



“MP of Integrity” speaks to *GII Alert* - read excerpts on page 7

Implement Public Procurement Act to check corruption, *GII tells gov't*

The Ghana Integrity Initiative (GII) has urged government to implement the Public Procurement Act to enable it to subject ministers and public officials to greater degrees of scrutiny, especially in the award of construction contracts.

The GII said since over 70 per cent of corruption was derived from the procurement sector, the credible implementation of the Act would help government to make good on its pledge of "zero tolerance for corruption" and promote more accountability and transparency.

Daniel Batidam, Executive Secretary of the GII, said this at the launch of the 2005 Transparency International (TI) Global Corruption Report (GCR 2005). The function also saw the launch of TI's 'Minimum Standards for Public Contracting', which sets out the blueprint for transparent public procurement.

The Global Corruption Report, first published in 2001, is an annual overview

of the state of corruption worldwide. The Report has in the past focused on various sectors of societal life and governance, such as *Freedom of Information* and *Political Corruption*.

Batidam said government and the private sector should adopt TI's Minimum Standards for Public Contracting and implement the code of conduct that committed the contracting authority and its employees to a strict anti-corruption policy. He said the scale of corruption was magnified by the size of the construction sector, estimated globally at some 3,200 billion US dollars per year. TI estimates the amount lost due to bribery in contracting to be at least 10 per cent of contract value. This puts the figure of lost funds at more than 300 billion US dollars per year worldwide.

Batidam said Ghana's construction industry was, especially prone to corruption at various stages of the construction process.

This is manifested in the lack of transparency in the award of contracts, the fierce competition for "make or break" contracts and the opportunity for delays and overruns, among other things. He quoted TI Chairman, Peter Eigen as saying, "corrupt contracting processes leave developing countries saddled with sub-standard infrastructure and excessive debt".

The GCR report cited the Lesotho Highlands Water Project in which two million dollars was paid in bribe by Acres International and eleven(11) other dam building companies. It also cited



GII Board Members at the launching ceremony of the Global Corruption Report (GCR) 2005 (Seated from left to right are Mr. Dan Batidam (Exec. Secretary-GII), Ms. Augusta Sena Gabianu, Prof. E. Gyimah-Boadi, Maulvi A. Wahab Adam, Mr Kwame Gyasi and Dr. Audrey Gadzekpo.

the Cologne Incinerator Project in Germany where 13 million dollars was paid in bribes during the construction of a 500 million incinerator.

Batidam said though the 2005 report did not include a country report on Ghana nor cite some of the "monuments of corruption" dotted around the country, it did not mean that Ghana was immune to the problem. "Shoddy construction works and poor infrastructure management is a visible phenomenon from schools and classroom blocks through roads and dam construction, to private residencies and KVIPs," he argued.

He said sub-standard construction projects in Ghana, which were tainted by bribery and corruption, resulted not only in loss

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MISEREOR SUPPORTS GII

The German Catholic Bishops' Organisation for Development Cooperation, MISEREOR, has given support to the activities of the Ghana Integrity Initiative in 2005 with a grant of €25,000 including funding for our quarterly newsletter *GII Alert*. We are grateful!

EDITORIAL CHALLENGES OF ANTI-CORRUPTION REFORM

“Reform-willing governments must be mindful that they need allies because corruption is actively fighting back ... It will use your failings and your transgressions to fight you. It has grounds to attack you.”

These words of the Executive Director of Transparency International-Kenya (TI-Kenya) during the recent “New Anti-Corruption Governments’ Meeting” in Nairobi, sum up the editorial message of this issue of *GII Alert*.

Kenya, like Ghana, is among countries considered to be in democratic transition from a chequered history of bad governance and dictatorship marked by prevalent and endemic corruption over. Historic opportunities presented themselves in 2000 (in Ghana) and 2002 (in Kenya) when political parties that were hitherto in opposition won elections – largely on an anti-corruption platform and rose to power amid great expectations from their citizens.

The ‘window of opportunity’ usually opened to such seemingly reform-minded regimes is indicated by the support of citizens for government policies and assurances of increased development support by the donor community. But what becomes of these opportunities when they’re not utilized in a timely way and translated into meaningful development for the country and its people?

We can hazard an answer from recent developments in Kenya where the failure to institutionalize the fight against corruption has brought that country’s efforts at reforming to naught. The lack of political will to do the (right) things that would bring about real change, to move beyond short-term, quick fixes, to more thorough, long-term institutional reforms, leaves a lot of room for counter-reformers and time-tested corrupt networks to re-group and prevail.

It is important for reformers to bear in mind the continued existence of counter-reformers – both in and outside government and to be prepared to deal with them appropriately. Corruption networks are hard to break up, and when a government fails to take decisive steps to close the systemic gaps and loopholes that are usually exploited by these networks, it runs the risk of becoming victim of their traps.

Ghana might be perceived by many to be doing relatively better than many African neighbours, but nobody should allow complacency to creep in and destroy the on-going efforts at reform, even as they are not going at the desired pace. The steps being taken by government in the area of legislative and institutional reforms need to be given greater momentum and focal anti-corruption institutions need to be properly resourced in order to have the needed independence to deliver.

The attempts at a coalition-building approach through the Ghana Anti-Corruption Coalition (GACC) need to be encouraged and supported by all stakeholders, namely civil society, the private sector/business, government and our development partners. Without such a strong partnership built on genuine cooperation between those involved, the sustainability of reforms is questionable and the danger of corruption fighting back and recapturing the body politic is imminent.

We hope that the lessons learnt from the experiences of others, especially the Kenyan experience, will be a guide to our political leaders and all other stakeholders so that we do not end up trekking on the same path of failed leadership/promises with its accompanying repercussions for (good) governance and the much-needed peace and stability of our countries.

Assessing and Reforming Public Efforts to Control Corruption

By Prof. Larry Diamond

There is wide agreement both within Africa and internationally that extensive corruption constitutes one of the principal obstacles to economic development in Africa. Corruption undermines the effective deployment of public resources for development. Development requires that the resources of government be used to generate public goods that will benefit the whole community. But corruption obstructs development by discouraging private investment, wasting resources, proliferating needless regulations, swelling budget deficits, and diverting resources from the kinds of investments that will increase the capacity to generate wealth. Funds that could go to educate and inoculate children, pave roads, build markets, dig wells, and generate electricity instead leak out into foreign bank accounts.

Many Africans, and international observers as well, feel that the root of the problem is either bad leadership or distorted values. From this perspective, corruption could be dramatically reduced if only African countries could get “good leaders”—people who are honest, fearless, and strong, to enforce high standards of public conduct on those below them. Or, it is argued, what is really needed is a transformation of cultural values, so that corruption is no longer expected and encouraged, and so that public officials no longer come under pressure from family and community members to violate the public trust in order to distribute benefits to them.

Better leadership and normative transformation are needed if corruption is to be controlled. But they are unlikely to be the cutting edge of change. Rather, values will change, and leadership will become better—more transparent, accountable, and dedicated to the public good—when there are strong institutions in place that generate the right incentives for good performance.

The key to controlling corruption is to get the incentives right. It must be possible for individuals in public office to earn a decent and respectable income, matching their talents, experience, and performance, through their official salaries and benefits. People who serve honestly and effectively must have the opportunity to be promoted and rewarded. By the same token, those who violate the public trust by embezzling public funds, inflating contracts, rewarding contracts to their cronies, family members, or even their own shell companies, or otherwise using their office to unfairly and improperly benefit themselves and their associates—such people should be seriously punished.

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Transparency International's Minimum Standards for Public Contracting

Transparency International's Minimum Standards for Public Contracting provide a framework for preventing and reducing corruption based on clear rules, transparency and effective control and auditing procedures throughout the contracting process.

The standards focus on the public sector and cover the entire project cycle, including needs assessment, design, preparation and budgeting activities prior to the contracting process, the contracting process itself and contract implementation. The standards extend to all types of government contracts, including:

- **procurement of goods and services**
- **supply, construction and service contracts (including engineering, financial, economic, legal and other consultancies)**
- **privatisations, concessions and licensing**
- **subcontracting processes and the involvement of agents and joint-venture partners.**

Public procurement authorities should:

1. Implement a code of conduct that commits the contracting authority and its employees to a strict anti-corruption policy. The policy should take into account possible conflicts of interest, provide mechanisms for reporting corruption and protecting whistle blowers.
2. Allow a company to tender only if it has implemented a code of conduct that commits the company and its employees to a strict anti-corruption policy.
3. Maintain a blacklist of companies for which there is sufficient evidence of their involvement in corrupt activities;

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of money but injured and killed people, especially when built in disaster-prone areas.

