

Contents

<i>Acknowledgements</i>	ix
Foreword <i>Francis Fukuyama</i>	xi
Introduction <i>Peter Eigen</i>	1
Transparency International's Minimum Standards for Public Contracting	4
Part one: Corruption in construction	
1 The costs of corruption	9
Blowing the whistle on corruption: one man's fatal struggle <i>Raj Kamal Jha</i>	9
The economic costs of corruption in infrastructure <i>Paul Collier and Anke Hoeffler</i>	12
The environment at risk from monuments of corruption <i>Peter Bosshard</i>	19
Earthquake destruction: corruption on the fault line <i>James Lewis</i>	23
The Italian mafia's legacy of high-rise death traps <i>David Alexander</i>	26
Turkish homeowners demand an end to earthquake devastation <i>William A. Mitchell and Justin Page</i>	27
2 Corruption in practice	31
Case study: Lesotho puts international business in the dock <i>Fiona Darroch</i>	31
Exposing the foundations of corruption in construction <i>Neill Stansbury</i>	36
A business perspective: promoting integrity in consulting engineering <i>Jorge Diaz Padilla</i>	40
Integrity Pact sheds light on Mexican electricity tender <i>Transparencia Mexicana</i>	43

WEF task force adopts the Business Principles for Countering Bribery <i>Transparency International</i>	49	
Case study: Oversized incinerator burns up Cologne's cash <i>Hans Leyendecker</i>	51	
3 International finance and corruption	55	
Financing corruption? The role of multilateral development banks and export credit agencies <i>Susan Hawley</i>	55	
Blacklisting corrupt companies <i>Juanita Olaya</i>	59	
4 Recommendations	65	
<i>Transparency International</i>		
Part two: Special feature – Corruption in post-conflict reconstruction		
5 Overcoming corruption in the wake of conflict	73	
<i>Philippe Le Billon</i>		
Reconstruction and the construction sector	74	
Aid and corruption	80	
Case study: Corrupting the new Iraq <i>Reinoud Leenders and Justin Alexander</i>	82	
Part three: Country reports		
6 Key developments in corruption across countries	93	
<i>Cobus de Swardt</i>		
7 Country reports		
Argentina	<i>Laura Alonso, Pilar Arcidiácono, María Julia Pérez Tort and Pablo Secchi</i>	96
Azerbaijan	<i>Rena Safaraliev</i>	100
Bangladesh	<i>Md. Abdul Alim</i>	103
Bolivia	<i>Jorge González Roda</i>	106
Brazil	<i>Ana Luiza Fleck Saibro</i>	109
Britain	<i>Michael James Macauley</i>	112
Burkina Faso	<i>Luc Damiba</i>	116
Cambodia	<i>Christine J. Nissen</i>	119
Cameroon	<i>Talla Jean-Bosco</i>	122
Canada	<i>Maureen Mancuso</i>	125
China	<i>Guo Yong and Liao Ran</i>	129
Colombia	<i>Rosa Inés Ospina</i>	133
Congo (DRC)	<i>Anne-Marie Mukwayanzo Mpundu and Gaston Tona Lutete</i>	136

Costa Rica	<i>Roxana Salazar and Mario Carazo</i>	139
Croatia	<i>Ana First</i>	141
Czech Republic	<i>David Ondráčka and Michal Štička</i>	144
Georgia	<i>Johanna Dadiani</i>	147
Germany	<i>Carsten Kremer</i>	150
Greece	<i>Markella Samara</i>	154
India	<i>P. S. Bawa</i>	156
Indonesia	<i>Emmy Hafild</i>	159
Ireland	<i>Gary Murphy</i>	162
Japan	<i>TI Japan</i>	165
Kenya	<i>Parselelo Kantai</i>	169
Latvia	<i>Inese Voika</i>	172
Nicaragua	<i>Roberto Courtney</i>	176
Norway	<i>Jan Borgen, Henrik Makoto Inadomi and Gro Skaaren-Fystro</i>	179
Palestinian Authority	<i>Jamil Hilal</i>	183
Panama	<i>Angélica Maytín Justiniani</i>	186
Peru	<i>Samuel Rotta Castilla</i>	189
Poland	<i>Julia Piłera</i>	193
Romania	<i>Adrian Savin</i>	196
Russia	<i>Marina Savintseva and Petra Stykow</i>	199
Serbia	<i>Nemanja Nenadic</i>	202
Slovakia	<i>Emília Sičáková-Beblavá and Daniela Zemanovičová</i>	206
Sri Lanka	<i>Anushika Amarasinghe</i>	209
Turkey	<i>Ercis Kurtulus</i>	211
Vanuatu	<i>Anita Jowitt</i>	214
Vietnam	<i>Danny Richards</i>	218
Zimbabwe	<i>Idaishe Chengu and Webster Madera</i>	221

