

# Transparency International Nepal (TIN) Annual Progress Report F/Y 2065/66 BS (2008/09)

(Presented at the 14<sup>th</sup> AGM, 12 October 2009)

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## 1. Chapter and country context

- .1 Transparency International Nepal (TIN), ever since its establishment and operationalization in 1996, has been advocating for good governance and control of corruption through social, legal, political and economic interventions targeted right from Prime Minister's Office down to the Village Development Committees (VDCs).
- 1.2 In connection with transparency and accountability, it has worked for internalization of National Integrity System (NIS) and good governance in legislature, executive and judiciary. It has been working closely with political parties for free and fair elections and transparency in political financing. It maintains strong network with other like-minded organizations, institutions, outreach centers and support groups. It has encouraged media through investigative journalism and training. It has also initiated steps for the empowerment of women, marginalized and disadvantaged groups.
- 1.3 The centrality of politics in good governance and development cannot be denied. This was one of the demands of the people during Janaandolan II. Towards fulfilling this, election to the Constituent Assembly (CA) was held in April 2008. This election had raised lots of hope among the Nepali people for overall change and betterment. However, after more than a year, governments and political parties, a part of the C.A., have disappointed peoples' aspirations. They have showed lack of interest to address pressing issues of public concern like: corruption, accountability and transparency. This has raised questions about the kind of democracy that has ushered in Nepal.
- 1.4 In this political transition, attention has focused mostly on political supremacy, power grabbing, formation of government, mutually benefiting appointments and doling-out favors. The two-year term of C.A will end on May 7, 2010. So far, progress in adjustment of Maoist combatants and framing of new constitution has been disappointingly slow because of the squabbling among major political parties.
- 1.5 The change in government and transitional politics in Nepal is showing its adverse effects at all fronts. Political instability, lawlessness, nepotism and lack of accountability prevail in the society. They are increasing alarmingly day-by-day in the absence of a countering political will. Anti-corruption agenda has not become a political and social priority.
- 1.6 Pressing issues like the appointment of Chiefs to constitutional anti corruption body, CIAA, and \ Auditor General's Office remain unaddressed. Only two Commissioners out of a possible five are manning CIAA's anti-corruption efforts. Ratification of UN Convention against Corruption has not been followed up seriously by the C.A. National Vigilance Commission (NVC) lacks proper support from PM's Office. Civil society's demand for a national strategy for governance has been paid lip service. In absence of strong political will, donors have shifted their priority to other agendas. There is a general feeling of apathy everywhere.
- 1.7 After UCPN Maoist exited from power, business in C.A has stopped due to the issue of civilian supremacy. C.A has become totally non-functional and chaotic. Even the new coalition government, headed by UML, is shaky and operating at its bare minimum. Against this very fluid political backdrop, it seems that corruption, transparency, accountability and integrity will not become serious agendas in the immediate future. This has already put democracy at crisis in Nepal.

1.8 As expected, the Corruption Perception Index (CPI) of Transparency International, 2008 that studied and evaluated 180 countries placed Nepal at 121 which is very disgraceful. This shows, Nepal has to work very hard and cover a long way to combat and stem corruption. TIN realizes that corruption is a cross-cutting issue which retards all aspects of Nepal's development hence efforts to mobilize people for a corruption free country needs urgent action.

## 2. 13<sup>th</sup> Annual General Meeting (AGM)

2.1 As per clause 18 of TIN constitution, Mr. Damodar Prasad Gautam was elected TIN President for two years at the 13<sup>th</sup> AGM held on 5<sup>th</sup> September 2008. Similarly, Krishna Prasad Bhandari, Komal Chitracar, Shree Hari Aryal, Prayag Dutta Tewari and FNCCI, Institutional member, were elected Executive Committee (EC) members, uncontested. Other EC members at the 13<sup>th</sup> AGM were: Ganesh Man Gurung, Bishwa Keshar Maskay and Sarbagya Ratna Tuladhar.

2.2 On Newly elected President Damodar Prasad Gautam nominated EC members Ganesh Man Gurung as Vice President, Shree Hari Aryal as Secretary General and Komal Chitracar as Treasurer, on 3<sup>rd</sup> October 2008, as per clause 30 of TIN constitution.

2.3 Dr. Ganesh Man Gurung, Mr. Sarbagya Ratna Tuladhar and Dr. Biswa Keshar Maskey will vacate their seats at the 14<sup>th</sup> AGM with eligibility of Mr. Tuladhar and Dr. Maskey for second-term.

