

REPORT ON ACTIVITIES FOR THE PERIOD JULY 2006 TO MARCH 2007

(Prepared for the 8th AGM held on the 28th of March 2007)

1 Introduction

This report outlines the activities of the Trinidad and Tobago Transparency Institute (TTTI) undertaken in the nine-month period between the 7th and 8th Annual General Meetings:

These activities were carried out, for the most part, under programmes specified in the *2004–2006 Strategic Plan*. In the sections that follow, for each of the programmes in which there was activity during the period, there is a brief description of the programme itself followed by outlines of its activities.

2 Institution–Building Programme

This is a programme of active search for human and material resources to support the Institute’s operations and projects.

2.1 Membership

During the period July 2006 to March 2007 individual membership increased by 19% to 75. Corporate membership increased by 24% to 21. New members were recruited, in the main, through the individual efforts of directors.

2.2 Financial Resources¹

The main sources of income during the period were members’ subscriptions, consultancy and projects.

Total annual subscriptions receivable increased by 17% to \$96,450. Consultancy earned \$26,500 and projects earned \$23,880.

Not having the expense of maintaining a staffed office, by the end of February 2007 we had increased our net current assets by 68% to \$220,521.

With a further increase in membership and funding both from international agencies and the local business community we should be in a position, during 2007, to re-establish a staffed office for the adequate support of our work.

The *Finance Committee* comprised the Vice–Chairman, Mr. Victor Hart as Chairman, Ms. Wendy Kerry (DFL) as Secretary, Mrs. Sandra Perkins and Mr. Audley Walker.

2.3 Ernst & Young

In September 2006 we were informed by the TI Secretariat that TI had reached a funding agreement with Ernst & Young LLP (E&Y), under which the world–wide accounting and consulting services firm committed to providing financial support for TI’s global measurement tools such as, for example, the Corruption Perceptions Index.

We were further informed that this support was not limited to the financial aspect. E&Y were ready to make their offices around the world available for TI chapters to host launch events and contribute to their costs. E&Y’s contribution, we were told, also opened the door to possible joint publications, seminars or workshops and the opportunity for TI representatives to participate in international events organised by the firm.

We are happy to report that, when we approached Mr. Colin Soo Ping Chow, Executive Chairman of E&Y Caribbean, to discuss possible ways in which the local firm could support our work, we received a most encouraging response.

Currently he is discussing with us ways of putting the Institute on a firm financial footing and of collaborating with us in our Private Sector Corruption Prevention Programme (see Section 5 below).

3 Public Procurement Reform Programme

The Strategic Plan also envisages a programme that involves:

- *creating a framework for and facilitating national discussion of public procurement reform;*
- *developing specific proposals for the reform of legislation governing public procurement including its extension to the operations of all entities entrusted with public funds; and*
- *advocating and monitoring the adoption, in major public investment projects, of TI’s Integrity Pact.*

3.1 Full Implementation

Before the 2006/7 Budget debate we *wrote to the Prime Minister* seeking assurance of no further delay in the full implementation of the government’s reform of the public sector procurement regime. We issued *media releases* before and after Budget Day expressing our concern (See Section 4.1 below).

We have taken every opportunity available since then to advocate the full implementation of the reform, emphasising particularly the need for the government to have the *new legislation* published for public comment, Parliamentary debate, enactment and proclamation without further delay.

We reported to the Organisation of American States (OAS) on these matters (see Section 6.1 below).

¹ All amounts in Trinidad and Tobago dollars (TT\$1.00 = US\$0.16 approximately).

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3.2 The Rapid Rail Project

In December 2006, as part of our monitoring of the implementation of the new regime, we joined with, among others, the Joint Consultative Council for the Construction Industry (JCC) and the Association of Professional Engineers of Trinidad and Tobago (APETT) in *calling publicly upon the Prime Minister* to have the Trinidad Rapid Rail Project (TRRP) put on hold pending a proper feasibility study, pointing out that, among other things, the procurement process appeared to be in violation of the principles and standards of the White Paper on procurement reform. We were represented on TV talk shows in connection with the matter.