Prof. Emmanuel Gyimah-Boadi, a member of the GII Board who chaired the occasion, said given the highly international nature of construction corruption, there was the need for enhanced transparency in donor-funded projects to facilitate citizen monitoring.

alternatively, adopt a blacklist prepared by an appropriate international institution. Debar blacklisted companies from tendering for the authority's projects for a specified period of time.

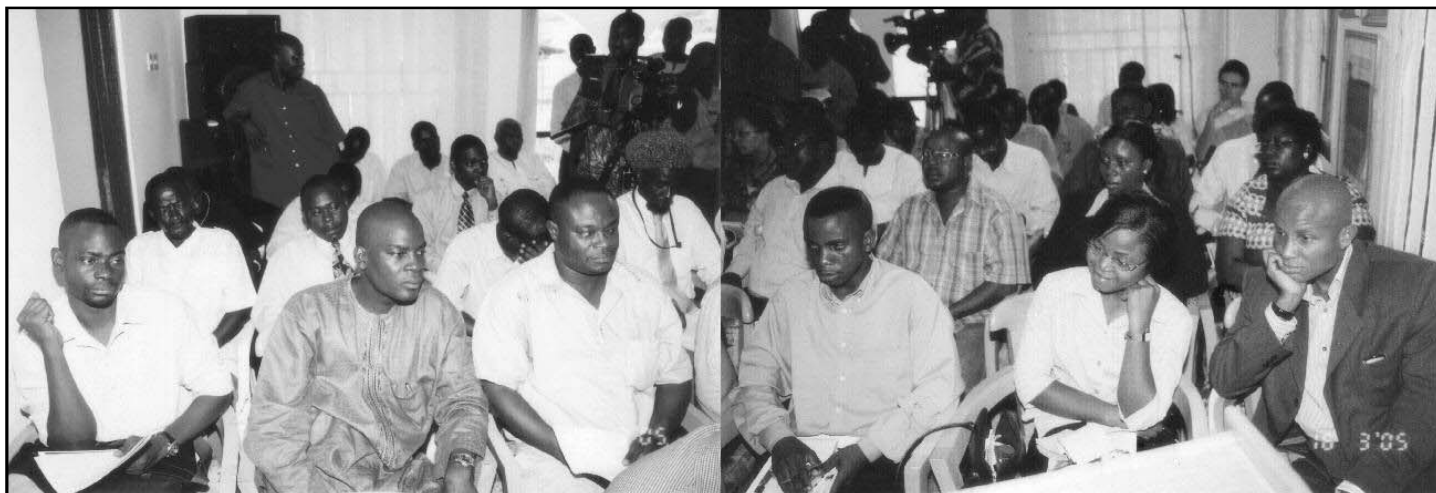
4. Ensure that all contracts between the authority and its contractors, suppliers and service providers require the parties to comply with strict anti-corruption policies. This may best be achieved by requiring the use of a project integrity pact during both tender and project execution, committing the authority and bidding companies to refrain from bribery.
5. Ensure that public contracts above a low threshold are subject to open competitive bidding. Exceptions must be limited and clear justification given.
6. Provide all bidders, and preferably also the general public, with easy access to information about:
 - **activities carried out prior to initiating the contracting process**
 - **tender opportunities**
 - **selection criteria**
 - **the evaluation process**
 - **the award decision and its justification**
 - **the terms and conditions of the contract and any amendments**
 - **the implementation of the contract**
 - **the role of intermediaries and agents**
 - **dispute-settlement mechanisms and procedures.**

Confidentiality should be limited to legally protected

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He called for improved public and civil society vigilance in monitoring of projects as well as making official asset declaration more accessible.

Prof. Gyimah-Boadi said the Assurances Committee of Parliament needed to be strengthened to enable it to monitor promises made by ministers and public officials in the performance of their duties.



Some participants at the launch of the GCR 2005 including Hon. Haruna Iddrisu (NDC MP, Tamale South - second from left) and Mr. Mustapha Hamid, Youth Organiser of NPP (extreme right).

PUBLIC PROCUREMENT ACT 663 (2003): ITS TRUE FORM AND NATURE?

By T. A. Aikins

It is an indisputable fact that public procurement is the most fertile ground for public corruption and constitutes over 70% of the canker. For many years, attempts have been made to combat this crisis even by the United Nations and the World Bank. In the case of the World Bank, despite several purchasing workshops and seminars that have been organized all these years, including the Bank's publication of a document entitled "World Bank's Role in Helping Countries Combat Corruption," the results have been disappointing. The introduction of a Public Procurement Act, in the minds of many, should be the antidote for public procurement corruption, but this is extremely doubtful.

In the field of procurement, there are several safety valves that can be installed to close corruption holes. Just establishing a tender system, laws, acts and sermonizing on transparency and accountability as found in Act 663, do not and have never solved the problems. If these had, none of the problems would have existed now in any part of the world, because there have

been laws since Adam. The most reliable method of combating this public corruption is the will of governments to promote centralized procurement with the crème of the nation's usually few brains in procurement and the determination by governments to ensure that the outfit always has a "Procurement Health Certificate." The "health certificate" of any procurement outfit is its "certificate of clean performance," after a ritual bi-yearly examination or probe into its operations. Even before the probe, there should be few unannounced procurement audit checks and not financial audits.

It has been the policy of donors granting loans and grants to governments to insist on the hiring of the services of a well established public procurement agent (centralized), as one of the loan conditions. This is to ensure that procurement, under loans granted, is carried out professionally and efficiently for the maintenance of essential governmental services. It is based on this need for the protection of public funds and tax payers' money that this popular and wise opinion in procurement circles is so respected. The wise opinion being that where a public officer openly ignores the advice of an expert against his wrong policies and procedures, his future pleas and defense on grounds of "ignorance" and "acting in good faith" should be dismissed if his action or actions are found to cause or have the potential to cause the least quantum of financial loss to the state

Views on Ghana's Public Procurement Act were made open to authorities concerned even before the preparation of the basic documents for the Act namely, PUFMARP, [CPAR] 2003 and the Bill. Also, special and classified memoranda were sent to authorities concerned advising, among others, of the **importance of sound and efficient public procurement practices** and the need for the establishment of a **Procurement Audit Unit** either at the Presidency or under Parliament, to advise, control and monitor procurement procedures and practices.

Despite the fact that the tendering procedures loaded in the Act 663 have been the procurement training materials for our

public officers at many workshops and seminars patronized by some donors for many years, available World Bank and Finance Ministry reports by some world renowned procurement consultants have stressed the need for review, reform and restructuring of our distorted procurement systems and procedures. Even one of the leading world consultants wrote in his report in 1996 that Ghana had the best public procurement principles and procedures established in the sixties. The truth is that Act 663 does not contain anything near the best established in the 60s, which was under a centralized and a more economical system of procurement.

It is hoped that many memoranda issued out to the authorities, are still being studied. It is, however, regretted that if the documents had been studied earlier, recent public outcries and criticisms against Government for procurement (with tenders & contract) malpractices, would not have occurred. Nevertheless, since the documents are classified, there is the need for calm, patience and tolerance with the hope that Government would react accordingly. It is also

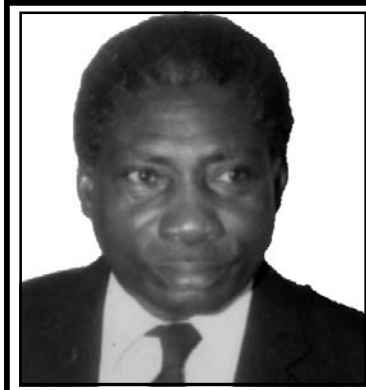
hoped that Government would take judicious notice of other views contained in the documents already issued out, as matters unfolding now support some serious concerns expressed in those documents.