Part four: Research on corruption

8	Introduction	229
	<i>Robin Hodess</i>	
9	Corruption Perceptions Index 2004	233
	<i>Johann Graf Lambsdorff</i>	
10	Global Corruption Barometer 2004	239
	<i>Marie Wolkers</i>	
11	National Integrity Systems in the Pacific island states	242
	<i>Peter Larmour</i>	
12	Kenya Bribery Index 2004	245
	<i>Mwalimu Mati and Osendo Con Omore</i>	
13	Measuring corruption in public service delivery: the experience of Mexico	248
	<i>Transparencia Mexicana</i>	

14	The Public Integrity Index: assessing anti-corruption architecture	252
	<i>Marianne Camerer and Jonathan Werve</i>	
15	A survey of governance in 30 underperforming states	255
	<i>Sarah Repucci</i>	
16	Global Index of Bribery for News Coverage	258
	<i>Dean Kruckeberg, Katerina Tsetsura and Frank Ovaitt</i>	
17	Trust and corruption	262
	<i>Eric M. Uslaner</i>	
18	Experimental economics and corruption: a survey of budding research	265
	<i>Jens Chr. Andvig</i>	
19	International determinants of national corruption levels	268
	<i>Wayne Sandholtz and Mark Gray</i>	
20	Corruption in transition economies	271
	<i>Cheryl Gray and James Anderson</i>	
21	Transparency and accountability in the public sector in the Arab region	275
	<i>UN Department of Economic and Social Affairs</i>	
22	Latin American Index of Budget Transparency	278
	<i>Helena Hofbauer</i>	
23	The Latin American Public Opinion Project: corruption victimisation, 2004	282
	<i>Mitchell A. Seligson</i>	
24	Corruption and crime	285
	<i>Omar Azfar</i>	
25	Measuring corruption: validating subjective surveys of perceptions	289
	<i>Rodrigo R. Soares</i>	
26	How far can we trust expert opinions on corruption? An experiment based on surveys in francophone Africa	292
	<i>Mireille Razafindrakoto and François Roubaud</i>	
27	Gender and corruption: in search of better evidence	296
	<i>Hung-En Sung</i>	
28	Corruption, pollution and economic development	299
	<i>Heinz Welsch</i>	
29	Firm responses to corruption in foreign markets	302
	<i>Klaus Uhlenbruck, Peter Rodriguez, Jonathan Doh and Lorraine Eden</i>	
30	The effect of corruption on trade and FDI	305
	<i>Mohsin Habib and Leon Zurawicki</i>	
31	Firms, bureaucrats and organised crime: an empirical examination of illicit interactions	308
	<i>Larry Chavis</i>	
	<i>Index</i>	311

Introduction

Peter Eigen, Chairman, Transparency International

Corruption doesn't just line the pockets of political and business elites; it leaves ordinary people without essential services, such as life-saving medicines, and deprives them of access to sanitation and housing. In short, corruption costs lives.

Nowhere is corruption more ingrained than in the construction sector, the focus of Transparency International's *Global Corruption Report 2005*. From the Lesotho Highlands Water Project (page 31) to post-conflict reconstruction in Iraq (page 82), transparency in public contracting is arguably the single most important factor in determining the success of donor support in sustainable development. Corrupt contracting processes leave developing countries saddled with sub-standard infrastructure and excessive debt.

Building a world free of bribes

However ingrained corruption seems, it can be beaten. Transparency International (TI) has pioneered the no-bribes Integrity Pact, which includes sanctions such as blacklisting if a bidder for a public contract breaches the no-bribes agreement (page 59). Now used in more than 20 countries around the world, in 2003–04 TI's campaigning bore fruit on a global level. The Integrity Pact is increasingly being used by multilateral development banks, a major breakthrough that will bring tremendous benefits to ordinary people in the developing world.