Our Vice-Chairman, Mr. Victor Hart, made *presentations on the topic* at fora organised by APETT and the Lloyd Best Institute of the West Indies.

3.3 'Mega-Projects'

On more than one occasion we drew the public's attention to the lack of transparency in the other large public projects already begun or being proposed, such as, for example, the aluminium smelters. We alerted the public to the risk of mismanagement and corruption involved in the undertaking of such projects by the new 'special purpose' State enterprises without an adequate procurement regime in place.

The most recent occasion for this was a *forum* sponsored by a group of organisations of which we were part that was headed by the Federation of Independent Trade Unions and NGOs (FITUN). Mr. Hart spoke at the forum and proposed a *resolution* calling upon the government to publish for public comment the Draft Legislation for the new Public Sector Procurement Regime and to have it enacted before the end of the current parliamentary term. The proposal is currently under consideration by the sponsoring bodies.

We were invited to, and were represented at, the government's symposium on the *aluminium industry*.

3.4 The Community-Based Environmental Protection and Enhancement Programme (CEPEP)

Following the publication of the Auditor General's special report which revealed an alarming lack of transparency and accountability in the programme, we issued a *media release* expressing our increased concern with the way public funds were being managed by some State enterprises and particularly by the so-called 'Special Purpose State Enterprises'.

We warned once again that the lack of adequate checks and balances in the processes of these bodies could pave the way for massive corruption, to the detriment of the country as a whole. We renewed our call to the government to implement the reform of the public procurement regime without further delay.

We also called on the Attorney General to investigate the Auditor General's findings with a view to taking action against those found to have erred procedurally and legally in the CEPEP programme.

Our representatives were interviewed on the topic on television and radio and our release received favourable editorial comment in the daily press.

Subsequently an Opposition member in Parliament revealed findings of a Ministry of Finance investigation into CEPEP that detailed procedural non-compliance and pointed to the possibility of outright financial abuse.

As the measures to deal with this matter announced by Government appear to us to be inadequate, we are to-day issuing another release, this time calling for a Commission of Inquiry.

3.5 Training of Public Officers

We have continued to help in preparing public officers for the new procurement regime by providing them with training in the *ethics of public procurement*. Fr. Henry Charles, Mr. Victor Hart and Mr. Boyd Reid give their services for this.

4 Public Education Programme

This programme involves seizing the opportunities that arise to educate the public on the forms corruption takes and on how individuals and groups can combat it. According to the Plan, particular attention is to be paid to the issues of political party funding, executive accountability and appropriate constitutional reform. Methods of communication with the public are to include public statements, regular articles in the press, discussion forums and radio and television appearances.

During the period under review, this programme was the responsibility of a *Public Education Committee* comprising Mrs. Sonah Nagassar (Chair), Mr. Boyd Reid (Secretary) and Mrs. Nan Gosine-Ramgoolam.

4.1 Media Releases

Since July 2006 the Institute has issued the following media releases.

2006

- 6 July This release reported on the 7th AGM at which, among other things, it was shown how TTTI was working with both the public and private sectors to prevent corruption
- 13 September This was a call for a firm assurance in the Budget Speech that the promised reform of the public procurement regime would soon be implemented and, in particular, that new legislation, faithfully reflecting the new policy, would soon be on the books.
The release also called for adequate provision in the national Budget for the full implementation of the new regime.
- 17 October This release, issued after the Budget debate, welcomed the government's declared continued commitment to reform of public procurement but expressed our disappointment that the introduction of the new regime had been further delayed, thus leaving open the door to corruption, especially on the big State enterprise projects.
It also expressed disappointment that the new procurement legislation had not yet been laid in Parliament and that there were no provisions in the Budget Estimates for the implementation of the new regime.
- 6 November Announcing the 2006 Corruption Perceptions Index (See Section 4.2 below)

2007

- 18 January The release on CEPEP mentioned above (Section 3.4)

We sent to the media *press releases from TI Secretariat* that we judged would be of interest to them.

