

contd. from pg 1

Delivering a welcome speech Secretary of the CIAA Mr. Bharat Bahadur Thapa presented the facts and figures of the proposed CIAA building. He informed that the total budget of the building has been estimated to be NPRs. 208 million. NPRs. 165 million shall be spent in the first phase for which Kathmandu Metropolitan City is going to

provide NPRs. 100 million and HMG/N is initially providing NPRs. 652 million. The total land area of 2.5 acres for the proposed building is also provided by HMG/N. In the first phase, a five storey office building reflecting Nepalese arts and culture and a security quarter will be constructed. The buildings will occupy 22.68 percent of the total area. It is expected that the construction

of the building will be complete within 14 months period.

The Ministers, Ambassadors, head of the bilateral agencies, Auditor General, Commissioners of the CIAA, Chief Secretary, Secretaries, Chief of the security agencies, media representatives and other distinguished guests were also present on the occasion.

CIAA to Host 6th ADB-OECD Steering Group Meeting

The Sixth Asian Development Bank (ADB)-Organization for Economic Cooperation and Development (OECD), Steering Group Meeting is going to be held in Kathmandu, Nepal from April 19 to 21, 2005.

CIAA proposed to host the 6th ADB-OECD Steering Group Meeting during its 5th ADB-OECD Steering Group Meeting, held in Manila, Philippines from July 5-7, 2004.

The 21 member countries including Nepal have formulated an Anti-Corruption Action Plan for Asia and Pacific. Representatives of the 21 countries, the representatives of the ADB and OECD and other donor agencies will be participating in the 6th Meeting.

It is hoped that the Meeting will help to boost the image of CIAA. The Meeting will also be instrumental to build a network among the member nations and other organizations to extend co-operation in their bid to fight corruption in their respective countries. It is also hoped that the meeting will help for the promotion of the tourism in Nepal.

A preparatory committee consisting eight members has been formulated under the chairmanship of the CIAA Secretary Mr. Bharat Bahadur Thapa. The Office of the Prime Minister and Council of Ministers, Ministry of Home Affairs, Ministry of Foreign Affairs and Ministry of Finance also represent in the committee.

Chief Commissioner in Paris Forum

The Chief Commissioner of the Commission for the Investigation of Abuse of Authority (CIAA), Mr. Surya Nath Upadhyay attended a high level partnership forum entitled "Improving Donor Effectiveness in Combating Corruption" jointly hosted by the French Ministry of Finance, Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) and Transparency International held on December 9 and 10, 2004 in Paris.

The objectives of the forum were to improve donor action in supporting anti-corruption programs in partner countries; to assess donor practices and aid modalities in a corruption perspective and to take concerted action. The forum was participated by 150 people comprising of political leaders, senior officials from governments, civil society and the private sector in OECD countries and non-OECD countries in different regions, bilateral donors, multilateral organizations, INGOs and national anti-corruption agencies.

In the conference Mr. Upadhyay was nominated as one among the three speakers for the final plenary session to suggest concerted action for the donors in combating corruption along with Mr. Peter Eigen, Chairman, Transparency International and Mr. Mark Pieth, Chairman, OECD Anti-Bribery Working Group. Mr. Upadhyay shared his views on Nepal's experience on anti-corruption drive, donors' role and effort to combat corruption and suggestions for improving donor effectiveness in fighting corruption.

Speaking in the Forum Mr. Upadhyay highlighted some issues related to corruption in Nepal. Sharing his experience on foreign aid and donors' support to anti-corruption program, Mr. Upadhyay said that the availability and flow of foreign aid in Nepal has increased not only the incidence of corruption but also transformed its nature. The aid money has transformed petty corruption in bureaucracy to a grand corruption that is often involved in the choice, location and execution of development projects. He said that corruption in Nepal comes in the form of commission agents; added project costs like procurement from specific agency, inclusion of unnecessary foreign travel opportunities or consulting opportunities in the project; topping up the salaries of civil servants for their cooperation in project approval and implementation. Over investment due to added cost has made many of the projects impossible to operate.

He concluded his address by saying - the service delivery system has to be transparent, accountable, simple and responsive to the needs of the people; there must be awareness and coalition building at all levels and segments of the society; the aid delivery system should be reoriented to make it more cost effective and adaptive to local needs and condition; and, anti-corruption drive needs to be supported with a strong enforcement and deterrent measures so that the *culture of impunity* can be put to an end forever.

(Full Text of the speech is in page 4-5)

Wel-come and Farewell of the Secretaries

Newly appointed Secretary Mr. Bharat Bahadur Thapa was offered warm wel-come by the officials of the CIAA on October 4, 2004. Mr. Thapa was appointed by His Majesty's Government of Nepal as the Secretary on September 7, 2004. Prior to this promotion he was the Director General of the Department of Industries.