## 3. Governance

3.1 TIN's 'Strategic Framework 2008-11, *For Transparency in the Republic of Nepal*,' a four-year plan has been developed and designed to tackle corruption by forging partnerships and is continuously updated. Besides global and regional inputs, the Framework benefited immensely from meetings held during 2006 to 2008 involving TIN members, staff, support groups, partners, stakeholders and experts. Five thematic sub-committees comprised of TIN members have been constituted and they have started their work towards achieving the objectives of the Framework.

3.2 To make TIN more active and its membership inclusive, 16 new members who have distinguished themselves in their respective fields, were inducted on 6<sup>th</sup> March 2009, bringing total general membership to 46. The new members are: Anusuya Joshi, social worker; Bharat Bahadur Thapa, former Secretary, Government of Nepal (GON); Ishwor Raj Onta, Chair, Nepal Engineering Council; Kanak Bikram Thapa, former Dean, Tribhuvan University; Khem Raj Regmi, former Secretary, GON; Mahadeo Prasad Yadav, Senior Advocate; Mukunda B. Pradhan, former CEO, Anti-corruption Project, FNCCI; Padmini Pradhananga, social worker; Prem Raj Panta, former Rector, Tribhuvan University; Purushottam Baskota, former Vice Chancellor, Pokhara University; Ram Dayal Rakesh, former Member, National Human Rights Commission; Sagar Sharma, Professor, Kathmandu University; Suresh Raj Chalise, former Dean, Tribhuvan University; Surya Nath Updhaya, former Chief Commissioner, Commission for the Investigation of Abuses of Authority (CIAA); Toya Gurung, Poet, former member, Nepal Academy; and Bijaya KC, former Professor, Kathmandu University.

An interaction program was organized on May 29<sup>th</sup> 2009 to welcome new members and seek their feedback on future course of action as envisioned in the Membership and Network Program (MONP).

3.3 After revision of TIN Strategic Framework and induction of new members, sub-committees were reconstituted on 24<sup>th</sup> July 2008. In addition to Management sub-committee, five thematic sub-committees have been constituted on Government and Political Party, Judiciary, Program and Resource Mobilization, Research, Education and Publicity, and Civil Society. The first four sub-committees have started their business and members Suryanath Upadhaya, Mahadeo Yadav,

Anusuya Joshi and Suresh Chalise have been elected coordinators. These sub-committees have also prioritized their future course of action. EC has allocated some budget for each sub-committee. Till date, civil society sub-committee has not yet met and started its business.

- 3.4 Mr. Bishnu Bahadur KC was appointed Chair of the Advisory Council on 6<sup>th</sup> March 2009 after the sudden demise of council chair Shree Bhadra Sharma.
- 3.5 Eight TIN Support Groups had been requested to register at the local level with their own indigenous name and logo, during 2008. This was done to grant them autonomy and mobilize them at their own level for sustainability. Accordingly, six have registered and two are in the process, as mentioned hereunder:

**Registered Organizations**

Paradarsi Nepal, Siddarthanagar, Bahirava  
 Janachetna Tatha Bikash Karyakram, Janakpur  
 Bharstachar Birudhha Ko Aviyan, Chitwan  
 Susashan Ko Lagi Nagarik Samaj, Pokhra  
 Sachet Nagarik Aviyan (Sachetana), Biratnagar  
 Professional Mahila Sahayogi Samuha Nepal , Kathmandu

**Chair**

Kul Prasad Acharya  
 Madan Mohan Thapa  
 Bhim Bahadur Shrestha  
 Surendra Thapa Magar  
 Ram Babu Dahal  
 Milan Adhikary

Sadachar Aviyan Birgunj  
 Pardarsi Sarokar Samuha Butwal

Registration under process  
 Registration under process

Institutional affiliation was granted to six newly registered organizations, mentioned above, on 24<sup>th</sup> July 2009. The organizations in Birjung and Butwal will be granted affiliation after their registration at District Administration Office (DAO).

- 3.6 Mr. Marvin A Brustin of The Law Office of Brustin & Lundblad Ltd, USA donated US \$ 3000 to TIN. Mr. Brustin wrote to former ambassador and TIN President Damodar Prasad Gautam to disburse the fund under his direct supervision. EC accepted the donation with gratitude on 2<sup>nd</sup> January 2009 and decided to utilize the fund to initiate new activities.