In September 2004 the World Bank announced a decision to require companies bidding on large Bank-financed projects to certify that they 'have taken steps to ensure that no person acting for [them] or on [their] behalf will engage in bribery'. This breakthrough is evidence of the increasing impact of the anti-corruption movement in shaping the global agenda.

Another initiative of TI (together with Social Accountability International and a group of international companies), the Business Principles for Countering Bribery, offers companies practical guidance on how to prevent corruption throughout their operations. In January 2004 at the World Economic Forum in Davos, 19 leading international companies took a major step towards building a corruption-free construction sector when they signed up to Business Principles customised for the engineering and construction industries (see page 49).

The costs of corruption

These and other initiatives are essential if we are to build a world free of bribes. More than US \$4 trillion is spent on government procurement annually worldwide. From the construction of dams and schools to the provision of waste disposal services, public works and construction are singled out by one survey after another as the sector most prone to corruption – in both the developing and the developed world. If we do not stop the corruption, the cost will continue to be devastating.

Most horrifically, the cost will be lives lost. In the past 15 years alone, earthquakes have killed more than 150,000 people. As James Lewis writes, '[e]arthquakes don't kill people; collapsing buildings do' (page 23). Examples from Turkey and Italy demonstrate that buildings often collapse because building and planning regulations are ignored – and regulations are often ignored because bribes have been paid to bypass them.

In economic terms, research gathered by Paul Collier and Anke Hoeffler (page 12) demonstrates how corruption raises the cost and lowers the quality of infrastructure. Corruption also slows down development, reducing long-term growth rates. In short, corruption has the potential to devastate emerging economies.

Corruption in the construction sector not only plunders economies; it shapes them. Corrupt government officials steer social and economic development towards large capital-intensive infrastructure projects that provide fertile ground for corruption, and in doing so neglect health and education programmes. The opportunity costs are tremendous, and they hit the poor hardest. Were it not for corruption in construction, vastly more money could be spent on health and education and more developing countries would have a sustainable future supported by a functioning market economy and the rule of law.

Corruption also steers public spending towards environmentally destructive projects. Peter Bosshard (page 19) points to 'monuments of corruption' the world over – huge construction projects that went ahead only because bribes were paid and environmental standards were not applied. The Yacyretá dam in Argentina, the Bataan nuclear power plant in the Philippines and the Bujagali dam in Uganda have all been subject to allegations of the improper diversion of money. Too frequently, corruption results in redundant infrastructure projects with potentially disastrous environmental consequences.

The bricks and mortar of corruption

The list of construction projects plagued by corruption is a long one. The *Global Corruption Report 2005* presents case studies from Lesotho (page 31) and Germany (page 51), while the country reports on China, Costa Rica, the Czech Republic, Norway and others all cite allegations of corruption in construction during 2003–04.

Neill Stansbury describes (page 36) how the characteristics of the construction sector slant it towards corruption: the fierce competition for 'make or break' contracts; the numerous levels of official approvals and permits; the uniqueness of many projects; the opportunities for delays and overruns; and the simple fact that the quality of much work is rapidly concealed as it is covered over by concrete, plaster and cladding.

Too often, international investors and financial institutions are also culpable in supporting corruption. An over-readiness to lend against a background of weak oversight and accounting safeguards has led the World Bank and regional development banks to invest heavily in projects that have been subject to allegations of corruption. Export credit agencies (ECAs) – semi-governmental agencies that provide guarantees and insurance for domestic companies seeking business abroad – have also been heavily criticised for lack of transparency and their willingness to continue working with construction companies known to be corrupt. As Susan Hawley argues (page 55), multilateral development banks and ECAs have an impact and responsibility far beyond the sums of money they themselves invest, not least because the guarantees they issue help mobilise private sector investment.

Rebuilding after war

Corruption in public contracting seems particularly intractable in post-conflict situations, marred by weak government structures, thriving black markets, a legacy of patronage, the sudden influx of donor funds, and the need to ‘buy’ the short-term support of former combatants. From Iraq to Afghanistan, from Cambodia to the Democratic Republic of Congo, time and again the lessons of the past are ignored and corruption is allowed to thrive in the wake of conflict.