The officials of the CIAA tendered farewell on October 27, 2004 to the preceding Secretary of CIAA Mr. Bal Krishna Prasai who has been transferred to the Ministry of Local Development by His Majesty's Government of Nepal. The Chief Commissioner Mr. Surya Nath Upadhyay applauded the efficiency of Mr. Prasai. He wished for his grand success in the Ministry of Local Development. He also expected that Mr. Prasai would not allow for any kind of misappropriation in the Ministry. Speaking on the occasion Secretary Mr. Prasai expressed that he had ample opportunities to learn quite a lot of things while working in the CIAA under the leadership of the CIAA Chief. He further said that his experience in the CIAA has been an important achievement for him and that will remain as a valuable asset in his career. He also hoped for continued contact and coordination with CIAA family.

Training Need Assessment Workshop

Two Training Need Assessment (TNA) workshops were held on December 4 and 5, 2004 for the CIAA officials. Gazetted 2nd and 3rd class officers attended the December 4 workshop and senior executives and commissioners attended the December 5 workshop. The two workshops were jointly organized by Organizational Development Center and the CIAA under the CIAA Institutional Development Project, supported by DANIDA and DFID.

On December 5 workshop, the Chief Commissioner Mr. Surya Nath Upadhyay, Commissioners Mr. Basudev Lamichhne and Mr. Lalit Bahadur Limbu made fruitful comments on the TNA. Dr.

Narayan Manandhar, Project Advisor of the CIAA/Institutional Development Project shared latest information on corruption and development and research outcomes of anti-corruption agencies. Mr. Mohan Das Manandhar, Consultant of Organizational Development Center (ODC) presented the outcomes of TNA assessment done in CIAA.

On December 4 Workshop Mr. Ratna Kaji Bajracharya, Joint Secretary of CIAA made welcome remarks while Dr. Narayan Manandhar highlighted on the objectives of the workshop. Mr. Mohan Das Manandhar, Consultant, ODC presented the outline of the workshop program. In the end of the workshop group work outcomes were presented at the plenary.

The CIAA Secretary Attended TI South Asia Regional Workshop

Mr. Bharat Bahadur Thapa, Secretary, CIAA participated in the Transparency International (TI) South Asia Regional Workshop on National Integrity Systems held in Karachi, Pakistan from 18-20 December 2004. The workshop was attended by TI National Chapters in Bangladesh, India, Nepal, Pakistan and Sri Lanka, as well as other stakeholder participants.

The workshop concluded with declaration that "the absence of political will is a critical constraint that hinders the effective implementation of anti-corruption reform in South Asia." TI's national chapters in Bangladesh, India, Nepal, Pakistan and Sri Lanka have identified the judiciary, anti-corruption institutions, political and parliamentary reform and public procurement as priority areas in need of attention if progress is to be made in tackling corruption at the national level.

The five national chapters called for "rational and transparent recruitment processes" in the judiciary, for country-specific strategies to address weaknesses in the judiciary, for lower courts to be independent of the executive and for special anti-corruption courts to be considered to expedite decisions in corruption cases.

Thoughts for To-day

- Hatred is never ended by hatred but by love. - Lord Gautam Buddha
- Agree with thine adversary quickly. - Lord Jesus
- Nothing is good or bad, but thinking makes it so. - Shakespeare
- A man without a smiling face can not open a shop. - Chinese Proverb
- The man who talks only of himself, thinks only of himself is hopelessly uneducated. - Dr. Nicholas Murray
- A man convinced against his will is the same opinion still. - Unknown
- Misunderstanding is never ended by an argument - but by tact, diplomacy, conciliation and sympathetic desire to see the other person's viewpoint. - Unknown
- Be wiser than other people, if you can; but do not tell them so. - Unknown
- It does not pay to tell a man he is wrong. Unknown
- A scientist never tries to prove anything. He attempts only to find facts. - Stefansson
- Happy families are all alike; every unhappy family is unhappy in its own way." - Leo Tolstoy

Chief Commissioner's Address in Paris Forum

On behalf of CIAA/Nepal and also on my own, I would like to extend my deep gratitude to OECD and Transparency International for giving me an opportunity to participate and share some of my ideas in this august gathering.

During my brief presentation I would like to focus on (1) giving an introduction of my organizations and its activities, (2) possible options and implications of donors involvement in anti-corruption activities in developing countries, (3) Nepal's experience in handling aid money and finally (4) some lessons to be drawn from my personal involvement in anti-corruption business.