**4. Programs**

- 4.1 To examine a possible link between corruption and poaching of wild animals, TIN initiated a research titled ‘Facts and Issues on Poaching of Mega Species and Illegal Trade in their Parts’ on 15<sup>th</sup> October 2008. The research was conducted under the financial support of WWF Nepal and coordinated by Dr. Ganesh Man Gurung, Vice President, TIN. Consultant Ukesh Bhuju was engaged as the Lead Researcher.

The study analyzed issues related to poaching of mega-mammals through review of policy and laws, and meetings with community and civil society members, conservationists, scientists, government administrators, intruders and prisoners, and protected area managers. The report currently is at its final stage.

Besides many other problems, initial findings point out holes and gaps both in laws and implementation. The system of investigation, prosecution and adjudication related to poaching is very weak. Factors hindering anti-poaching activities include insufficient resources, political intervention, poor coordination, poor investigation, and irregularity at trans-border meetings between Indian and Nepali officials. Legal weaknesses include high degree of discretionary power exercised by the chief warden and district forest officer, and issues involving the release of rewards for protectionists. While it is essential to minimize poaching, simultaneously, favorable environment for the growth of mega mammals has to be created. Therefore, allocation of more resources,

breaking the nexus of policy makers, smugglers and traders, prompt adjudication of cases, and encouragement to non-governmental initiatives at the grass root, need to be looked into promptly.

- 4.2 With an objective to strengthen legitimacy and credibility of Nepali political parties, a research on political finance titled 'Crisis Nepal' was initiated on 16<sup>th</sup> October 2008. The research is part of a global TI initiative which is concurrently launched in Bangladesh, Indonesia and Malaysia also. The Nepali research focused on examining levels of transparency and accountability in financing of eight major parliamentary parties. TIN Member, Dr. Meena Acharya, coordinated the research. Consultant Binod Kumar Bhattarai was engaged as the Lead Researcher.

The study assessed legal frameworks, financing of political parties, presidential and legislative campaigns, mechanisms of prevention and sanctions, extent of disclosure by parties, role of controlling agencies and social control over financing. The research was conducted in a given format by TI. Altogether 139 questionnaires were filled in and dispatched online for their analysis by TI. Information for the questionnaires were collected from different political parties, citizens, experts, corporate houses, media and stakeholders by various means.

A validation workshop was organized on August 31<sup>st</sup> 2009 to test the authenticity of the initial findings on 10 dimensions of political finance: book keeping, reporting, disclosure, comprehensiveness, depth, reliability, prevention, sanctions, and public oversight. The report is currently being finalized. Initial findings suggest a lacklustre performance of Nepali political parties in all the ten dimensions that were measured.

- 4.3 To study the role of private sector in increasing corruption in Nepal, a report was prepared during September 2008 and contributed to Global Corruption Report 2009. The Nepali report was authored by TIN member Dr Narayan Manandhar. It deals with legal and institutional changes made against corruption during 2007/08. Report highlights effects of transitional politics on anti-corruption movement in Nepal. The mutually benefiting nexus between the private sector and political parties, and corruption at nepali borders also feature in the report. The report was launched by TI on 24<sup>th</sup> September 2009.
- 4.4 On Behalf of TIN, member Prof Suresh Raj Chalise is authoring a report for Global Corruption Report (GCR) 2010 by examining links between climate change and corruption. Nepal report will highlight irregularities in environmental project/s and related impact/s. GCR 2010 will mainly focus on governance framework for climate change, mitigating climate change, policy/tax incentives for the import of clean energy and adapting to climate change etc.
- 4.5 To provide citizens with means to become actively engaged in reporting corruption, Advocacy and Legal Advice Center (ALAC) Nepal, was started on 12<sup>th</sup> November 2008 with the support of TI and donor DFID UK. The four-year project will help general public to file corruption complaints for legal advice and re-dressal. Dr Devendra Raj Panday has kindly consented to be Advisor of the project.

The project started in full force from April 1 after the completion of the inception phase in March 2009. Major activities completed by ALAC Nepal are:

- In addition to TIN core staff assisting the project, project staff including Coordinator, Media Officer and Legal Assistant were recruited. Purchases of office equipment, material, furniture and development of working-space have been completed.
- Meeting was held with the then Chief Secretary, Mr. Bhoj Raj Ghimire, and secretaries of GON, on 12<sup>th</sup> April 2009, to seek support to ALAC Nepal. The signing of an MOU was discussed and again discussed with the new Chief Secretary recently.
- ALAC Nepal was launched on May 22, 2009 amidst a function with Chief Secretary as the key-

note speaker and secretaries of GON, media representatives, civil society members and social activists as invitees.