Recognising how tragically frequent conflicts are around the world, the *Global Corruption Report 2005* contains a special feature on corruption in post-conflict reconstruction. Philippe Le Billon examines the nature of corruption in post-conflict situations (page 73), and points to the particular damage it can do, undermining both peace-building efforts and the rule of law, storing up serious long-term problems.

The need for anti-corruption measures is particularly acute in the first years after conflict. As Reinoud Leenders and Justin Alexander argue in their case study of Iraq (page 82), strong and immediate measures to curb corruption will be essential when the real spending on reconstruction starts. Without a systematic commitment to transparency in the reconstruction process, Iraq is at risk of becoming the biggest corruption scandal in history. The consequences for ordinary people will be immense and long-lasting.

Concrete reforms are needed

To combat corruption within the construction sector, all actors need to be involved. Company shareholders, professional trade bodies and civil society organisations all have a part to play in exposing and combating malpractice (see recommendations on pages 65–70).

First and foremost, however, it is governments that bear the greatest responsibility for ensuring the honest and transparent management of public funds. The *Global Corruption Report 2005* launches TI’s Minimum Standards for Public Contracting (see box), a baseline for all governments, both for public works and far beyond. As with all anti-corruption measures, getting the rules right is only a first step. As many of the

Global Corruption Report's country reports show, enforcement rarely matches up to the standards to which governments pay lip-service.

Private sector anti-corruption initiatives have been implemented under the auspices of the World Economic Forum (page 49) and by the International Federation of Consulting Engineers (page 40) in attempts to bolster standards. While laudable, such initiatives need to be implemented wholeheartedly and taken up right across the sector. Otherwise, they will remain merely good intentions and will not succeed in creating a level playing field.

International financial institutions have also taken steps to implement reforms. The World Bank, for example, has started to blacklist companies known to be corrupt (page 59). While this is significant progress, it is essential to ensure the adoption of debarment systems by all the regional development banks as well. ECAs are also in urgent need of reform. While they increasingly acknowledge what good practice requires of them, concrete actions are still required. All international financial institutions have a special responsibility to carry out due diligence on the projects and companies for which they provide backing.

Corruption cannot be overcome without political will and courageous leadership. Politicians and government officials are in a position to show that leadership, but civil society must also be ready to monitor their actions, to check that they keep their promises and hold them to account.

Our vigilance will do more than improve government finances and the quality of investments in construction and infrastructure projects. It will ensure public money is used for the public good, and it will save lives.

The *Global Corruption Report 2005* opens with a tribute to one individual, Satyendra Dubey, who was murdered after he courageously spoke out against corruption in the construction of a massive highway project in India. At the Transparency International Integrity Awards 2004, a special posthumous tribute was paid to Dubey in recognition of his contribution to the fight to rid the world of corruption.

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 whistleblowers.
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.¹
3. Maintain a blacklist of companies for which there is sufficient evidence of their involvement in corrupt activities; 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 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 pre-qualification 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 per cent 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 standard office safeguards, such as the use of committees at decision-making points and rotation of staff in sensitive positions. Staff responsible for procurement processes should be well trained and adequately remunerated.
13. Promote the participation of civil society organisations as independent monitors of both the tender and execution of projects.

Note

1. The Business Principles for Countering Bribery, developed by Transparency International and Social Accountability International, provide a framework for the development of an effective anti-corruption policy (see www.transparency.org/building_coalitions/private_sector/business_principles.html).

Index

Compiled by Sue Carlton

- access to information 97, 106, 130, 135, 142–3, 152–3, 192, 203, 209, 212
 - cross-border sharing 112, 113–14
- Ackermann, Josef 152
- Acres International 33–4, 35, 59
- Afghanistan 73, 78
- Africa
 - surveys 292–4
 - water utility companies 16
- African Parliamentarians' Network Against Corruption 222
- Ahern, Bertie 163
- aid agencies 74, 78–80, 148
- Alemán, Arnoldo 176, 177–8
- Aliyev, Ilham 100, 101, 102
- Anglo-Leasing scandal 170
- Angola 75, 76
- Arab Region, public sector corruption 275–7
- Arafat, Yasser 185
- Argentina 2, 21, 96–100, 278, 280
- assets
 - declarations of 104, 157, 205, 218
 - repatriation of stolen 171
 - state disposal of 73, 74, 83, 101, 222
- auditing/accounting 109, 110, 116, 126–8, 158, 167, 180, 186, 200, 209, 212, 218
- Australia 65, 242
- Azerbaijan 100–3