Commission for the Investigation of Abuse of Authority (CIAA) in Nepal is a constitutional body established to fight corruption in public sphere in Nepal. Though our works are mostly reactive in nature, i.e., investigation and prosecution of corruption cases, we do have proactive responsibilities. We give necessary directives and policy advice to the government; and build coalition with the civil society and media to increase public awareness on the vices of corruption.

CIAA was established in 1991 after the promulgation of the new Constitution dispensing multi-party democracy and constitutional monarchy in Nepal. If we take its predecessor – Commission for the Prevention of Abuse of Authority (CPAA) - into account, the history of CIAA could be stretched a way back to 1977. The history of CIAA is fraught with public accusations, of being inactive and ineffective, of being ambiguous in our roles and responsibilities. However, with the enactment of four laws related to anti-corruption in 2002, there had been some dramatic changes in public perception of CIAA. Let me show you graphically the things happening at CIAA since its establishment in 1991.

At present, Nepal is experiencing the intricate problems of politics and economics. If Maoist insurgency is contributing to political instability, economically, Nepal is also a poorest country in the world. When poverty is combined with political instability, what you have is a fertile ground for corruption. However, we have erroneously believed that poverty is the major factor behind corruption; actually, it is the other way round. Corruption has widened and deepened our poverty. It has created economic and social disparity. Therefore, our fight against corruption is a fight against poverty. Instead of fighting poverty with a hope to end

corruption, we should fight corruption to end poverty.

My experience from being in an anti-corruption business tells me that corruption is nothing more than money. Actually corruption *equals* money. Corruption thrives when there is an involvement of money. Donors – the suppliers of money – when they are involved in anti-corruption drive, they are in a situation of double bind – *first*, you have to be involved in a problem that you should better not be involved at all. This is the reason why I see anti-corruption activities are often accused as an imposition of “first world” bias on developing countries when, in fact, corruption problem is of equal concern to both developed and developing countries. *Second*, your very involvement with money may breed another kind of corruption problem.

Donors have opted two possible options while dealing with the issue of corruption: (1) keeping the house in order and (2) support to specific anti-corruption activities. Donors' policy of “keeping their house in order” seeks to address second problem mentioned above. Drawing out a code of conduct for staff members, making operations transparent and accountable indeed help to clean the house and save the donors from being accused as the suppliers of corruption. Even in this aspect I see a lot of room for improvement. By helping to reduce the cost of a project, making staff salaries and consultants' fees competitive to local market situation, donors can make a dent on anti-corruption drive in developing countries. There is also a room for improvement by giving local ownership and control of the project. When locals have ownership and control of the project, they know the value of the money; they can control the use and misuse of resources. A research study on combating corruption in rural public works in Nepal indicates that simply allowing more public participation, supervision and control in the formulation and implementation of the rural projects can help to control corruption estimated to be operating at a level of 40 to 50 percent of the project cost.

With regards to donors' involvement in anti-corruption drive, there are two options. *First*, donors can use incidence of corruption in recipient countries as conditionality for aid. There is a catch here. Often the countries having worst cases of corruption or with big problems of governance are the ones who need to be supported with aid money. But more often these are the countries to be excluded. The *second* option is to have donors actively involve in or supporting the anti-corruption programs in the recipient countries. If anti-corruption drive is purely a matter

of *technical issues* like improving procurement procedures, strengthening accounting and audit works, better regulation of banks to check money laundering or drafting legislation, facilitating access to information, donors can make an impact. We can fairly believe that the technical issues, if introduced and implemented, shall create not only synergy but also make the governance more transparent and accountable and help reduce corruption. However, where *political issues* like getting political will and commitment, changing the attitude and culture are involved, I feel donors are severely constrained. This is the area I like donors to think about – how to tackle political issues without stepping into the toes of the recipient countries.

Let me now share some of my experience on foreign aid and donors' support to anti-corruption program in Nepal.

There is a wide spread belief that the availability and flow of foreign aid in Nepal has increased not only the incidence of corruption but also transformed its nature. The aid money has transformed petty corruption in bureaucracy to a grand corruption that is often involved in the choice, location and execution of development projects. Corruption comes in the form of commission agents; padded project costs like procurement from specific agency, inclusion of unnecessary foreign travel opportunities or consulting opportunities in the project; topping up the salaries of civil servants for their cooperation in project approval and implementation. Over investment due to added cost has made many of the projects impossible to operate.

