corruption Perception Index (CPI) is considered the best authority on the level of perceived corruption in any country included in the poll. The CPI is a composite of at least three credible corruption-related surveys in any country. In some countries the CPI is derived from as many as 12 surveys, while in others, the minimum three surveys are used. The surveys reflect the perceptions of business people, academics and risk analysts, both resident and non-resident, in the countries that are included in the poll. The CPI is therefore a composite index, or a snapshot of perceptions of corruption in a given country from a number of sources.

It is important to note that the CPI focuses mainly on corruption in the public sector, and defines corruption as the abuse of public office for private gain. The surveys used in compiling the CPI ask questions that relate to the misuse of public power for private benefit, with a focus, for example, on bribe taking by public officials in public procurement, or embezzlement of public funds.

Again, it is important to emphasize that the real indicator of a country's performance is the CPI score and **not** its rank. This is because the ranking of a country can change simply because new countries enter the index or others drop out. The CPI scores countries on a scale of zero (0) to ten (10), with zero indicating high levels of perceived corruption and ten indicating low levels of perceived corruption.

3. SOURCES, RANKING AND SCORE FOR GHANA IN CPI 2006

The 2006 index on Ghana is based on data from six (of the total 12) surveys conducted between 2005 and 2006. The institutions that conducted the surveys on Ghana include:

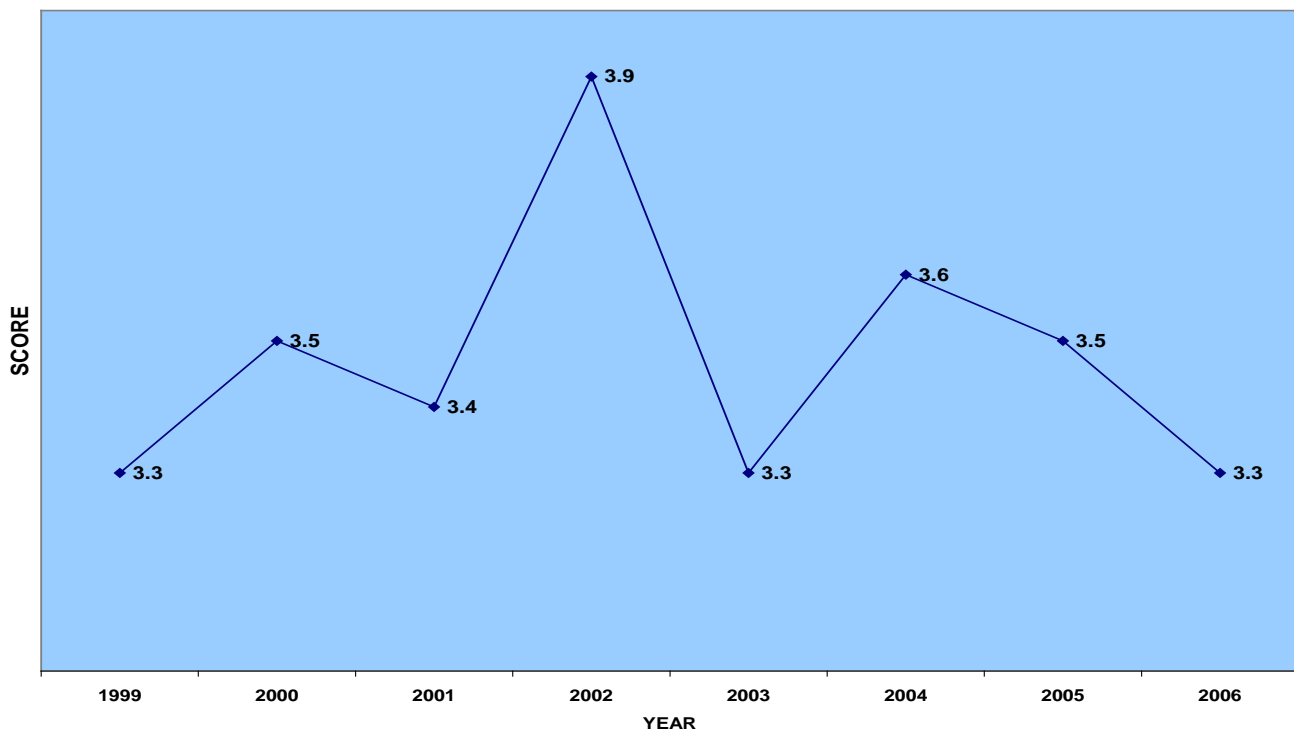
1. World Bank (IDA and IBRD), Country Policy and Institutional Assessment, 2005
2. Economist Intelligence Unit (EIU), Country Risk Service and Country Forecast, 2006
3. Merchant International Group (MIG), Grey Area Dynamics, 2006
4. United Nations Economic Commission for Africa (UNECA), African Governance Report 2005
5. World Economic Forum (WEF) Annual Publications, 2005
6. World Markets Research Centre (WMRC), Risks Ratings, 2006

It is worth noting that the sources of data used for CPI 2006 including that of Ghana are current ie. 2005 and 2006.

4. HOW DID GHANA RANK AND SCORE in CPI 2006

Ghana ranked **70th** on the list of 163 countries included in the 2006 index, with a score of **3.3** out of the clean score of 10. This score of 3.3 represents a drop from last year's score of 3.5. It is also exactly the score the country obtained in the years 1999 and 2003. It is important to note that since Ghana was included in the index, 3.3 has been its lowest score and 3.9 it's highest score.

The graph below shows Ghana's performance from 1999 to date.