- Bangladesh 103–5, 259
- Bani, John 215
- banks
 - recommended actions for 68
 - Turkey 212–13
- Bataan nuclear power plant 2, 20
- Bechtel 85, 86
- blacklisting (debarment) 1, 32, 58–60, 62, 130, 131–2, 152, 201
 - by World Bank 4, 34, 35, 59
 - recommendations 66, 68, 69
- Bolaños, Enrique 177, 178
- Bolivia 106–9
- Bosnia and Herzegovina 76, 78
- Brazil 16, 109–11, 240, 278–80

- bribery
 - in award of contracts 42–5, 52–3
 - countering 49–50
 - deferred bribes 46
 - during construction 45–7, 53
 - effect of social networks 308–10
 - and extortion 43
 - and news coverage 258–61
 - OECD Anti-Bribery Convention 62, 70, 94
 - payment of commissions 19, 20, 42
 - see also* Kenya, Bribery Index
- Britain 112–16
- budget transparency 109, 116, 189, 229–30, 278–81
- Bui Quoc Huy 219
- Bujagali hydropower project 2, 19, 181
- Burke, Ray 163
- Burkina Faso 116–19, 292
- Burundi 300
- Business Environment and Enterprise Performance Survey (BEEPS) 232, 271–4
- Business Integrity Management System (BIMS) 40–1
- Business Principles for Countering Bribery 1, 49–50

- El Cajón* hydroelectricity plant 43–4
- Cambodia 73–4, 78, 95, 119–22
- Cameroon 95, 122–5, 240
- campaign finance *see* party and campaign financing
- Canada 94, 125–9, 240
- Cheney, Dick 85
- Chile 278, 280
- China 55, 94, 129–33, 259
- Chrétien, Jean 126
- Chunga, Bernard 171
- civil service reforms 78, 201
- civil society organisations 3, 80–1, 95, 133, 189–90
 - and access to information 135, 142, 192
 - and conflicts of interest 207
 - and elections 120, 210

- civil society organisations *continued*
 - in Pacific island states 243
 - recommended actions for 70
 - weakness in Russia 201
- clients, recommended actions for 66–7
- codes of conduct
 - for civil society 117
 - for private sector 117, 186, 196, 212
 - for public sector 212
- Cologne waste incinerator project 51–4
- Colombia 133–6, 278, 280, 283
- Compaoré, Blaise 116, 117
- conflicts of interest 143, 198, 203, 204–5, 206–7
- construction companies, recommended actions for 67–8
- construction sector
 - award of contracts 1, 42–5, 52–3, 75, 85
 - China 131–2
 - combating corruption 3–4, 49–50, 65–70, 75
 - competitive bidding 67
 - consultants 21–2, 40–1
 - corruption, in planning and design stage 39–41, 51–2
 - corruption during construction 45–8, 53, 75, 140–1
 - corruption during operation and maintenance 48
 - costs of corruption 2, 9–30, 36
 - due diligence 4, 39, 58, 62–3, 67, 68, 69
 - prone to corruption 36–8
 - sector integrity pact 68
 - see also* infrastructure projects; post-conflict reconstruction
- corporate corruption 180–1
- corruption
 - experimental studies 265–7
 - levels in relation to international integration 268–70
 - qualitative research 231–2
 - recommendations 65–70
 - reducing 3–4, 49–50, 65–70, 75, 230–1
 - relevance of expert opinions 292–5
 - and trust 262–4, 265
 - see also* construction sector; infrastructure projects, corruption
- Corruption Perceptions Index 16, 95, 232, 233–8, 269, 297, 305
- Costa Rica 16–17, 139–41, 236, 278, 280, 283
- Council of Europe 102, 142
 - see also* GRECO
- crime rates 230, 285–8, 289–90
- Croatia 94, 95, 141–4
- customs 114, 149
- Czech Republic 94, 144–7
- Dabhol power plant 21, 31, 115
- dam projects 2, 19–22, 31–6, 55, 181
- debarment *see* blacklisting
- decentralisation 191–2
- Democratic Republic of the Congo 95, 136–9
- Denmark 259
- Dubey, Satyendra Kumar 4, 9–12
- earthquakes 2, 9, 23–30, 108
 - Avellino 27
 - Bingol 29
 - Catania 27
 - Dinar 28
 - Erzincan 28
 - Izmit 9, 28–9
 - Kocaeli 25
 - Messina 27
 - Mizque 108
 - Reggio Calabria 27
- Ecuador 240, 278, 280, 283
- education, Latin America 229, 282–3
- El Salvador 278, 280
- electoral corruption
 - Azerbaijan 100–1
 - Cambodia 120–1
 - Colombia 134–5
 - India 157–8
 - Indonesia 160–1
 - Japan 167
 - Nicaragua 177–8
 - Palestinian Authority 184–5
 - Panama 187–8
 - Sri Lanka 210–11
 - Vanuatu 214–15
- electricity provision 14, 15, 16–17, 20, 31–6
- Emsis, Indulis 174, 175
- Enron 21, 31
- environment 2, 19–23, 230, 299–301
 - forestry 122–3
- Erdogan, Tayyip 29
- European Union 58, 146, 152
 - accession to 198
 - European Anti-Fraud Office (OLAF) 198
 - European Commission 59, 197
 - Sapard projects 198
 - suspends aid 78–9