The lack of transparency is a major factor hindering better aid management in Nepal. As per the report of Office of Auditor General (2002/3), a total of NRs71.22 billion (nearly one billion in US dollar term) involved in 4827 technical assistance (primarily experts, consultants, advisors) from various donors have not been accounted in the annual budgets of the government. Interestingly, donors accuse government for inefficient and corrupt bureaucracy, for corrupt politicians, lack of ownership and inability to prioritize development programs as factors responsible for breeding rampant corruption. The government, in turn, accuses donors for their high-handedness, policy encroachment and stringent aid conditionality as factors responsible for breeding corruption in Nepal. Interestingly, the accusations and counter-accusations have not stopped the flow of aid money in Nepal.

At present, a number of multilateral and bilateral donors are involved in supporting anti-corruption drive in Nepal. Donors' attraction to anti-corruption drive in Nepal coincided with several changes taking place in the front of anti-corruption activities. Within last couple of years a number of reformative measures have been introduced in Nepal. These include: (a) Enactment of four major bills related to anti-corruption measures in 2002, (b) formation of Judiciary Inquiry Commission on Property, (c) establishment of Special Court and National Vigilance Center, (e) signing of UNCAC (f) participation in OECD/ADB Anti-Corruption Initiative.

Now, let me conclude with some of the lessons that I have personally learned from being in anti-corruption business in Nepal. *First*, political will and commitment invariably comes at the top of the reform agenda on controlling corruption. Political parties are the breeding grounds of future leaders who shall make decisions for the people. Unfortunately, over the last several years donors have not paid any attention towards building political culture and institutions within the political parties. I invite donors to think over this issue – how to get political commitment and hence control political corruption without stepping into the toes of recipient countries. Helping to implement international conventions against corruption could be a starting point. Putting pressure for introducing reform measures could be another strategy. However, the right interventions have to be identified.

Second, the service delivery mechanism has to be improved. The service delivery system has to be transparent, accountable, simple and responsive to the needs of the people. The delivery system needs to be changed and such changes need to be closely monitored.

Third, there must be awareness and coalition building at all levels and segments of the society. Anti-corruption business could never be the business of a single individual or an agency; it has to be tackled through participation and coalition building activities of all possible partners and at all levels. All agencies involved in awareness building, prevention and enforcement have to be integrated to have a necessary impact.

Fourth, as said above, the aid delivery system should be reoriented to make it more cost effective and adaptive to local needs and condition. In this respect, donors have a much bigger role to play. Quite often the aid givers believe that a project typically formulated on a prototype project appraisal with assumptions if accepted and developed into a project with injected beliefs such as plugging the incapacity of institution with packages of training, capacity building, reorientation of organizations with plethora of rules and ideas will carry forward the innovative ideas. However, in doing so, donors tend to ignore the ground reality or the absorbing capacity of the institutions. This results into a serious problem of project implementation and sustainability. Therefore, no matter how trifle and primary it might be, we should let the evolutionary process to take its course. The only way forward would be to enhance its pace of evolution so that it ensures implementation with a reality of sustainability.

Last but not least, anti-corruption drive needs to be supported with a strong enforcement and deterrent measures so that the *culture of impunity* can be put to an end forever.

With these words, I like to close my remarks. Thank you all for giving me your time.

Thank you.

News in brief

Interaction Program on the Need of People's Participation for the Corruption Control

An interaction program was organized by the CIAA on the need of people's participation for the control of corruption. Delivering the wel-come speech, the CIAA Chief Mr. Surya Nath Upadhayay said that the interaction program has been organized to underline the need of joint collaboration between the CIAA and the civil society to combat corruption. He stressed on the need of joint and individual effort to curb corruption.

Two working papers were presented in the interaction program. Participant of the program Mr. Gokul Pokhrel from Press Institute said that the civil society can play substantial role against the self-interest of the service provider and can keep the service recipient informed about their rights. Mr. Achyut Raj Rajbhandari told that the civil society could raise public awareness in the society. Similarly, the Chairman of NGO Federation Mr. Arjun Karki assured that the civil society is ready to cooperate the CIAA. Former Chief of the CIAA Mr. Radha Raman Upadhyay reminded that the civil society comprising with Media, Lawyers and Pro Public cooperated the CIAA in the past as well. The Director of Pro-Public Mr. Kedar Khadka said that the civil society should always support the good deeds of the CIAA. Former CIAA Chief Mr. Madhusudan Prasad Gorkhali, Former Secretary General of Parliament and former Chief Secretary of HMG/N Dr. Iswor Prasad Upadhyay, Former CIAA Commissioner Mr. Krishna Ballav Sharma Kafle, Chairman of the Transparency International Mr. Kul Shekhar Sharma, Mr. Praksh Bhattarai of FACT, Nepal, Member of REMAC Mr. Krishna Bhandari, Mr. Komal Nath Subedi of the Campaign Against Corruption and Former Auditor General Mr. Madhusudan Dhakal also expressed their views.