- A communication strategy to publicize ALAC Nepal through use of brochure, radio spots, TV messages, calendars, newsletters and web has been executed. Public service announcement (PSA) are being transmitted from September 2009 by Radio Nepal, Radio Sagarmatha, Ujjyalo FM and Image FM. ALAC Nepal toll free number (1660-01-22211) has been publicly announced. A website ([www.alacnepal.org.np](http://www.alacnepal.org.np)) has been hosted. As of 20<sup>th</sup> September 2009, ALAC Nepal has registered 48 cases.
- An orientation program was organized in Chitwan on 11<sup>th</sup> September 2009, with representatives of support organization/groups. ALAC Nepal was highlighted and modalities of collecting and sharing public grievances were discussed and agreed.

4.6 A partnership agreement was signed between Fredskorpset (FK) Norway, TIN and five South Asian National Chapters (NCs), TI Bangladesh, India, Maldives, Pakistan and Sri-Lanka, on 9<sup>th</sup> April 2009, to share expertise and experiences through exchange of fellows. TIN is the lead partner for this 'South- South Asia' Exchange program. On behalf of TIN, President Gautam provides guidance to this program.

Under the program, six national chapters exchange their nominees for a period of 10 months. The program started during July 2009 after 3-week preparatory courses given in Bangkok. Under this partnership, the exchange of fellows from each NC is as under:

No.	Home Country	Host Country
1.	TI Sri Lanka	TI Bangladesh
2.	TI Maldives	TI Sri Lanka
3.	TI Bangladesh	TI India
4.	TI Pakistan	TI Nepal
5.	TI India	TI Sri Lanka
6.	TI Nepal	TI Bangladesh

TIN will strengthen its research and fundraising capabilities with the help of this initiative. Its Exchange Fellow, Dina Nath Bhattarai, has been stationed at TI Bangladesh, getting a hands-on training on research and fund raising, from 1<sup>st</sup> August 2009. Similarly TIN is sharing its knowledge of investigative journalism and outreach with the exchange fellow from TI Pakistan, Asif Shakeel. Mr. Shakeel reached Kathmandu on August 3<sup>rd</sup> 2009 and is currently taking training and course for eight-month TIN Diploma in Investigative Journalism. During 17-18 November 2009, a mid term meeting will be held with South Asian partners, at Kathmandu, to review the program and progress made till date.

## 5. Advocacy

5.1 A Seminar was organized on the issue of financial transparency of political parties on 9<sup>th</sup> December, 2008. The workshop highlighted imperatives and importance of transparency in financing of political parties. The seminar was inaugurated by the Speaker of the Constituent Assembly, Hon. Subhash Nembang and attended by ten senior leaders of seven political parties- the Nepali Congress, the Communist Party of Nepal (Maoist), the Communist Party of Nepal (United Marxist Leninist), Madheshi Janadhikar Forum, United Left Front Nepal, National Left Front Nepal, Nepal Peasants and Workers Party.

A keynote paper was presented by senior advocate Mr. Prakash Wosti, presently, Judge, Supreme Court, Nepal, entitled, 'Our political Parties and Financial Transparency: Challenges and Opportunities'. The print and electronic media highlighted the event. Live interviews of some of the participants including the TIN President, were broadcast. The event helped to initiate a dialogue with

political parties on financial transparency.

- 5.2 A delegation led by TIN President met Chief Justice Rt. Honorable Mr. Min Bahadur Rayamajhi on 3<sup>rd</sup> June 2009. The newly appointed Chief Justice was requested for prompt decisions on cases related to national and public properties, improved means and ways to control corruption in the judiciary, and strengthening judicial integrity by working with civil society.

CJ Rayamajhi informed TIN about his drive to enhance judicial integrity by enforcing code of conduct, placing CCTVs in courts of Kathmandu and putting in place mechanism to receive complaints. Chief Justice also sought TIN partnership in highlighting non-compliance of Supreme Court directives by the GON on which positive response has been made.