- export credit agencies (ECAs) 3, 55–64
 - anti-corruption reforms 4, 58–63, 66
 - recommended actions for 68
- Fiji 242
- Finland 140, 259
- football 110, 146, 151–2
 - 2006 World Cup 151
- foreign direct investment (FDI) 302, 303, 304, 305–7
- forestry *see* environment
- freedom of information *see* access to information
- Fujimori, Alberto 190, 191
- Gagliano, Alfonso 127
- gender 230, 296–8
- Georgia 95, 147–50, 240
- Germany 51–4, 150–3
- Global Corruption Barometer 124, 232, 239–41
- Goldenberg Commission 171–2
- governance 77–8, 135, 229–30
 - Mexican survey (NSCGG) 229, 248–51
 - survey of 255–7
- governments
 - recommended actions for 69–70
 - construction 69–70
 - public contracting 4–6
- GRECO 155
 - see also* Council of Europe
- Greece 154–6, 240
- Guatemala 283
- Halliburton 85
- Haughey, Charles 162–3
- health sector 140, 167–8, 182, 213
- Honduras 283
- Human Rights Watch 149
- Hun Sen 121
- Hussein, Saddam 84
- immunity 108, 196
- India 10, 24, 156–9
- Indonesia 19–20, 94, 159–62, 240
- informal economy 148, 222–4
- infrastructure projects
 - backed by ECAs or MDBs 55–64
 - complexity 37–8, 49
 - corruption 2, 12–19, 37–9, 75, 140
 - and environmental issues 19–23
 - impact on capital investment 13–16, 18
 - impact on running services 13–14, 16–17
 - overcoming 22–3, 49–50, 63
 - culture of secrecy 38–9
 - scale of international finance 56–7
 - see also* construction sector
- Integrity Pact (IP) 1, 22, 43–4, 66, 67–8
- Inter-American Convention against Corruption (IACAC) 188–9
- International Country Risk Guide (ICRG)
 - corruption index 16, 289–90
- International Crime Victimization Surveys (ICVS) 232, 285, 289
- International Federation of Consulting Engineers (FIDIC) 4, 40, 41, 67
- international financial institutions 3, 4, 31–2, 35, 50
 - aggravating corruption 57–8
 - recommended actions for 68
 - see also* export credit agencies; International Monetary Fund; multilateral development banks; World Bank
- International Monetary Fund (IMF) 84, 123, 148, 268, 305
- Interpol 285, 286
- Iraq
 - managing oil revenues 84–5, 87
 - Oil-for-Food (OFF) programme 84
 - post-conflict reconstruction 1, 3, 71, 82–9
- Ireland 94, 162–5
- Italy
 - earthquakes 23, 26–7
 - infrastructure investment 14–15, 18
- Japan 94, 165–8
- Jatigede dam 19–20
- Jordan 275
- judiciaries 132, 145, 171, 177, 190, 197–8, 209–10, 213
 - failure to prosecute corruption cases 108, 124
- Latin America 282–4
 - reform of 104–5, 140
 - selection of judges 94, 119
 - special corruption courts 207–8
 - stemming political corruption 157–8
- Kabila, Joseph 137
- Kenya 94, 169–72, 240
 - Bribery Index 229, 245–7