In the end CIAA Chief Mr. Surya Nath Upadhayay pronounced that the CIAA alone is not adequate enough to control corruption. Hence, the civil society should take initiative and organize such programs. He also urged the civil society to monitor the forty-nine working procedures prepared by the CIAA for the 46 government departments.

A Two-Day Training Program

A two days investigation process training program was conducted at the CIAA building from 18-19 September 2004. The training program was commenced by the CIAA Commissioner Mr. Lalit Bahadur Limbu. Delivering his wel-come speech Mr. Limbu underlined the need of such training particularly for the new entrants. He further added, "Man is never perfect." Hence, we should not refrain from learning. He also summarized the outcomes of each session. Second day of the training program was observed by the Chief Commissioner Mr. Surya Nath Upadhyay and the Secretary Mr. Bal Krishna Prasai. Mr. Chet Nath Ghimire, Deputy Attorney General, Joint Attorneys Messrs. Surya Prasad Koirala, Yuba Raj Subedi and Kumar Chudal presented their working papers. In the closing of the training program Commissioner Mr. Limbu awarded certificates to the participants. There were 24 participants who had joined CIAA pretty recently.

The program was coordinated and facilitated by the Joint Secretary Mr. Ratna Kaji Bajracharya.

Interaction with the NRB High Officials

An interaction program was organized between the CIAA and the special class officials of Nepal Rastra Bank on October 22 2004. On behalf of the CIAA, the Chief Commissioner,





Interaction with the Representatives of Foreign Press

Commissioners, Secretary and other high officials participated in the interaction program. The Chief Commissioner Mr. Surya Nath Upadhyay highlighted on the importance of Nepal Rastra Bank in the field of monitoring and supervision of the commercial banks including the checking of irregularities in those banks. He added that CIAA might stand in need of the help of NRB to investigate financial crimes. He also suggested improvement in the shortcomings within the NRB itself.

Similarly, other interaction programs on October 6, 7, 8, 13 and 27 were organized for the General Managers and other high officials of Nepal Industrial Development Corporation, Karmachari Sanchaya Kosh, Agriculture Development Bank, Rastriya Baniya Bank and Nepal Bank Limited. The Commissioners of the CIAA Mr. Basu Dev Lamichhane and Mr. Lalit Bahadur Limbu were also present during the interaction programs.

It is to be noted that the CIAA has already constituted a Task Force for the investigation of financial crimes. Coordinator of the Task Force is Mr. Lakshman Kumar Pokharel, Joint Secretary of CIAA and other members are Mrs. Gita Shrestha, Under Secretary, Mr. Begendra Raj Sharma Poudel, Under Secretary, Mr. Jagadish Man Shrestha, Inspector of CIAA and Mr. Murari Prasad Vetwal, Deputy Director of Nepal Rastra Bank.

Orientation Program for the Focal Points

An orientation program was organized for the focal points of various ministries and other agencies of His Majesty's Government of Nepal. Twenty-two focal points of the above said agencies

were present on the occasion. The program was attended by the Chief Commissioner Mr. Surya Nath Upadhyay, Commissioners Messrs. Basu Dev Lamichhane, Indra Kumar Shrestha, Lalit Bahadur Limbu and Bed Prasad Siwakoti. Officiating Secretary Mr. Chet Nath Ghimire and divisional heads of the CIAA were also present on the occasion. Mr. Ratna Kaji Bajracharya, Joint Secretary and Mr. Surya Prasad Koirala of CIAA presented the working papers.

Workshop on Writing Skill

A workshop on writing skill was conducted at the CIAA meeting hall for the gazetted class 2 officers on October 9, 2004. Chief Commissioner Mr. Surya Nath Upadhyay was also present in course of the workshop and made some valuable comments. He recalled some flaws found in the past reports and stressed on the need of good report writing skill. He suggested that the report should be interesting, based on the facts and figures and visual wherever possible. Mr. Chet Nath Ghimire, Deputy Attorney General and Mr. Yub Raj Subedi, Joint Attorney presented their working papers.

Similarly, on October 10, 2004 also another workshop on writing skill was conducted for the gazetted class 3 officers. Participants of the both workshops were awarded with the certificate. Mr. Ratna Kaji Bajracharya, Joint Secretary of the CIAA coordinated both workshops.