4.2 Media Conference on the 2006 Corruption Perceptions Index (CPI)

TTTI, in common with many other TI chapters around the world, released the 2006 CPI at a media conference on the 6th of November.

It gave us no pleasure to have to announce that, once again, Trinidad and Tobago's score had dropped.

We took the opportunity to suggest areas of national life that lacked the transparency and accountability necessary to curb corruption. We commended the government and private sector for initiatives taken to prevent corruption and urged the government, the private sector, the media and Civil Society to play their respective parts and, as far as possible, to work together to make Trinidad and Tobago a corruption-intolerant country.

The release of the CPI aroused considerable interest in the media, amongst politicians, the business community and the public at large. This provided us with several opportunities to explain the CPI and discuss its implications in both the press and the electronic media.

It appeared that generally people did not consider the lower score undeserved. Editorial and other comments in the Press, for the most part, took the CPI results seriously.

However, one Minister of Government took great exception to what he considered to be the flawed methodology of the CPI. But it appeared from his speech on the subject in Parliament that he had misunderstood the explanation of the methodology provided by TI's web site.

Another Minister took strong objection to what he said were allegations made by TTTI of corruption among his public officials. We replied to him, pointing out that he appeared to have been misinformed about what we had actually said in our media release. We explained that, in fact, we had made no allegations of corruption whatsoever. We had merely suggested that suspicions that had been raised in some quarters about the integrity of several large public projects, including one of his, might have influenced the perceptions of the respondents to the surveys used by TI in compiling the CPI.

4.3 Appearances on Radio and Television

As has already been mentioned in several places in this report, throughout the period, on several occasions, particularly after media releases, our representatives appeared on television and were interviewed for radio and the print media.

4.4 E-mail Communication

During the period under review we continued to e-mail to *members, media people* and *other non-members* material of interest to the anti-corruption movement. The total number of recipients grew by around 40% to about 315.

4.5 International Anti-Corruption Day

Four TV stations agreed to run free of charge a *30 second advertisement* produced by TI for the 2006 *International Anti-Corruption Day* (9th of December). Also, thanks to the sponsorship of corporate member *BP Trinidad and Tobago*, we were able to print a *full page advertisement* commemorating the day in each of the three daily newspapers. We took part in a *TV panel discussion* to mark the occasion and were *interviewed on radio*.

4.6 Constitutional Reform

During the period, directors participated in the work of the *Constitution Reform Forum*.

In addition, our Chairman, Mr. Reginald Dumas, acting in his personal capacity, conducted public discussions on constitutional reform in several communities in *Tobago*.

5 Private Sector Corruption Prevention Programme

The Strategic Plan sees us, in this programme, conducting workshops and other forms of discussion aimed at getting companies to adopt TI's Business Principles for Countering Bribery (BPCB) and generally promoting risk prevention, especially in Small and Medium Sized Enterprises (SMEs).

5.1 BPCB Workshop

In September 2006 we joined with the T&T Chamber of Commerce to hold a *workshop introducing the business community to the BPCB*.

The workshop was attended by 144 persons representing a cross-section of business organisations with a reasonable proportion of high-level staff. It was chaired by, *Mr. Reginald Dumas*, Chairman of TTTI.

Chamber President, *Mr. Ian Welch*, in his opening remarks, emphasised the importance of integrity in business and announced the Chamber's plan to develop a code of conduct for its members.

Mr. Robert Riley, Chairman and CEO of BP Trinidad and Tobago, then spoke on his company's experience of managing the risk of bribery and corruption. He explained how bpTT's code of conduct was developed and how it is implemented. He argued strongly for the business community taking its share of responsibility for corruption prevention.