The President has very good intentions and should be commended for urging the promulgation of this Public Procurement Act as a dependable and reliable government plan to combat procurement corruption. Unfortunately, what has been given to the President are distorted, cumbersome, delay-oriented and debatable district, regional and national tendering ideas with some coloration of Human Resource Management, referred to in the Act not as "employment of consultants", but as "procurement of consultants."

The "health certificate" of any procurement outfit is its "certificate of clean performance," after a ritual bi-yearly examination or probe into its operations. Even before the probe, there should be few unannounced procurement audit checks and not financial audits.

The entire regional and district tender systems which constitute only about 10% of the operations on a procurement cycle, could have been improved with the reinstatement and/or enforcement of the office of a professional director of supplies at the Finance Ministry, as an overseer, to save cost. We already had a public procurement Act 7 1960 which planned, influenced and encouraged those procurement principles and practices being referred to as the best, by one of the world's leading consultants in procurement. All that was needed was to reactivate the politically influenced collapse of the organization by restructuring and

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The Author

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reviewing the adulterated procedures and most importantly, enriching the organization again, with skilled and seasoned professional manpower.

The most pertinent and salient questions now are: firstly, what is Government's policy and guidelines on the remaining (about) 90% of procurement operations which truly represent public procurement but not covered in the Act? Secondly, judging from how the consultants for the preparation of the base materials for the Act were 'procured' and the results now, and also how the new Board is 'procuring' consultants to treat the ills of the Act when - as we already know - unguarded procurement has problems, is it not wise for Government to be sure of the path it is treading before spending any money on this seemingly non-starter Public Procurement Act?

Public Procurement Act 663 is a queer decentralized system. It has decentralized only the tendering system and is silent on many highly technical and professional procurement functions for higher thresholds needed by Government and performed under the centralized Procurement system by seasoned procurement professionals. Again, it is silent on the already decentralized LPO system intended for smaller thresholds and which constitute about 50 % of budgetary requirements. To implement Act 663 is a very expensive, tiring and cumbersome assignment if gift funds are available, but a quick strategic retreat, is a preferable choice.

With the incoming decentralized system consisting of a dispersed army of entities, tender committees, tender evaluation committees and tender review boards, etc., how can a procurement board perform efficiently and also judge its performance on anti-corruption - in the face of increasing demand for government accountability by anti-corruption watchdogs?

Admittedly, there are very serious loopholes for corrupt practices in procurement, purchasing and in materials management and there have been some case-studies and reports documented and distributed to some governments and procurement training institutions in Africa. A public procurement act cannot spell these loopholes out with solutions. Even though the new Act ventured into a winding tendering and the hiring of consultants procedures, it ended up becoming more cumbersome, woolly and difficult to be implemented in time.

A Public Procurement Act should only outline governmental policies and guidelines on commodity based procurement, appoint the correct procurement body, disallow Ministerial and political interference, direct the Board to carry out correct selection and placement ...

A Public Procurement Act should only outline governmental policies and guidelines on commodity based procurement, appoint the correct procurement body, disallow ministerial and political interference, direct the board to carry out correct selection and placement, do professional public procurement and not on commercial basis, be efficient, accountable, submit specially designed procurement returns periodically and, finally, offer itself for a bi-yearly probe by procurement experts, to detect and correct any haphazard, careless and fraudulent procurement practices. These have been the tested and achievable characteristics.

To enforce and/or satisfy governmental policies and guidelines against corrupt procurement practices, the appointing board should have the capacity to hire skilled, dedicated and dependable procurement professionals to establish and enforce anti procurement corruption principles and procedures with checks and balances. Unfortunately, instead of hiring a skilled procurement consultant, the board, presumably acting under Part VI, Section 68 Sub 2 (f) and (h), was procuring interested suppliers and contractors as consultants to prepare procurement guidelines and manuals without stating the educational requirements and skills needed for an applicant to qualify. It should be noted that section 69 Sub 2 (2) of the same Act demands that such consultants should be notified of the type of educational requirements and skills required by the entity.

There is the growing need for governments, particularly in the developing countries in this 21st century, to be aware of the import of public procurement and the differences among the following **three** pillars of a superstructure i.e. **Procurement, Purchasing and Materials Management**, upon which governmental development and also sound handling and custody of about 75% of any national budget rests. If these services are 'derailed' through bad policies and practices, it is very obvious that taxes would be raised; there could be public outcries and, finally, a political crisis. Governments should therefore help investigating consultants, financial audit reporters and other interest groups not to embarrass it (Government) with this tag of "procurement corruption," when there are many improved anti-corruption principles and procedures in Procurement, Purchasing and in Materials Management.

Ruling Governments are advised to note that willful violation of a standard procurement principle and/or procedure could end up causing financial loss to the State. Certain sensitive loopholes for corruption in public procurement also exist, including: suppliers lobbying for contracts and payments for contracts, advance notices for winners of contracts, politically motivated bulk purchases, emergency purchases, specialty and proprietary purchases, competitive tender select, selective negotiations, negotiations, emergency direct orders, distorted and loose tendering procedures and contract management, confidentiality, adulterated specification, receipt of bids and opening of bid-box, sub-grade *force majeure* clauses, etc. These have been the death traps of ruling Governments and Public Officers.

The truth is that whilst most ruling Governments find it difficult to seek advice from true procurement experts for obvious reasons, incoming Governments look for the same (procurement) experts to assist them unearth the hidden fraudulent and corrupt procurement practices of out-going Governments. What an irony! When Procurement Experts ignore such flirtations also for obvious reasons, including ethics, **the discoveries have almost been minimal or just scratches at the back of a huge dangerous animal called "financial loss to the state."** Governments should therefore **feel free** to seek the **true and tested** professional procurement advice and avoid facing embarrassment during their tenure or after they have left office.

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Corruption becomes a relatively rare phenomenon when there is a high probability that it will be detected, exposed, tried, and punished; when corrupt public officials are highly liable to suffer public disgrace, forfeiture of office and ill-gotten assets, and even imprisonment. There is no other way to put it: **If corruption is really to be controlled, seriously corrupt officials must go to prison. At the same time, honest officials must be well rewarded and respected.**

The key to controlling corruption is to determine what constitutional, institutional, and legal changes are necessary to generate this structure of incentives. It is important that salaries and benefits and conditions of service be adequate to attract capable, talented people to public service, and to enable them to live decently on their official salaries. At the same time, there must be a dense array of institutions to detect and punish corrupt conduct. Finally, although I do not focus on it in detail here, there must be a program of reforms to stimulate and free up the private economy, so that the scope for rent-seeking by state actors is significantly reduced, and so that the scope for accumulation of private wealth through honest enterprise is significantly increased. Then the norm can be established that those who want to get rich go into the private economy, and those who want to serve the public rest content with being paid a respectable middle-class salary.

Horizontal accountability is the process by which some agencies of government hold other government actors responsible for their conduct. It is most effective when there are overlapping, complementary agencies of accountability, that interlock into a comprehensive system, ensuring that if one agency fails to perform its duty, another will pick up the burden, and hopefully over time they will cooperate and interact to root out corruption and fraud.

The first institution of accountability is the law itself, which must clearly forbid all forms of improper enrichment, self-dealing, and other types of corrupt conduct. The law must ensure transparency in the conduct of government, especially the contracting and budgeting process, with freedom of information. It must require all senior public officials and members of parliament to declare their assets upon taking office, every year thereafter, and upon leaving office, and these assets declarations must be made available to the

mass media and the general public for inspection. Many systems of accountability fail because there is no means for the public to scrutinize and investigate the authenticity of the assets declarations.

Second, the judiciary is a vital institution to enforce the law, punish criminal conduct, and defend core constitutional principles. It must not only have the independence to function in this way, but the resources as well. This requires a constitution that provides secure tenure and professional means of promotion for the judiciary; that provides a relatively fixed number of judges, with long or indefinite tenure, on the Constitutional Court; and that ensures that the judiciary will be adequately funded, housed, equipped, and remunerated.

Second, there must be strong institutions of corruption control. These bodies, which are authorized to investigate potential wrongdoing, must have adequate staff and resources to function. They should also have independent authority to prosecute suspected offenders. In many countries, authority to prosecute rests with the Attorney General, who is appointed by the President or Prime Minister—a partisan individual, and often the head of the ruling party. However dedicated and honest the Attorney General may be individually, it is difficult to expect such an office holder who is part of the Cabinet to prosecute his fellow ministers, and if he or she is a member of the ruling party, his fellow party members. Independent authority to prosecute can ensure a greater likelihood that offenders will be tried and punished.