Interaction Program on the Effectiveness of the Corruption Control Agencies

An interaction program was organized by the Commission for the Investigation of Abuse of Authority (CIAA) on October 11, 2004 to enhance joint collaboration and coordination among the various corruption control agencies. Chief Commissioner Mr. Surya Nath Upadhyay chaired the program. Convening the program Mr. Upadhyay laid emphasis on the need of concerted efforts of all corruption control agencies to curb the menace of corruption and irregularities. He stressed on the need of high morale and good faith among high officials in order to budge the organization efficiently and effectively. He added that the officials should take into account the practicability and the effective implementation of existing laws, rules and regulations instead of demanding for new rules and regulations.

Commissioner Mr. Lalit Bahadur Limbu pointed out the importance of information collection and sharing among the stakeholders. Likewise, Commissioner Mr. Indra Kumar Shrestha mentioned that as the trend of posturing problems has been developed, first of all the anti-corruption authorities should fulfill their responsibilities and then underline the practical difficulties and problems faced in course of fulfilling their duties and responsibilities. Commissioner Mr. Lalit Bahadur Limbu proposed the idea of seeking collaborative roles from the National

Investigation Department to coordinate with corruption control agencies. Deputy Attorney General Mr. Chet Nath Ghimire said that the work of any organization should not be based on the personality, efficiency and interest of an individual rather it should be based on the institution for which transparency, cooperation and coordination are very necessary. Other participants of the program highlighted the need of the formulation of a committee so as to materialize the joint collaboration among all corruption control agencies. Representatives of the various corruption control agencies presented the works carried out by their respective agencies, problems and possible measures.

At the beginning of the interaction program Joint Secretary Mr. Ratna Kaji Bajracharya highlighted the objectives of the program. Present on the occasion were the Commissioners of CIAA, high officials of the CIAA, National Vigilance Center, Revenue Investigation Department, Criminal Investigation Department of the Police Headquarters and Kumarichok Central Arrear Collection Office.

Similarly, on November 5, 2004 another interaction program was organized among the above mentioned corruption control agencies. In this interaction program it had been agreed that the National Vigilance Center would monitor the forty-nine working procedures of Government Departments and keep the CIAA informed the status accordingly. Henceforth, it was also agreed that the Department of Revenue Investigation should inform the CIAA if the Department reveals the involvement of the officials in revenue evasion. It was agreed that the CIAA should forward the complaints to the Department of Revenue Investigation regarding the revenue evasion and the Department should update the CIAA regarding the actions taken. It was also determined that the CIAA should coordinate with the Ministry of Finance to avail necessary resources to the Kumarichowk Central Arrear Collection Office in order to carry out its functions efficiently and effectively. On the other hand the Central Arrear Collection Office should effectively carry out its duties.

In the program, it was realized that the Criminal Investigation Department of the Police Headquarters should be more active to stop the financial crimes like forgery, fraud, cheating and so on. For this an action plan shall be prepared. Finally, emphasis was laid upon the need of joint collaboration and coordination among all the stakeholders of corruption control.

Letter from Abroad

December 16, 2004

I personally commend Nepal for enacting legislation for, and the organization of, the CIAA. I was pleasantly very surprised to see this commission in-place. If I could, I would personally embrace each individual who's been genuinely and sincerely responsible for the formation of the body and its successes. It's my truest hope to see this commission continually succeed where others around the globe may have failed. Any attempt to achieve fairness in controlling governmental bodies is to be applauded and supported in all ways possible.

Marc E. Milliman Sr.
Little Falls, NY, USA

International News

Police Reforms for Better Governance

The New Nation, Sun 5 Dec 2004

Police's links with the underworld in Bangladesh is not a new phenomenon. The concern is that such links in recent years have deepened and become more extensive in the rank and file of the force. The integrity of a section of policemen have so much deteriorated that newspapers in recent times frequently headlined events in which some police personnel were reported to be directly in the role of snatchers, robbers and extortionists.

No government can expect to maintain the law and order to the reasonable satisfaction of the people and, more significantly, work for a secure environment to achieve growth in the economy or improvement in investment operations with the police force in its present state. A new force for law enforcement, the Rapid Action Battalion (RAB) have done very well since it's coming into being and going into operation a few months ago. But RAB is relatively a small entity compared to the huge police force. Thus, general improvement in law and order will remain elusive as long as the police are not in a position to discharge better service and such improved service can be expected only after carrying out of adequate police reforms.

Reportedly, the government is considering plans to increase the number of police force and provide them with improved logistical supports and a rise in their emoluments. While these steps may go some way in improving the operational strength of the force, people in any opinion poll, if taken, are likely to say that the main problems they encounter in relation to the police is not their number or their day-to-day role in dealing with crimes and corruption. The main problem with our existing police is the virtual absence of required education, social motivation and its centuries-old image as a corruption-prone state-backed armed agency often used more against the peace-loving people rather than the criminals and proven trouble-makers. There are surely welcome exceptions and examples by dedicated and honest policemen, but these are overshadowed by unbecoming excesses committed by their corrupt and greedy colleagues, whatever may be their numbers.