- Khodorkovsky, Mikhail 200
- Kibaki, Mwai 246
- Kieffer, Fernando 106, 108
- Kirchner, Néstor 97, 99
- Korea 240
- Kosovo 73
- Kozeny, Viktor 101
- Kukoc, Yerko 107
- Kwaśniewski, Aleksander 194
- Lagos, Ricardo 280
- Latin America
 - budget transparency 230, 278–81
 - corruption victimisation 229, 282–4
 - education system 229, 282–3
 - electricity utility companies 16–17, 18
 - public opinion 282–4
- Latvia 95, 172–6
- Le Kha Phieu 218
- Lebanon 86, 275
- Lesotho Highlands Water Project (LHWP) 1, 31–6, 56, 115
- Lipsic, Daniel 207
- Lithuania 240
- lobbying 95, 194–5
- mafia
 - India 11
 - Italy 26–7
- Marcos, Ferdinand 20
- Martin, Paul 126, 127
- Mečiar, Vladimír 207
- media 80–1, 87, 105, 154–5, 194, 210, 219
 - news coverage and bribery 258–61
- medical corruption *see* health sector; pharmaceutical industry
- Menem, Carlos 98, 99
- Mesa, Carlos 107
- Mexico 43–4, 240, 248–51, 278, 280
 - governance survey of 229, 248–51
- Micronesia 243
- Millennium Development Goals 63, 180
- Miller, Leszek 194
- Moi, Daniel arap 170, 171, 172
- Moldova 240
- money-laundering 70, 94, 159–60, 173, 176, 218, 221–2, 223
- Morocco 275
- Moscoso, Mireya 187, 188
- Mozambique 73, 74
- Mugabe, Robert 223
- multilateral development banks (MDBs) 1, 3, 55–64
 - anti-corruption reforms 58–61
 - scale of finance for infrastructure projects 56–7
 - see also* international financial institutions
- Nalo, Alfred Maseng 215
- Natapei, Edward 216
- National Integrity Systems (NIS) 114, 224, 242–4
- New Zealand 242, 259
- Nicaragua 176–9, 278, 280
- Nigeria 14, 240
- Nong Duc Manh 218
- Norway 179–83
- OECD 268
 - Action Statement 61, 62
 - Anti-Bribery Convention 62, 70, 94
 - Best Practices paper 62
 - Expert Group on Bribery 113
 - 1997 Revised Recommendations 62
 - Working Party on Export Credits and Credit Guarantees (ECG) 61–2
- Olympic Games
 - Beijing 2008 132
 - Greece 2004 155
- organised crime 11, 26–7, 111, 112, 113–14, 133–4
- Organization of American States (OAS) 188–9
- Pacific island states 229, 242–4
- Pakistan 259
- Palau 243
- Palestinian Authority 95, 183–6
- Panama 186–9
- Papua New Guinea (PNG) 242
- Paris Club 84
- party and campaign financing 74, 78, 98–9, 109, 125, 173–4, 190, 194, 203–4
- Pastrana, Andrés 134
- Peru 95, 189–93, 278, 280, 300
- Phan Van Khai 219, 220
- pharmaceutical industry 139, 182, 213
- Philippines 2, 20, 240
- plea bargaining 97–8
- Poland 193–6, 308
- police corruption 128, 155–6, 164, 166–7, 229, 246
 - special police 207–8