Fighting corruption also requires a strong office of Ombudsman to investigate public complaints and redress grievances, a human rights commission, an independent auditor general, independent electoral commission and so on. Sometimes, as in Ghana, the office of ombudsman and the human rights commission may be combined with some counter-corruption functions in a single office, as with the Commission on Human Rights and Administrative Justice.

If counter-corruption and good governance agencies are to function vigorously and effectively in the service of the public good, they must enjoy autonomy from political interference, restraint, and control. There must be a thick wall of insulation between these agencies and the partisan politicians who constitute the Cabinet and the leadership

of government.

Accountability works most vigorously when these various agencies of accountability are appointed, supervised, and funded by an independent authority, what could be termed a supreme oversight body. Too often, these agencies depend for their funding on budgetary recommendations by the president or prime minister, and budgetary allocations by the parliament. All of these actors are partisan individuals who would be closely monitored, and perhaps even investigated and prosecuted, by the agencies whose budgets they are setting. They do not have a strong incentive to establish a truly resourceful and effective set of counter-corruption institutions. The budgets for these institutions should therefore be established by an independent agency, which should also appoint the leaders of these bodies and supervise their conduct.

A strong network of public agencies for fighting corruption is vital, but it is not enough. An effective campaign to reduce and control corruption requires as well a mobilized civil society. It needs a vigorous network of NGOs, think tanks, business groups, and other advocacy organizations, linked to allies in the international community, who scrutinize the conduct of public officials, lobby for good governance reforms, and ally with the public agencies of accountability in efforts to make the laws work and ensure that citizens understand them. Necessary as well are comprehensive efforts at civic education to change the culture of corruption, and to ensure that citizens understand their obligations and rights under the law. A societal campaign to transform values and expectations from below can make progress, but only if it is reinforced by what citizens actually see and experience in their own lives and in higher public life.

Society must see that public officials are being held to account, that laws are being enforced, and that institutions are working, that corrupt officials are being investigated, tried, and when guilty, punished. Then values and expectations will begin to be transformed, and leadership will become more responsible, not necessarily because of any ethical or religious conversion, but because it suddenly becomes in the interest of public officials to obey the law and serve the public good.

Summary of lecture by Prof. Larry Diamond delivered at a Roundtable at Ghana Center for Democratic Development (CDD-Ghana) in Accra, Ghana, March 31, 2005.

INTERVIEW WITH HON. PAUL COLLINS APPIAH-OFORI

GII Alert had a lengthy conversation with Hon. P. C. Appiah-Ofori, Member of Parliament (MP) for Asikuma-Odobeng-Brakwa constituency, also referred to in certain media and public circles as “MP of Integrity” in the aftermath of the first round of vetting of (then) ministerial nominees of the President by the Vetting Committee in February. It is recalled that three of the nominees had their appointments deferred until further checks were done on the credibility of some of the evidence they presented to the Appointments Committee of Parliament. Hon. Appiah-Ofori, who is a member of the ruling New Patriotic Party (NPP), was among those who challenged the nomination of some of President’s men, specifically the Central Regional Minister, Hon. Isaac Edumadze. The ‘MP of Integrity’ cited alleged cases of corruption and abuse of office by the Minister which he was prepared to substantiate. Unfortunately, the Parliamentary Sub-Committee did not give Hon. Appiah-Ofori the deserved opportunity. Here are excerpts of the interview with **GII Alert**’s editor.

GII Alert: Tell us the background to your strong commitment to the fight against corruption.

Hon. Appiah-Ofori:

In August 1981, I was the Chief Accountant of Bibiani Metal Complex and Bibiani Wood Complex. When I assumed office in 1981, I discovered that the Managing Director of the company was involved in under-invoicing of export of wood products and over-invoicing of imports of raw materials for manufacturing agricultural implements. .

The Managing Director would collect land pro-forma invoices from foreign suppliers and would complete the pro-forma invoice here with amounts of his choice. For example, if a consignment was worth 10,000 pounds sterling, the Managing Director would make it 100,000 pounds sterling. And because of the licensed regime that was in place, a letter of credit would be established and the money would be transferred to the external suppliers and reaching there the difference between the actual value and the figure given by the Managing Director is paid into the foreign account of the Managing Director.

In the case of the under invoicing, the Managing Director was quoting high price products as low price products and the difference again was paid into his account. This had taken place for a long time and the government had lost huge sums of money running into several millions of cedis. So I asked him to discontinue this act and he offered to assist me build a house and own cars, but I told him that national interest should have precedence over anything. So when he did not stop and Rawlings staged the coup, I compiled all those figures and then reported to Rawlings, who incidentally referred the matter to the National Investigation Committee [NIC] for investigation. This was investigated and the allegations were confirmed. The decision of the government then was that, he should repatriate all the sums of money he had kept abroad and pay the state reparation of 2 million cedis at that time in addition to losing his position. This was complied with and all the sums of money were returned to Ghana.

When the money came, some people in the Provisional National Defence Council [PNDC] shared the money among themselves. So I wrote to Rawlings again and told him that he has surrounded himself with thieves and the thieves would assist him to destroy the country. This didn’t go down well with those I described as thieves in my letter and subsequently I was arrested and detained at the Gondar Barracks where I was beaten very well. A soldier helped me to write a petition to Rawlings and two days later I was released. What I’m saying is that it was when I was young that I started fighting corruption, not when I joined the New Patriotic Party [NPP].

GII Alert: What is your motivation for fighting corruption in Ghana today?

Hon. A-O:

I know for a fact as an accountant that, if internal control is not enough in a system, fraud cannot be prevented and losses will be incurred in the system. Similarly, if the whole country is being managed and certain acts or omissions of people are not controlled, this will result in losses and government will not be able to access enough funds to prosecute its projects and activities to bring about improvement in the lives of the people. Should this happen, government would be seen to have failed, so as a member of the party that is in government, I owe it a duty to contribute to prevention of such negative tendencies.



Hon. P.C. Appiah-Ofori

But let me refer you to Article 1[1] of the 1992 Republican Constitution of Ghana- “the sovereignty of Ghana resides in the people of Ghana in whose name and for whose welfare the powers of government are to be exercised in a manner and within the limit laid down in the Constitution.”

In other words, if a political party is given power through the ballot box, the power is given to that political party to form a government and exercise the power for the welfare of the people. So if there are any negative tendencies that would prevent the government from exercising this power in this direction a fight must be waged against it. Again, we must also look at Article 35 [8] of the Constitution which states, the state must take steps to eradicate corrupt practices and the abuse of power. Having sworn to defend and uphold the Constitution, it becomes a duty for all of us to put in place measures that would eradicate corruption and the abuse of power so that the government can give effect to Article 1[1].

GII Alert: You were the Chairman of the Assurances Committee in Parliament, how does your party view your work in this committee?

Hon. A-O:

I was the Chairman of the Assurances Committee and the Ghana Poverty Reduction Strategy Committee during the last session of Parliament and in my effort to ensure that money allocated in the budget for prosecution of programmes that would bring about reduced poverty, I wrote to

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In other words, if a political party is given power through the ballot box, the power is given to that political party to form a government and exercise the power for the welfare of the people. So if there are any negative tendencies that would prevent the government in exercising this power in this direction a fight must be waged against it.

GII ACTIVITIES FOR THE QUARTER (JAN-MARCH, 2005)



Mr. Daniel Batidam, Executive Secretary of GII, granting an interview to journalists after the launch of the Global Corruption Report.



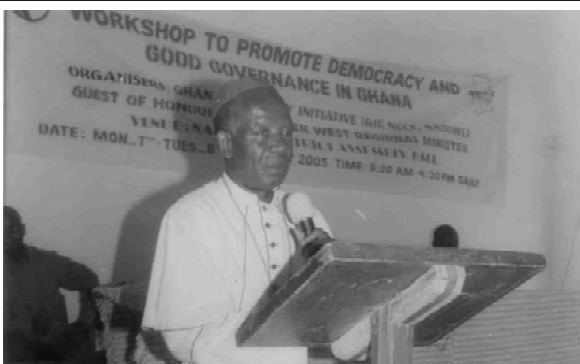
Mr. H. S. Haruna, Regional Director, NCCE, Bolgaatanga delivering an address at the Bongo Workshop.