Thus, there is no substitute to hard and sweeping reforms in the police force. The focal point of such reforms must be to get rid of corrupt and characterless personnel. New recruits to the force to fill in the vacant positions must be subjected to appropriate motivation and training. Higher salary and other facilities should be provided by the state to allow honest officials and staff to lead a decent life without "ill-gotten" money, like some of their colleagues amass. Policemen should also be subjected to go through regular moral and motivational training while on the job. Special anti-crime watchdog units within the police force constituted with honest and dedicated officers, including retired ones, should be set up with necessary powers to serve as strict deterrent against corrupt personnel.

China 'Behind 90% of Executions'

Scotland on Sunday, Sun 5 Dec 2004

CHINA carried out nearly 90% of the world's executions last year, putting at least 5,000 people to death, according to an activist group.

China is one of 60 countries that still has the death penalty, the group Hands Off Cain said in a report yesterday. It claimed other governments carried out more than 500 executions.

China's government relies heavily on the death penalty in its effort to reassure the public that it is taking action against corruption and rising crime.

People can be executed for tax fraud, petty theft and other non-violent offences.

Corruption Kills

Peter Eigen, December 2004 (Ips)

December 9 is UN International Anti-Corruption Day, in recognition of the first signing ceremony of the UN Convention Against Corruption in Merida, Mexico, on Dec. 9, 2003. Since then, 113 countries have signed the Convention, a milestone in international efforts to curb corruption, writes Peter Eigen, chairman of Transparency International.

Nepotism, patronage, and corruption do not just block development and deepen poverty, Eigen writes in this column. They also hold back the development of a private sector in developing countries, and deprive a new generation of the education and healthcare they need to be able to participate in economic development.

Corruption not only diverts public funds into the pockets of well-connected individuals. It also deepens a country's indebtedness for generations to come: estimates put the cost of corrupt projects in developing countries at more than one-third of the debt burden of the developing world. Corruption robs children of their future, it breeds conflict, mistrust and even war. Corruption kills.

Governor arrested on corruption charges

CHRIS BRUMMITT, Associated Press Writer

Tuesday, December 7, 2004, JAKARTA, Indonesia (AP)

Authorities on Tuesday arrested and charged the governor of the war-ravaged Aceh province in northern Sumatra in a high-profile corruption case that will test Indonesia's newly formed anti-graft court. The case against Gov. Abdullah Puteh is expected to complicate efforts to restore civilian rule to Aceh after martial law — imposed there last year to help crush a long-running separatist insurgency — was lifted in May.

Puteh has denied any wrongdoing and refused to step down, despite the charges that he illegally profited from a 2002 deal to buy a helicopter for his regional government. If tried as expected within 90 days, Puteh will be the first suspect to appear before the country's Special Corruption Court, established in 2003 to help fight the graft that is endemic in Indonesian society.

Recently elected President Susilo Bambang Yudhoyono has vowed a crackdown. Many analysts, however, doubt the reform credentials of the 55-year-old retired general, who himself was a key figure in Indonesia's corrupt political and military elite before taking office in October. Puteh will be jailed until his trial, said anti-corruption agency deputy chairman Erry Riyana Hardjapamekas. "This is standard procedure if we fear a suspect may try to run away or destroy evidence," he said.

He declined to give details of the charges or the maximum punishment they carried. Meanwhile, Yudhoyono summoned senior military and government officials to discuss who would oversee the Aceh administration during Puteh's detention. Jakarta has been fighting the separatist Free Aceh Movement since 1976, and at least 13,000 people have been killed, including more than 2,000 in the past year.

Facts and Figures on CIAA Activities(FY 2060/61)

Actions on the Complaints (FY 2060/61)

Complaints Carried Over from the Last Fiscal Year	Complaints (Current Fiscal Year up to October 2004)	Total Complaints	Resolved	Outstanding
548	1186	1734	978	756

CIAA Meetings (FY 2060/61)

Number of Total Meetings	Number of Decisions
46	111

Types of Decisions Made by CIAA (FY 2060/61)

Particulars	Number
Cases Filed	23
Departmental Actions	13
Suggestions	10
Admonitions	5
Recovery of Payment	3
Attention Drawn	1
Suspended	1
Disposal	56
Re-submission of Cases	17

Cases Filed at the Special Court (From July to October 2004)

Particulars	Number
Illegal Earnings	5
Over Invoicing in Procurements	2
Registration of Stolen Vehicles	1
Fake Certificates	20
Misuse of Timber	1
Total	29