5. WHAT CAN WE MAKE OF GHANA'S 2006 CPI SCORE?

As Ghanaians, we should be concerned with Ghana's 2006 CPI score because it authenticates the findings of local surveys conducted in Ghana in the year 2005.

- The Centre for Democratic Development – CDD-Ghana's 2005 Afro barometer Round 3 findings in relation to corruption indicated that popular perception of corruption among public officials appears to be increasing. For example, well over half (56%) of the respondents perceived some corruption at the Presidency.
- Ghana's self assessment under the African Peer Review Mechanism 2005 report also revealed that a high majority of Ghanaians (about 75% of households) see corruption as a serious problem in Ghana. The report further indicated that an overwhelming percentage of public officials (82%) see corruption in government as more prevalent today than three years ago.
- GII's 'Voice of the people survey' in July 2005 further revealed a little over 90 percent of the 900 respondents consider corruption as a serious problem. A little over 60 percent of the respondents also felt corruption had worsened.

These survey findings point to the fact that Ghana is far from winning the fight against corruption. In fact this year's CPI score of 3.3 takes Ghana back to its lowest point since its inclusion in TI's annual corruption rankings and indicates clearly that the nation has retrogressed in the anti-corruption battle. It is also worth noting that Ghana has been stagnating at the bottom third position of the CPI for some time.

This year's CPI also shows that three-quarters of the countries that scored less than 5 were low-income countries. Apart from the negative governance implications, this confirms a strong correlation between corruption and poverty, another reason why Ghana must tackle the canker more seriously.

6. AFRICA AND OTHER HIGHLIGHTS OF CPI 2006

Now let's put the index in a continental and global perspective.

- Almost **three-quarters** of the 163 countries surveyed in the 2006 index scored **less than 5** out of the clean score of **10**, indicating that most countries in the world face serious perceived levels of domestic corruption. Also, all low-income countries, and all but two African states (**Botswana** and **Mauritius**), scored less than 5.
- Among countries included in the index, corruption is perceived as most rampant in **Haiti**, with a score of **1.8**, **Guinea**, **Iraq** and **Myanmar** with a score of **1.9**.
- Countries that share the **top score of 9**, with very low levels of perceived corruption, are predominantly rich countries, namely **Finland**, **Iceland**, and **New Zealand**, **Denmark**, **Singapore**, **Sweden** and **Switzerland**.

- In Africa, only two countries – **Botswana** and **Mauritius** – scored above five, which is commonly seen as the threshold for serious corruption.
- Corruption and lack of transparency clearly remain a major problem across the continent, with **Chad**, the **Democratic Republic of Congo**, **Sudan** and **Guinea** at the bottom of this year’s **global** ranking.
- Although **Mauritius**’ score improved this year, pledges to pursue rapid ratification of the AU Convention against Corruption, made at a TI-organised event in December 2005, is yet to be honoured.
- Forty–five countries in **Africa** were included in this year’s index. **Ghana** ranked **seventh** from the top - coming after countries like **Botswana**, **Mauritius**, **South Africa**, **Tunisia**, **Namibia**, **Seychelles** and **Egypt**.
- Neighboring **Nigeria** is cited among countries whose scores have improved within the last two years. Nigeria’s current score of **2.2**, even though low, is an improvement on 2005 and 2004 scores of **1.9** and **1.6** respectively. The improvement can be partly attributed to the government’s vigorous pursuit of sanctions against perpetrators of corruption and the implementation of robust institutional reforms.
- Countries manifesting **significant worsening** of perceived corruption include: **Brazil**, **Cuba**, **Israel**, **Jordan**, **Laos**, **Seychelles**, **Trinidad and Tobago**, **Tunisia**, and **the United States**.
- Countries showing **significant improvement** in perceived corruption include: **Algeria**, **Czech Republic**, **India**, **Japan**, **Latvia**, **Lebanon**, **Mauritius**, **Paraguay**, **Slovenia**, **Turkey**, **Turkmenistan** and **Uruguay**.

7. CONCLUSIONS AND RECOMMENDATIONS

GII supports TI’s recommendations on the following:

- Promotion and, where necessary, adoption of anti-corruption codes of conduct by professional associations.
- Legal or professional sanctions for legal, financial and accounting professionals that enable corruption;
- Greater scrutiny of the role of insufficiently transparent financial centers in facilitating corrupt transactions.

GII further recommends,

1. That Cabinet should adopt the Right to Information Bill and lay it before Parliament for passage into law as this is long overdue. Such legislation would enhance transparency and accountability in public life.

2. There should be reforms to the public office holder asset declaration regime to reflect international best practice and to make it effective. Key principles such as **Accessibility, Verifiability, and Frequency of filing, Sanctions and Coverage** are central to an effective public office holder asset disclosure regime.
3. The speedy adoption and implementation of **conflict of interest guidelines** developed by CHRAJ in collaboration with the Ghana Anti-Corruption Coalition (GACC).
4. There should be a review of the public procurement legislation (**Public Procurement Act 663**), especially the provisions regarding **sole sourcing**.
5. As a follow-up to the ratification of the United Nations Convention against Corruption (UNCAC) and African Union Convention on Preventing and Combating Corruption (AUCAC) in December 2005 by Ghana, we urge government to take the necessary steps to domesticate and implement these two important international anti-corruption conventions.

Thank you for coming and we open the floor for discussions, comments, questions and suggestions.

*For full details of the TI CPI 2006, visit http://www.transparency.org/policy_research/surveys_indices/bpi

For further information and/or discussion of the CPI 2006 on **Ghana, please contact: **Mrs. Linda Ofori-Kwafo**, Programmes Manager - GII, **Mr. Gilbert Sam**, Programme Officer (Research), both of GII, on telephone numbers (021-782364/5).