Mr. Bless Kwame Darkey, Senior District Budget Analyst, KEEA District Assembly, addressing participants at the Mfantseman District Workshop.



Representatives from the Security Agencies at the Mfantseman Workshop.



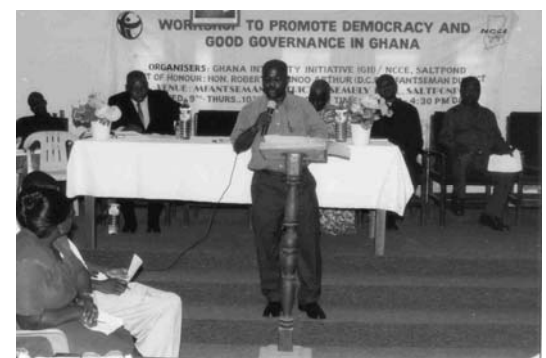
Most Rev. Paul Bemile, Bishop of Wa Diocese delivering an address at the Nadowli District Workshop.



Participants at the Nadowli Workshop.



Participants in a group-work session at the Mfantseman District Workshop.



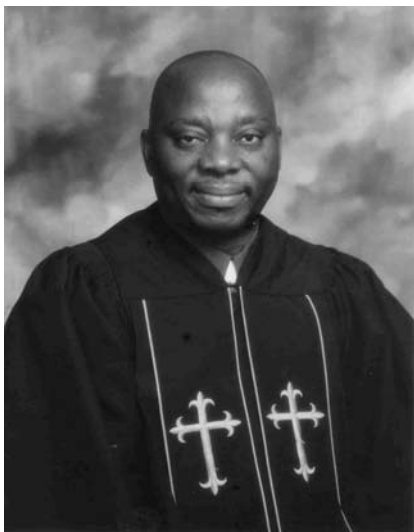
Hon. Robert Quainoo Arthur, District Chief Executive of Mfantseman, addressing participants at the opening ceremony.

GII Partners Corner

News about GACC member institutions and other partners

Rev. Dr. Deegbe Elected GACC Chairman

Rev. Dr. Fred Deegbe, General Secretary of the Christian Council and representative of the Forum of Religious Bodies in Ghana (FORB), was recently elected new Chairman of the Ghana Anti-Corruption Coalition (GACC). His election took place at the end of a two-day strategic planning meeting of the Coalition, held recently at Akosombo. Ms. Anna Bossman, acting Commissioner of CHRAJ was also elected Vice Chairperson. Members of the Coalition include; Ghana Integrity Initiative (GII) Centre for Democratic Development (CDD), Serious Fraud Office (SFO), National Governance Programme (NGP), Ghana Journalist Association (GJA), Commission for Human Rights and Administrative Justice (CHRAJ), Forum of Religious Bodies in Ghana (FORB), Institute of Economic Affairs (IEA) and Private Enterprise Foundation (PEF).



Rev. Dr. Fred Deegbe

If private sector corruption represents the supply side of the problem, corruption in the government is where the demand resides; abating corruption in the public sector would have a significant and salutary effect on the scale of the problem in the public sphere.

Prof. E. Gyimah-Boadi

IEA Forum on Election 2004

As a sober reflection on the outcome of the Elections 2004 and its implications for government policy, Dr. Kwesi Jonah, Head of the Governance Unit of the Institute of Economic Affairs (IEA) presented a paper at a round table discussion on the topic: "Election 2004 and the Policy Challenge of the Government."

The paper sought to address two main questions:

- i. From the results of Election 2004 what can we learn about the social support base of the two major parties in Ghana, the NPP and the NDC?
- ii. What are the implications for government policy of this support base?

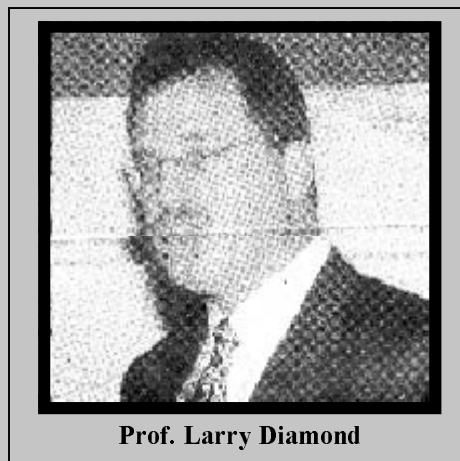
The discussion which was held on February 15 at the IEA Conference Room, brought together diplomats, parliamentarians, politicians, media practitioners and civil society groups.

CDD-GHANA HOLDS ANNUAL LECTURE

The Centre for Democratic Development (CDD-Ghana) has instituted an annual lecture on democracy and good governance dubbed 'Kronti ne Akwamu' lecture. The maiden edition of the annual lecture was held at the British Council Hall in Accra on March 1.

The theme for this year's lecture was "Democracy, Development and Good Governance: The Inseparable Links". The lecture was delivered by Professor Larry Diamond, Senior Fellow at the Hoover Institution, Stanford University in the USA. It attracted a wide audience from various interest groups, including governance institutions, civil society organisations, members of parliament, ministers of state, members of the diplomatic corps, and a wide range of representatives from diverse professions, including academia.

Larry Diamond also led a round table discussion on "Assessing and Reforming Public Efforts to Control Corruption" at which he delivered a paper followed by brief remarks by the Executive Secretary of Ghana Integrity Initiative (GII), Mr Daniel Batidam.



Prof. Larry Diamond

Picture credit: Daily Graphic

"Corruption hurts the poor disproportionately – by diverting funds intended for development, undermining a government's ability to provide basic services, feeding inequality and injustice, and Discouraging foreign investment and aid"

- Kofi Annan, UN Secretary-General in his statement on the adoption by the General Assembly of the UN Convention against Corruption.

REVIEW OF THE 2005 GLOBAL CORRUPTION REPORT

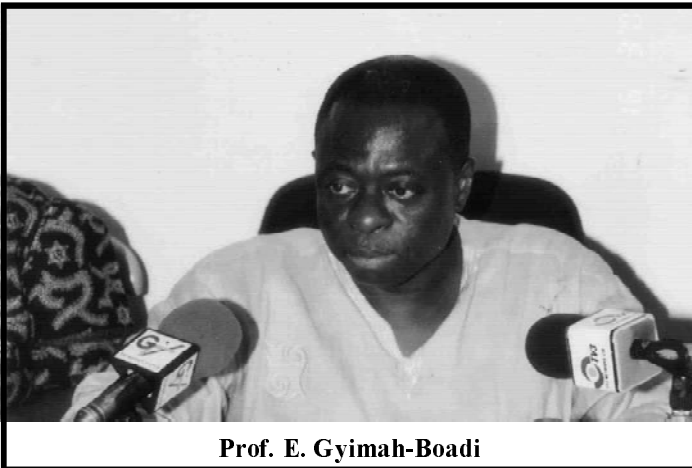
By Prof. E. Gyimah-Boadi

Scope of the report

I am pleased to welcome you on behalf of the Governing Board of Ghana Integrity Initiative (GII) and on my own behalf to this event to present the 2005 installment of the Global Corruption Report (GCR).

GII is particularly delighted because the report focuses on a crucial but poorly studied and poorly analyzed area of public corruption in construction and post-conflict reconstruction. You only have to think of post-conflict reconstruction in Sierra Leone, Liberia and even Iraq to appreciate the gravity of the issue.

Before the formal statement of the report is given by the Executive Secretary of GII, Daniel Batidam, permit me to make some general remarks on the report and to situate it in the Ghanaian context.



Prof. E. Gyimah-Boadi

The report begins with an insightful foreword by Francis Fukuyama of the John Hopkins University's School of Advanced International Studies, and an introduction by TI's Peter Eigen, lucidly outlining TI's international minimum standards for public contracting.

The GCR also contains highly informative essays on some of the major sub-themes and issues in the area of corruption in construction and post conflict reconstruction, as well as seminal case studies written by some of the world's foremost anti-corruption experts and practitioners.

The report confirms the truly global nature of the phenomenon of construction corruption by presenting over 40 cases studies and research reports on corruption in public construction projects in countries ranging from Argentina through Norway to Zimbabwe.