- political finance *see* party and campaign financing
- post-conflict reconstruction
 - changes in land-use 75
 - and construction sector 74–5
 - and corruption 3, 71–89
 - and disposal of assets 73, 74, 83
 - measures to reduce corruption 76–81
 - and peace-building 81
 - power-sharing arrangements 73–4
 - and transition to democracy 7, 73
 - and transition to market economy 74
 - and urban planning 75
- private sector
 - anti-corruption initiatives 4, 80
 - codes of conduct for 117, 186, 196, 212
- professional trade bodies 3
 - recommended actions for 68–9
- project integrity pact 68
- Public Integrity Index 231–2, 252–4
- public procurement 1, 4–6, 42–5, 52–3, 75, 85, 138, 145–6, 182, 195
 - anti-corruption recommendations 66–70
 - post-conflict Iraq 85
- public service delivery 248–51
- Putin, Vladimir 199

- Quiroga, Jorge 108

- regulatory capture 13
- Repše, Einars 174
- Romania 196–9, 308
 - survey on trust 263–4
- Rúa, Fernando de la 98
- Russia 199–202
- Rwanda 78
- Rywin, Lew 194

- Saakashvili, Mikheil 147, 148–9
- Samoa 243
- Sánchez de Lozada, Gonzalo 106, 107
- Saudi Arabia 259
- Serbia 202–6
- Sezer, Ahmet 29
- shareholders 3
 - recommended actions for 69
- Shevardnadze, Eduard 148
- Sierra Leone 75, 76
- Silva, Luiz Inácio da 110, 111
- Silva, Sarath Nanda 209
- Šlesers, Ainars 174

- Slovakia 206–8, 308
- Solomon Islands 243
- Sope, Barak 214–15
- Srba, Karel 145–6
- Sri Lanka 95, 209–11
- subcontracting 10, 36–7, 42, 47, 85–6
- Sudan 275
- Switzerland 259
 - bank accounts 32, 33, 52

- Taliban 73
- telecommunications services 15, 17, 152, 219, 302–4
- terrorism 94
- Three Gorges dam project 55
- TI Integrity Awards 4
- TI Minimum Standards for Public Contracting 3, 4–5, 65, 66–7
- TI Source Book 2000 242
- Togo 294
- Toledo, Alejandro 191
- Tonga 242, 243
- Torrijos, Martín 187–8
- transition economies 271–4
- Tunisia 275
- Turkey 94, 211–14, 240
 - earthquakes 9, 23, 24, 27–9

- Uganda 2, 19, 181
- United Nations
 - Convention against Corruption (UNCAC) 70, 93–4, 98, 113, 115, 121
 - Department of Economic and Social Affairs (DESA) 275
 - Development Programme (UNDP) 277
 - Global Compact 93–4
 - and post-war Iraq 85
 - research 232
 - Survey of Crime Trends and Operations of Criminal Justice Systems (UNCS) 289
 - UN-Habitat 25
 - UNCTAD Foreign Direct Investment Online 305
 - UNESCO 25
 - UNISYS 182
- United States 240
 - Agency for International Development (USAID) 86, 201, 282
 - Millennium Challenge Account 148, 255
 - Project on Government Oversight 85
 - reconstruction contracts in Iraq 85–6
- Uribe, Álvaro 133, 135

Vanuatu 214–17, 242
 Vietnam 218–21, 259

 waste processing plants 51–4
 water services 16, 17
 whistleblowers 9–12, 146, 157
 protection for 11–12, 68, 86, 106, 126,
 142, 165, 187
 Whistleblower of the Year Awards 11–12
 World Bank 1, 58–60, 123, 137, 138, 148, 184
 and Business Principles for Countering
 Bribery 50
 and dam projects 19, 20, 21, 22, 55
 debarment system (blacklisting) 4, 34, 35,
 59
 2003 Infrastructure Action Plan 61
 investing in corrupt companies 3, 57
 investing in infrastructure projects 56
 and Lesotho Highlands Water Project 31,
 33
 Private Participation in Infrastructure
 (PPI) database 302
 World Bank Institute 269, 285
 World Economic Forum 1, 4, 49
 Governors' Engineering and Construction
 Task Force 49–50, 67
 World Health Organization (WHO) 286
 World Trade Organization (WTO) 119, 268

 Yacretá dam 2, 21
 Yemen 275
 Yonli, Paramanga Ernest 117
 Yukos affair 200

 Zimbabwe 94, 95, 221–5
 Zwickel, Klaus 152