Next, *Fr. Henry Charles*, an ethicist, a member and former director of TTTI, spoke on the importance of an ethical culture for business. He pointed out that integrity was as much an organisational matter as it was something individual and personal. He outlined the requirements for bringing an ethical code to life in an organisation and recommended for businesses a broad view of ethics as a matter of human excellence in living.

The feature presentation was by TI's *Ms. Susan Côté-Freeman*. She introduced participants to the BPCB, explaining why companies should be concerned with countering bribery. She went on to discuss the importance of codes and described how TI had arrived at this one.

Ms Côté-Freeman described the BPCB as an anti-bribery framework for businesses of all sizes that promoted good business practices and risk management. She outlined the scope and content of the code. She noted the importance of effective implementation of the code and listed the tools that TI has developed to help companies with this.

The workshop concluded with *working group discussions* on implementing the BPCB in Trinidad and Tobago followed by reporting from the groups in plenary session. The feedback at this session and afterwards was very positive.

The success of the workshop was due in large part to the Chamber making human and material resources available for the preparation and conduct of the workshop. Sponsorship was generously provided by *Emile Elias and Company Limited* and *The TSL Group*.

TTTI representatives on the organising committee were *Fr. Henry Charles*, *Mr. Victor Hart* and *Mr. Boyd Reid*.

Follow-up action to have the BPCB implemented in local firms will begin shortly. (See Section 7.4 below).

6 International Conventions

According to the Plan, TTTI is to join other TI chapters in the Americas in actively and collaboratively monitoring the implementation by signatory states of the Inter-American Convention Against Corruption (IACAC) and the work of the OAS in this regard; studying the draft United Nations Convention Against Corruption (UNCAC) and advocating at the national level TI's recommendations on the contents of the document and its implementation.

Note: Since the Plan was drawn up the UNCAC has come in to force. Trinidad and Tobago has signed and ratified the Convention.

6.1 IACAC Monitoring Project

At the invitation of the TI Secretariat we prepared and, on the 8th of November 2006, submitted, as an independent civil society contribution, a *Report on Measures Taken by Trinidad and Tobago to Create, Maintain and Strengthen Government Systems for Procurement of Goods and Services* to the Committee of Experts of the Mechanism for Follow-Up on the Implementation of the Inter-American Convention Against Corruption (MESICIC), Second Round.

The report provided *an independent assessment of the nature of the government's proposed reform of the public sector procurement regime and of its actual implementation to date.*

After outlining the *historical background*, the report describes *the main features of the proposed new legal and regulatory framework* as set out in the White Paper of August 2005:

- a) The underlying philosophy of the reform is that once a body is spending public money it is obliged to seek Value for Money which by definition involves efficient and effective delivery of the property or services for which the money is spent.
- b) A new Act will *govern the procurement activities of all who use public money*. It will establish a legal framework and prescribe operating principles leaving the details of process and procedure to subordinate instruments.
- c) The Act will prescribe for all procuring agencies the *operating principles* of:
 - Value for Money;
 - Transparency of the procurement process;
 - Accountability of participants in the procurement process.
- d) Compliance with these principles in every transaction involving expenditure of public money will be *mandatory*. Penalties will be prescribed for non-compliance.
- e) The legislation will establish the office of *Procurement Regulator* who will report to Parliament and whose prime function will be to proactively ensure an efficient and relevant procurement system that is free of corruption.
- f) The Regulator will be mandated to develop and maintain mandatory guidelines for procuring agencies, monitor compliance with these guidelines and investigate cases of non-compliance.
- g) He will be assisted by a *National Procurement Advisory Council* made up of representatives of public and private sector, as well as civil society organisations.

The report then describes the progress made in *implementing the new regime*. It notes, among other things, the training of public officers in the fundamentals of public procurement, the interviewing of applicants for the post of Regulator, the beginning of the drafting of the Guidelines, the design of the organisational structure of the Regulatory Agency.

However it also notes the delay in publishing the new legislation to which we have referred several times in this Activity Report.