It shows that corruption is deeply ingrained in the construction sector and in post-conflict reconstruction projects all over the world. It is prevalent in both developed and developing countries. The US and Japan have experienced grotesque construction scandals. But it is also evident that con-

struction and post reconstruction corruption is more rampant in countries with weak state and governance structures.

The report also captures the huge international dimension of the problem of construction corruption-with examples such as corruption in post-Saddam reconstruction in Iraq and in Lesotho's Highland Water Project.

Factors responsible for construction corruption

The leading factors responsible for the high incidence of corruption in public construction are clearly identified. But we must be looking at the preventive side as well. A most important instrument in the effort to reduce corruption in the construction sector in Ghana is the passage of the Public Procurement law and the establishment of the Public Procurement Board. The 2005 GCR should remind us how crucial it is that we now focus on the full implementation of the new Act, beyond the appointment of the Board, and why we must focus on the elaboration of clear and monitorable implementation procurement procedures.

We have to develop measures that guard against and penalize contractors who engage in collusive bidding for public construction contracts.

We must develop a culture of transparency in the execution of public works projects. For starters, we must make it mandatory for signboards to be posted at all public works construction sites indicating basic contract details such as what is being constructed, construction sum, duration of the construction, funding agency, etc.

In addition to monitoring by relevant public agencies, citizens and citizen groups must participate actively in monitoring the execution of public works, ideally in collaboration with relevant professional bodies such as the Institution of Engineers, Architects, and Quantity Surveyors.

It is the hope of GII that the 2005 GCR, would spur us to institute both preventive and curative measures aimed at addressing corruption in the construction sector.

“The perception and perhaps the practice is that many elected officials make decisions prompted more by the need to repay their contributors than to represent their constituents, while lawmakers bend or break the rules to stay in power and protect their wealthy sponsors.”

Gene Ward
(Former member, Hawaii State House of Representative)

(Continued from page 7)

the ministries to account for 29 trillion cedis which had been given to the ministries, departments and agencies [MDAs] to prosecute certain activities and programmes with the view of bringing down the level of poverty in Ghana. When I wrote letters to the ministers, certain personalities accused me of trying to probe the government and therefore I was not surprised that when the opportunity slipped into their hands from the beginning of this term, I was completely replaced as the chairman of these committees. This is because when I was the Chairman of these committees, I took on the ministers whenever they went out of their way to do acts which were likely to impair the success of the government's programme. The action didn't get down well with them and consequently I was removed.

GII Alert: How do you feel after being vocal over the appointment of some ministers during the recent vetting exercise? Do you feel let down by your party now that these personalities have been given the approval?

Hon. A-O:

Certainly yes, I was disappointed that in spite of evidence [documentary] I placed before the Appointments Committee and went on further to plead before the President of Ghana, the Appointments Committee recommended the approval of Hon. Isaac Edumadze as the Central Regional Minister and the President also went ahead to swear him in. This is very disappointing.

GII Alert: How do you see your own government's commitment to the fight against corruption? Are you satisfied with its performance?

Hon. A-O:

I would not say yes. A lot of things should have been done properly. You see when something goes wrong and the matter is brought to the notice of authorities and they fail to take remedial actions to prevent the recurrence, one would not say that the authority is serious in trying to remedy the situation. I have not seen any signs that the government is trying to do that, maybe in future, but not now.

GII Alert: What about legislation to fight corruption, for instance, the Freedom of Information Bill? And also your comment about the Public Procurement Act was enacted over a year ago?

Hon. A-O:

Even without the Public Procurement Act, there were other Acts which if properly complied with, would even prevent corrupt practices. But the problem in the system is that, the law is made and when it comes to its application, it is ignored. The Public Procurement Act, if properly implemented, could prevent corruption but am yet to see that it works. If the people who are to implement this are not ready to stop corruption, there is no way the law can stop corruption.

If you look at Article 187[5] the Auditor-General is supposed to audit the public accounts six months after the end of the financial year and submit his report to Parliament, and in the report would highlight irregularities that come to his notice. Universally, a person to whom audit reports are submitted is the one who has to

take remedial action to prevent the recurrence of this. Therefore, it is not the President or the Minister, rather Parliament, whose duty it is to prevent the recurrence of irregularities brought to its notice through the audit report. The Auditor-General's reports to Parliament are in several years' arrears. Since the New Patriotic Party [NPP] assumed office in 2001, as far as I'm concerned, I saw only one report on the consolidated accounts and that was the 1998 report. In the case of receipts of foreign exchange of Bank of Ghana, Article 184[2] and [3] indicates that Bank of Ghana should make available to auditors its accounts of receipts and payments of foreign exchange and that the Auditor-General should also take three months to audit it and bring it to Parliament. So in a year, there are supposed to be two audits which must come to Parliament.

The last audit report that has come to Parliament in respect of receipts and payments of foreign exchange is that of 1997. No report on the activities of the NPP government has come to light since 2001. **So long as these audit reports are not brought to the notice of Parliament, anybody saying that he is fighting corruption is day dreaming.**

Again, when the report comes to Parliament, and it is debated, nothing happens after the debate.

GII Alert: What is your view about Parliament's role as a check on the Executive and Parliament's performance as an institution?

Hon. A-O:

Constitutionally, Parliament has the teeth to bite. Referring to Article 103[3], standing committees of Parliament are to investigate and inquire into the activities of ministries, departments and agencies and these committees are given the powers of a high court to summon people to appear before them. Therefore, Parliament has the power to do things. But in practice, that power is not put to use. For example, I took on Kwamena Bartels, Minister of Private Sector Development, when he went out of his way to make empty promises that cannot be fulfilled and people started abusing me that I was running down the government. I took on Isaac Edumadze and laid before the Appointments Committee of Parliament his corrupt practices and today I am being branded as running down the government.

GII Alert: What are your expectations about the future of fighting corruption in our society?

Hon. A-O:

From what I went through a few weeks ago, I can say that if you think you are fighting corruption and you think you will succeed, you are only wasting your time.

We will not succeed because if people found to be corrupt are not even reprimanded or punished to serve as a deterrent, then what are you saying? If civil society itself would join in condemning somebody who is fighting corruption, do you think it will encourage you to continue with the fight? Unless civil society itself is ready to play its role, there is no way we can fight corruption in our society.

GII Alert: Do you hope to continue this anti-corruption cam-

(Continued on page 14)

...if people found to be corrupt are not even reprimanded or punished to serve as a deterrent, then what are you saying? If civil society itself would join in condemning somebody who is fighting corruption, do you think it will encourage you to continue with the fight?

Corruption issues in Africa and around the world

Special feature on Kenya

Corruption haunts Kenya's leader

By Gray Phombeah, BBC, Nairobi

For Kenya's President Mwai Kibaki, the last several weeks must have felt like a shadow passing over his grave.

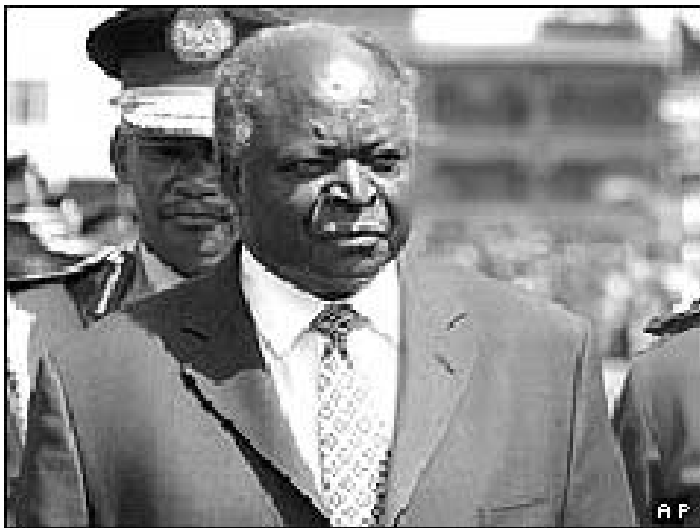
This is the man who swept to power two years ago on an anti-corruption ticket - riding a wave of euphoria after years of rising poverty and individual greed.