Transparency International's Corruption Perceptions Index 2004

Rank	Country	Score*	Rank	Country	Score*
1	Finland	9.7	13	Austria	8.4
2	New Zealand	9.6		Luxembourg	8.4
3	Denmark	9.5	15	Germany	8.2
	Iceland	9.5	16	Hong Kong	8.0
5	Singapore	9.3	17	Belgium	7.5
6	Sweden	9.2		Ireland	7.5
7	Switzerland	9.1		USA	7.4
8	Norway	8.9	20	Chile	7.4
9	Australia	8.8	21	Barbados	7.3
10	Netherlands	8.7	22	France	7.1
11	United Kingdom	8.6		Spain	7.1
12	Canada	8.5	24	Japan	6.9
			25	Malta	6.8
			26	Israel	6.4
			27	Portugal	6.3
			28	Uruguay	6.2

Rank	Country	Score*
29	Oman	6.1
	United Arab	6.1
31	Emirates	6.0
	Botswana	6.0
	Estonia	6.0
34	Slovenia	5.8
35	Bahrain	5.6
36	Taiwan	5.4
37	Cyprus	5.3
38	Jordan	5.2
39	Qatar	5.0
	Malaysia	5.0
41	Tunisia	4.9
42	Costa Rica	4.8
	Hungary	4.8
44	Italy	4.6
	Kuwait	4.6
	Lithuania	4.6
47	South Africa	4.5
49	South Korea	4.4
49	Seychelles	4.3
	Greece	4.3
51	Suriname	4.2
	Czech Republic	4.2
	El Salvador	4.2
54	Trinidad and	4.1
	Tobago	4.1
	Bulgaria	4.1
57	Mauritius	4.0
	Namibia	4.0
59	Latvia	3.9
60	Slovakia	3.8
	Brazil	3.8
62	Belize	3.7
	Colombia	3.7
64	Cuba	3.6
	Panama	3.6
	Ghana	3.6
67	Mexico	3.5
	Thailand	3.5
	Croatia	3.5
	Peru	3.5
	Poland	3.4
	Sri Lanka	3.4
71	China	3.4
	Saudi Arabia	
	Syria	
74	Belarus	
	Gabon	
	Jamaica	3.3
77	Benin	3.3
	Egypt	3.3
	Mali	3.2
	Morocco	3.2
	Turkey	3.2
82	Armenia	3.2
	Bosnia and	3.2
	Herzegovina	3.1
85	Madagascar	3.1
	Mongolia	3.1
87	Senegal	3.0
	Dominican	3.0
	Republic	2.9
	Iran	2.0

Rank	Country	Score*
	Romania	2.9
90	Gambia	2.8
	India	2.8
	Malawi	2.8
	Mozambique	2.8
	Nepal	2.8
	Russia	2.8
	Tanzania	2.8
97	Algeria	2.7
	Lebanon	2.7
	Macedonia (FYR)	2.7
	Nicaragua	2.7
	Serbia and Montenegro	2.7
102	Eritrea	2.6
	Papua New Guinea	2.6
	Philippines	2.6
	Uganda	2.6
	Vietnam	2.6
	Zambia	2.6
108	Albania	2.5
	Argentina	2.5
	Libya	2.5
	Palestinian Authority	2.5
112	Ecuador	2.4
	Yemen	2.4
114	Republic of Congo	2.3
	Ethiopia	2.3
	Honduras	2.3
	Moldova	2.3
	Sierra Leone	2.3
	Uzbekistan	2.3
	Venezuela	2.3
	Zimbabwe	2.3
122	Bolivia	2.2
	Guatemala	2.2
	Kazakhstan	2.2
	Kyrgyzstan	2.2
	Niger	2.2
	Sudan	2.2
	Ukraine	2.2
129	Cameroon	2.1
	Iraq	2.1
	Kenya	2.1
	Pakistan	2.1
133	Angola	2.0
	Congo, Democratic	2.0
	Rep.	2.0
	Cote d'Ivoire	2.0
	Georgia	2.0
	Indonesia	2.0
	Tajikistan	2.0
140	Turkmenistan	1.9
	Azerbaijan	1.9
142	Paraguay	1.7
	Chad	1.7
144	Myanmar	1.6
145	Nigeria	1.5
	Bangladesh	1.5
	Haiti	

Notes: CPI Score relates to Perceptions of the degree of corruption as seen by business people and Country analysts and ranges between 10 (highly clean) and 0 (highly corrupt).

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PM Addressing the August Gathering



VVIP's in the Foundation Stone Laying Ceremony



The CIAA Chief Commissioner Delivering His Closing Remarks