The report concludes by stating that, although the government's announced intentions in the area of public sector procurement reform are excellent, its tardiness in implementing the reform, coupled with its haste in creating new and heavy-spending agencies that undertake major projects outside a proper legal and regulatory framework, has engendered an atmosphere of doubt, disappointment and suspicion about its real intentions.

It declares that TTTI will continue to strive for the correct approach to issues such as these and for the speedier implementation of promised reforms.

6.2 UNCAC Follow-up

In December the UN held a *Conference of States Parties* in Jordan designed to play a critical role in deciding on steps necessary to make the UNCAC work effectively.

Before the Conference all TI chapters were requested by Ms. Huguette Labelle, Chair of TI, to urge their respective governments to support the following steps:

1. Establish an efficient follow-up monitoring programme with dependable funding from the UN budget.
2. Launch a 2007 survey of implementation including identification of obstacles and technical assistance needs.
3. Organize a working group with donor organisations to encourage adequate and coordinated funding of technical assistance for developing countries.
4. Initiate pilot programmes to ensure effective implementation of UNCAC's provisions on asset recovery, transparent public finance and open procurement.

We wrote to the Attorney General to this effect, enclosing a copy of a *TI Report on Follow-up Process for UN Convention Against Corruption*.

7 Other Activities

7.1 Integrity Legislation in Montserrat

At the request of the UK Government's Department for International Development, DFID, we recently made a proposal to provide professional advice to the Government of Montserrat on the improvement of the content of its draft *Integrity in Public Office Act 2007*. We are awaiting DFID's response.

7.2 Re-Accreditation as a TI Chapter

To protect the integrity, cohesion and reputation of TI and to strengthen and support the members of the movement, approximately every three years each TI chapter has to seek re-accreditation by preparing a self-evaluation, consisting of answers to a standard questionnaire, preparing a statement of its own strengths and weaknesses and identifying areas where strengthening efforts will be directed, if any.

We completed this exercise in October and submitted the documents to the committee of TI that decides on the granting of re-accreditation. The decision in our case has been postponed, pending our submission of concrete plans to acquire the resources needed to have our own office and administrative staff.

7.3 The International Anti-Corruption Conference (IACAC) and TI's Annual Meeting of Members (AMM)

In November we were represented at the IACAC and at TI's AMM in Guatemala by our Vice-Chairman, Mr. Victor Hart. This has proved a valuable learning experience for him and, through him, has given new impetus to the work of the chapter.

7.4 Strategic Planning

A committee comprising Ms. Wendy Kerry, Mr. Victor Hart and Mr. Boyd Reid prepared a draft Strategic Framework for the period 2007 to 2009 which was discussed by members at a meeting in January. Following this the committee finalised the document for approval by the Board on the 1st of March.

After stating the vision, mission, challenges and objectives of the Institute, the document briefly outlines the following *anti-corruption programmes*:

- Political Party Funding and Regulation
- Public Contracting
- Private Sector Corruption Prevention
- Public Education
- Access to Information
- International Conventions
- Petty Corruption Prevention
- Public Integrity; and
- Constitutional Reform

It will be the task of the new Board to select from these programmes those to be given priority during the next twelve months and to identify *specific projects* to be implemented under them.

The Framework also provides for research, regional activities, fund-raising, organisational strengthening and cooperation with the TI Secretariat and other TI chapters.

7.5 The Board of Directors

The Board elected at the 7th AGM on the 28th of June 2006 comprised Mr. Reginald Dumas (Chairman), Mr. Victor Hart (Vice-Chairman), Mr. Boyd Reid (Secretary), Ms. Wendy Kerry of Development Finance Ltd. (Treasurer), Mrs. Nan Gosine-Ramgoolam, Mr. Brian Lewis and Mrs. Sonah Nagassar.

During the period under review the Board held 6 meetings with an average attendance of 83%. Mr. Brian Lewis kindly made a room at the office of his firm, acla:works, available for these and other TTTI meetings.