## **6. International visits**

- 6.1 President Damodar Prasad Gautam, TI Board member and former President Dr Devendra Raj Panday and Executive Director Ashish Thapa participated in the TI Annual Membership Meeting and 13th International Anti Corruption Conference, held in Athens during 26 October-2 November 2008. Meeting elected TI Board representatives and issued a global declaration.
- 6.2 President Damodar Prasad Gautam and Sr. Program Officer Rosy Adhikari attended the 'Planning Meeting' organized by Fredskorpset (FK) Norway under the South-South Asia Exchange program in Bangkok from 6-9 April 2009. The program finalized the one-year professional exchange program in South Asia among TI NCs.
- 6.3 Secretary General Shree Hari Aryal and Executive Director Ashish Thapa participated in the Asia Pacific Regional Program Meeting held in Canberra from 18-22 May 2009. The meeting addressed operational and content-based anti-corruption issues and explored synergies and interests in the region.
- 6.4 President Damodar Prasad Gautam, Sr. Program Officer Rosy Adhikari and Exchange fellow Dina Nath Bhattarai, participated in the Preparatory Workshop organized by FK Asia Office in Bangkok, from 6-9 July 2009. The workshop acquainted exchange fellows with the objectives of the program and prepared them for their activities for the following 12 months.
- 6.5 As the TIN Official Chapter Representative (OCR) to TI Annual membership Meeting (AMM), President Damodar Prasad Gautam is nominated to participate at the TI Asia Pacific Regional Governance Meeting and AMM in Berlin from 14-19 October 2009.

## **7. Interns**

- 7.1 During the year, following international students completed their internship at TIN:
- Mr. Rory Truex of USA was involved in ALAC Nepal for a three-month period starting April 2009.
  - Mr. Christian Gulish of Germany was involved in ALAC Nepal and Crinis Nepal research for a period of 4 months starting June 2009.
  - Ms. Anjana Rimal of USA learnt about the NIS during her one-month internship in August 2009.

## **8. Proposed activities for F/Y 066/067**

- 8.1 In order to further enhance TIN activism, sub-committees, mentioned above, have met and identified their priorities for the current year. On 17<sup>th</sup> September 2009, seed funds were provisioned to help the sub-committees pursue their priorities, which will include:

- Initiating work for the preparation of a national strategy to control corruption;
- Providing suggestions for strengthening anti corruption provisions in the new constitution;
- Advocating for financial transparency in political parties;
- Monitoring and evaluating court verdicts on corruption cases;
- Lobbying for the appointment of clean judges in the Supreme Court;
- Suggesting need of anti corruption laws to control corruption;
- Building a national level coalition against corruption of non-state actors;
- Encouraging compliance of code of conduct in business and professional organizations;
- Strengthening TIN affiliated Support Organizations outside Kathmandu to expand outreach;
- Monitoring and analyzing corruption news in the print media;
- Evaluating transparency of foreign aid in MDG related programs;
- Strategic planning and finalizing TIN projects/programs;
- Initiating a financial sustainability drive for TIN.

## 9. On-going projects

9.1 The following projects, as committed, will also continue in the current year:

- Advocacy and Legal Advice Center (ALAC) Nepal;
- South-South Asia Exchange program;
- Nepal report for the Global Corruption Report 2010 on climate change.

Researches 'Facts and Issues on Poaching of Mega Species and Illegal Trade in their Parts' and 'Crisis Nepal' will be completed within the year.

9.2 In addition to activities given above, TIN is also working with TI to be a partner in the following:

- Increasing accountability in public development works and public service delivery through use of Development Pacts between communities and government authorities;
- Forest Governance and Integrity Program to curb corruption in the illegal and unsustainable harvesting of timber and wood products.

## 10. Conclusion

10.1 Anti-corruption movement must move ahead in spite of challenges, such as entrenched corruption, prevalence of a culture of tolerance and impunity, apathy of government to address corruption, lack of well-informed and empowered people to confront corruption, and lack of volunteers to fight corruption.

10.2 TIN's revised Strategic framework 2008-11, offers a comprehensive approach to combat corruption. TIN will keep working in the strategic areas identified for future interventions. Sub Committees will lead TIN advocacy on political and legal reform, public mobilization, education, and sustainability. TIN will continue its activities to strengthen democracy and empowerment of the people at the grassroots.

10.3 It is heartening to note that the prestige and credibility of TIN, over the years, have enhanced. TIN has been able to win the trust of the people of Nepal and international organizations. It has been appointed lead partner for coordinating FK South-South Exchange program which includes six SAARC-member states. Further, thanks to our Treasurer, TIN at the moment, is in a position to launch small programs of direct benefit to people using its own meagre resource, a decision to this effect has already been taken by the EC, which hopefully, will continue in future, too.