His electoral victory ended former president Daniel arap Moi's rule, blamed for instituting a culture of graft and dictatorship that crippled Kenya's economic development and stunted political life for almost a quarter of a century. But the spectre of high-level corruption has now returned with a vengeance to haunt Kibaki's own coalition government, leaving his cabinet divided and his leadership wounded.

It came in the wake of allegations that corruption has cost Kenya \$1bn - nearly a fifth of its state budget - under the Kibaki administration.

The allegations went on to reinforce the increasingly widespread perception of Mr Kibaki and his inner circle as a nest of power-hungry corrupt leaders as bad as those under Mr Moi.

Aid suspended



High hopes for President Kibaki have been replaced with frustration

The new corruption crisis was sparked by a speech at a dinner party by the British high commissioner in Kenya, Sir Edward Clay.

He bemoaned what he described as the "massive looting" of public funds by senior officials of the Kibaki administration.

The UK envoy told his stunned audience that he had handed the Kenyan authorities a dossier of 20 dubious contracts and allegedly crooked procurement ventures - only six months after complaining that corrupt Kenyan ministers were "eating like gluttons" and "vomiting on the shoes of foreign donors".

A few days later, Kenya's leading anti-graft official John Githongo resigned, saying he was no longer able to continue serving the government of Kenya.

The US and German governments then acted, announcing

that they were suspending all of their aid to Kenya's anti-graft agencies several million dollars.

The European Union and Japan also warned that their aid might be jeopardised if Kenya did not put its house in order.

In response, ministers allied to President Kibaki launched a



John Githongo Kenya's former anti graft boss

vicious personal attack on Sir Edward, accusing him of lying. The ministers cited several inquiry commissions and anti-graft agencies set up by the government as clear indication that the Kibaki government was committed to fighting graft.

Away from diplomatic circles, the coalition government edged closer to collapse when four senior members of the Kibaki cabinet launched a stinging attack on his administration, urging him to sack ministers implicated in the new corruption to redeem the image of his government.

Bitter battle

It was the latest in a series of setbacks for President Kibaki since his National Rainbow Coalition (Narc) won a landslide victory in the December 2002 elections.

From the moment of his swearing-in ceremony, cracks in the new leadership brought about by the jumble of egos, agendas and parties making up the Rainbow Alliance began to show as coalition partners accused President Kibaki of going back on jobs promises when he named his new team of ministers.

At the same time, Kibaki's laid-back style of government partly blamed on injuries he sustained in a car crash on a campaign trail in 2002 did not help matters.

His aloofness and his hands-off approach unwittingly gave the impression of a leadership in limbo for much of his two-year presidency.

It fuelled a growing view that he was unsuited for high office. His critics say he failed to end the bitter internal struggle between the main two factions of the Coalition - his National Alliance of Kenya (NAK) and the Liberal Democratic Party (LDP) led by Raila Odinga, seen by many as the coalition's strongman who delivered the opposition's victory in 2002 elections.

Even more dangerously for Mr Kibaki, say local analysts, was the way he allowed two ministers allied to him - Justice and Constitutional Affairs Minister Kiraitu Murungi and Inter-

(Continued on page 13)

(Continued from page 12)

nal Security Minister Chris Murungaru - to run the government machine and antagonise other coalition partners.

Mr Murungaru's ministry, together with that of the Finance Ministry, is now at the centre of several suspect government deals.

Corruption crisis

Two of these involve the procurement of passport equipment and police forensic science labs.

Back in March last year, a sharp rift within the coalition government over a new constitution seeking to curb President Kibaki's power almost brought the government to the brink of collapse.

It prompted the government to officially withdraw from the conference convened to write a new constitution.

In an act of defiance, most of the 629 delegates - including three cabinet ministers - went ahead and voted to trim presidential powers against the government's wishes.

Facing renewed opposition from Kibaki's allies, the constitutional reform process has since then remained stalled.

Responding to the new corruption crisis, President Kibaki last week announced a cabinet reshuffle - switching his ally Chris Murungaru from internal security ministry to transport - a move donors and local critics termed too little, too late.

Death sentence?

Then, six former senior officials were put on trial on corruption charges.

President Kibaki says he has not lost the political will to fight corruption. But demanding more blood, critics say the accused were mere small fish.

Adding further pressure on the president to act quickly to curb high level corruption in his government, the British government announced that they would enforce a travel ban on Kenyan ministers and businessmen implicated in corruption.

Media houses, religious leaders and NGOs have also been applying their own pressure, arguing that ministers tainted by corruption should be dismissed while investigations are conducted.

Some have even called for Mr Kibaki to step down.

With his government now looking weakened, his friends and foes seem to agree that the man elected as a crusader against corruption appears increasingly overwhelmed by the issue.

Civil Society and Private Sector Statement on the Resignation of the Permanent Secretary, Governance and Ethics, Office of the President, Kenya

Mrs. Gladwell Otieno
Executive Director, TI - Kenya

We, the undersigned civil society and private sector associations and organisations would like to express our anger and outrage at the implications of the resignation of John Githongo from the position of Permanent Secretary for Governance and Ethics under the Office of the President.

As the founder of the Kenyan chapter of Transparency International (TI), Githongo brought to the government ethical credibility and legitimacy whose financial benefits can only be said to be indisputable. Thus his resignation, despite already being framed by the government as being the result of 'professional opportunism' sounds the death knell on this government's purported anti-corruption effort.

The implications of his resignation are many, however much this government may try to dispute them:

First, his resignation makes it clear that the influence of reform-minded civil society actors in government with respect to accountability is over. We are particularly concerned about the fate of other former civil society actors in anti-corruption initiatives as well as in the Law Reform Commission and Kenya National Human Rights Commission (KNHRC);

Second, his resignation makes it clear that of the two parallel imperatives within this government—the first being ethical and reform-minded and the second being corrupt and politically-expedient—the latter is winning. We are especially concerned about the future of the so-called 'war against corruption' in this dynamic;

Third, his resignation makes it clear that the plethora of so-called anti-corruption initiatives need harmonisation and legal standing. We no longer believe in this government's commitment to hold individuals and institutions accountable for corruption. The Attorney-General's office, responsible for public prosecutions, has failed to use its Constitutional powers and has hence become an accomplice to corruption;

Fourth, Githongo's resignation from the position of advisor to the President on matters of ethics and governance, makes it clear that the President has lost interest in the anti-corruption effort in this country. We no longer have faith that the President's personal commitment to anti-corruption exists.

We therefore demand that:

The President immediately dismiss cabinet ministers and suspends all senior



Mrs. Gladwell Otieno

government officials against whom substantive allegations of corruption have been made;

The President immediately re-constitute his government on the basis of competence and integrity rather than the ethnic regional considerations he clearly took into account in his last cabinet expansion;

Parliament consider a vote of no confidence in this government in the absence of Presidential action on the above;

Parliament insist on the right to freedom of information and demand to subject to public scrutiny the budget for anti-corruption initiatives in this country and outcomes thereof;

Civil society organisations, including the private sector, re-consider its engagement in smokescreen reform efforts such as the Governance, Justice and Law and Order Sector (GJLOS) programme until Such accountability measures are taken;

Citizens, local businesses and other civil society organisations halt the payment of all taxes until such accountability measures are taken.

In addition, we demand that the President and the rest of the Executive guarantee the personal safety of Githongo and that all human rights and media organisations in this country and elsewhere mobilise around his personal safety as a matter of urgency.

Signed by twenty (20) civil society and private sector organisations
Date: February 8, 2005

(Continued from page 3)

- information. Equivalent information on direct contracting or limited bidding processes should also be made available to the public.
7. Ensure that no bidder is given access to privileged information at any stage of the contracting process, especially information relating to the selection process.
 8. Allow bidders sufficient time for bid preparation and for prequalification requirements when these apply. Allow a reasonable amount of time between publication of the contract award decision and the signing of the contract, in order to give an aggrieved competitor the opportunity to challenge the award decision.
 9. Ensure that contract 'change' orders that alter the price or description of work beyond a cumulative threshold (for example, 15 percent of contract value) are monitored at a high level, preferably by the decision-making body that awarded the contract.
 10. Ensure that internal and external control and auditing bodies are independent and functioning effectively, and that their reports are accessible to the public. Any unreasonable delays in project execution should trigger additional control activities.
 11. Separate key functions to ensure that responsibility for demand assessment, preparation, selection, contracting, supervision and control of a project is assigned to separate bodies.
 12. Apply office safeguards, such as the use of committees at decision-making points and rotation of staff in sensitive position. Staff responsible for procurement process should be well trained and adequately remunerated.
 13. Promote the participation of civil society organization as independent monitors of both tender and execution of projects.

THE QUOTE

“JUST AS IT IS SAFER TO LEAVE THE LIFE OF A PATIENT IN THE CARE OF A MEDICAL OFFICER; FINANCIAL MANAGEMENT OF A COMPANY IN THE CARE OF A QUALIFIED ACCOUNTANT; LEGAL MATTERS IN THE CARE OF A LAWYER; MAINTENANCE OF SOPHISTICATED MACHINES IN THE CARE OF AN ENGINEER, SO SHOULD IT BE NATURAL TO LEAVE THE CARE OF THE UTILIZATION OF A GREATER PERCENTAGE OF A COUNTRY’S (BUDGET) FINANCIAL RESOURCES IN THE FIELD OF PROCUREMENT IN THE CARE OF A PROFESSIONAL BUYER.”

T. A. AIKINS

(Continued from page 11)

paign after your term as a Parliamentarian?

Hon. A-O:

The next few years that I will be in Parliament, I will continue to fight corruption and if I retire, I will still fight corruption. Let me give you a typical example of my determination to fight corruption. About two or three years ago, I approached then Minister of Finance and told him that a major source of corruption is found in the public sector and that large sums of money is lost through agencies that are suppose to collect revenue. They conspire with taxpayers to steal state money. So after persuading the minister to allow me to prove this, I was asked to choose a company, and audited the accounts from 1998 to 2003. That company collected excise duty and VAT and failed to account for the whole amount to the government. The total was 56.75 billion cedis. When I made this discovery, the managing director of the company offered me 2 billion cedis and I said, thank you very much, I want to prove to the government that what I said is true. So far, 16 billion cedis has been recovered, and a commission of 8% has been paid to me by the government. If I didn't want to continue with the fight against corruption, I would have collected the 2 billion cedis.

GII Alert: If you had the President's ear for five minutes to tell him something as a member of his party, what would you tell him to do?

Hon. A-O:

I would tell him that whether NPP would retain power or not depends on him. If he is unwilling to put his foot down to punish any corrupt minister or person, then he is creating a problem for the party, because when the reckoning day comes the people of Ghana will use such acts or omissions to judge the Party and the judgment would not be in the best interest of the Party, so he should try as much as possible to save the Party by taking actions that would deter other public officers, to show that he or the government is ready to reduce corruption as required of him and all of us under Article 35[8] of the Constitution.

“Africa may not after all need debt cancellation if she would be given back her dignity, her due and fair price for her products, and be allowed to play her rightful role in the history of Humanity.”

Most Rev. Charles Palmer – Buckle Metropolitan Archbishop of Accra



*Vremja (Moldova) 8th October 2003
Pay before ... you win*

Germany suspends funding support for Kenya's anti-corruption drive

Germany has suspended 500m shillings (Af3.5m) of assistance to Kenya's anti-corruption programmes. Increasing pressure on the Kenyan government to take action against allegations of high-level corruption.

Bernd Braun, Germany's ambassador, made the announcement, complaining of the government's failure to effectively tackle the problem and calling on ministers implicated in corrupt deals to "step aside". The US froze \$2.5m of aid for Kenya's anti-corruption agencies on February 8 for similar reasons, a day after the resignation of John Githongo, the government's top anti-corruption official.

Mr Githongo was widely respected among Kenyans and donors but had reportedly become frustrated with the administration's inaction on the issue. His resignation sparked a crisis for President Mwai Kibaki's administration, which has been losing credibility among international donors and Kenyans.

When Mr Kibaki led an opposition alliance to a December 2002 election victory, he pledged zero-tolerance to the systemic corruption that had crippled east Africa's largest economy. International donors, which had suspended aid to Kenya for much of the 1990s, were keen to engage with the new administration amid hopes it would herald the dawn of a clean government.

But the past two years have been marred by disputes within the governing coalition, concerns about 73-year-old Mr Kibaki's leadership, slow reform and continuous reports of corruption. "It's created a huge dilemma for donors because of our political assessment of this government and our wish to alleviate poverty", said one western diplomat.

Fifty-six per cent of Kenyans live on less than a dollar a day. The government and donors are due to hold their next consultative meeting in April, which will be crucial to future assistance.

... "It's created a huge dilemma for donors because of our political assessment of this government and our wish to alleviate poverty." ...

Since Mr Githongo's resignation, Mr Kibaki has repeated his claims he is committed to the fight against corruption, reshuffling his cabinet, dismissing two permanent secretaries and switching his ally, Chris Murungaru, from national security minister to transport. Several suspect deals have allegedly involved the security ministry and Mr Murungaru has publicly defended himself against corruption allegations.

Donors and Kenyans say it does not go far enough, arguing that ministers tainted by corruption should be dismissed while investigations are conducted. "On the one hand they seem to be admitting there's a problem, but on the other they don't seem to be serious about solving it," said Gladwell Otieno, head of the Kenyan chapter of Transparency International. "The hopes of reform have been put into question and basically hijacked by a small clique."

By Andrew England

“If counter-corruption and good governance agencies are to function vigorously and effectively in the service of the public good, they must enjoy autonomy from political interference, restraint, and control.”

Dr. Larry Diamond

'The Global Corruption Report is the first attempt by any organisation to map the global fight against corruption. A kind of travel-guide to the jungle of various standards and practices in different world regions.'
Guardian

'There can be little doubt that Transparency International is performing an essential function.'
The Times Higher Education Supplement

'The Global Corruption Report ... makes very compelling reading for anyone interested in ethical standards in international politics and business.'
The Irish Times

Corruption not only plunders economies; it also shapes them. Bribery in the construction sector steers money away from schools and hospitals and into the building of giant power stations that stand idle and dams that devastate the environment. The 2005 edition of Transparency International's *Global Corruption Report* shows how the corrupt exploit the vast sums that are poured into the building sector, and what can be done to stop them.

From development in Lesotho to public services in Germany and reconstruction in Iraq.

In the report:

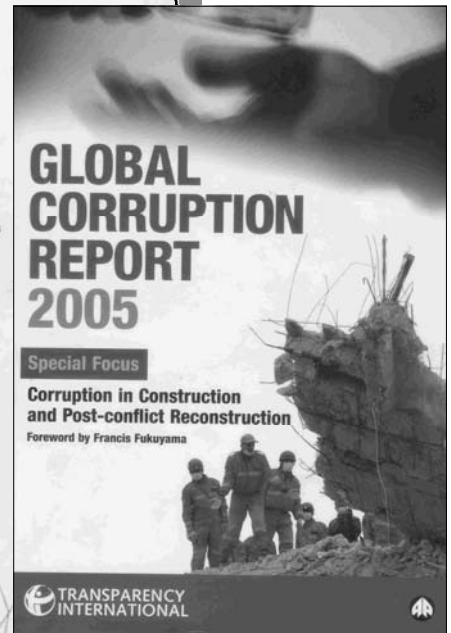
- Experts expose the mechanisms of corruption in the construction sector and recommend comprehensive measures to control that corruption.
- Detailed case studies of large-scale infrastructure projects provide evidence for the worldwide perception that the construction industry is the most corrupt business sector.
- An evaluation of the costs of corruption indicates the price we pay in damage to economies, the environment and lives.
- A special feature on post-conflict reconstruction asks whether the rebuilding of Iraq is an opportunity for the greatest corruption scam in history.
- Reports from 40 countries assess major corruption trends.
- The latest corruption research looks at the links between graft and other global issues such as pollution, gender and foreign investment.

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Credit-GCR 2005

The Editorial Board of GII Alert encourages readers to write "Letters to the Editor" on matters they wish to comment on as well as short stories or expert pieces on corruption/good governance. They must however be relevant to the anti corruption crusade. Articles however should remain brief and straight to the point to increase their chances of being published. The Editor reserves the right to edit such articles to suit the Editorial policy of the Newsletter and the general mandate of the GII.

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Ghana Integrity Initiative (GII) is the local chapter of Transparency International (TI): The leading Non-Governmental Organisation in the fight against corruption worldwide.