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List of Acronyms

TIP    Transparency International Pakistan
AFH    Anti Fraud Hotline
ALAC   Advocacy and Legal Advice Center
PSO    Pakistan State Oil
TDAP   Trade Development Authority of Pakistan
SIDA   Sindh Irrigation and Drainage Authority
SPPRA  Sindh Public Procurement Authority
PPRA   Public Procurement Regulatory Authority
PPR 2004 Public Procurement Rules 2004
NCPS   National Corruption Perception Survey
IBA    Institute of Business Administration
FTO    Federal Tax Ombudsman
CPI    Corruption Perception Index
FIA    Federal Investigation Agency
CJP    Chief Justice of Pakistan
YinG   Youth in Governance
CVoC   Child View on Corruption
MoU    Memorandum of Understanding
WB     World Bank
FBR    Federal Board of Revenue
FTO    Federal Tax Ombudsman
TI     Transparency International
CGRL   Center for Globally Responsible Leaders
CBO    Community Based Organization
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
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<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
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<tr>
<td>AMRDO</td>
<td>Al Mehran Rural Development Organization</td>
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<tr>
<td>RDO</td>
<td>Rural Development Organization</td>
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<tr>
<td>KWS</td>
<td>Kuchlak Welfare Society</td>
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<tr>
<td>NICL</td>
<td>National Insurance Corporation Limited</td>
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<tr>
<td>UNCAC</td>
<td>United Nations Convention Against Corruption</td>
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<td>ACPPII</td>
<td>Anti-Corruption Project Pakistan Phase II</td>
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<td>NRO</td>
<td>National Reconciliation Ordinance</td>
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<td>NAB</td>
<td>National Accountability Bureau</td>
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<tr>
<td>KPK</td>
<td>Khyber Pakhtunkhwa</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>ISOSS</td>
<td>Islamic Countries Society of Statistical Sciences</td>
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Executive Summary

There is an epidemic of interest but a critical shortage of commitment in today’s world. Therefore, the question is, ‘Is one interested or committed to combat corruption?’ If only one is committed then one can concentrate energy on achieving the goal. Transparency International Pakistan is not only interested but also committed to combat and curb corruption prevalent in all tiers of the country.

This report covers TI Pakistan’s activities from January to December 2011

Corruption is endemic in Pakistan. Scandals have followed scandals. PSM, PIA, mismanagement in Pakistan railway, TCP, Haj swindle and rental power plant frauds, NICL and the list goes on. Scandals are not an exception but a regular feature of Pakistan politics.

Nevertheless, despite the unpromising situation, CPI bore better news for Pakistan ranking it once again as the 42nd most corrupt country as compared to last year’s ranking of 34th.

Externally, some donor agencies have made a beginning by insisting that program funding is tied more specifically to anti-corruption policies and procedures. In this perspective, Transparency International Pakistan signed an agreement with the USAID for the establishment of “Anti-fraud hotline” to receive complaints of fraud, abuse and wastage in projects funded by USAID. Pakistan will receive an aid of US$ 7.5 billion over a period of five years under the Kerry Lugar bill.

Internally in some cases corruption is stopped in its tracks by: (a) The wide publicity given to mega cases of corruption by the media (b) the taking up of cases by the judiciary due to the growing expansion of civil society activism. The credit can also be given to PAC of parliament, Judiciary and Defense Ministry for applying PPRA Rules.

Transparency International Pakistan released NCPS 2011 with a delay on 29th December, 2011. The pressure against the survey was immense that the party which had been providing services for the report earlier excused itself from providing its services. Therefore, this year the survey has been conducted by Gallup Pakistan.

TI Pakistan has faced many challenges in fulfilling its objectives. There has been resistance from the affected corrupt officials and lack of political commitment to tackle the pressing issue further exacerbates the situation. Apathy of the general public also hinders implementing of our strategies effectively. Poor mode of governance adds salt to the injury. Moreover, the insecurity prevalent in the country has impacted TI Pakistan operations. Frequent strikes and sense of lawlessness added to our woes.

As TI Pakistan is committed in tackling corruption, no matter how tough things get, it finds a way through obstacles.
Procurement monitoring has gained momentum. Capacity building workshops have become an integral part that apprises procurement officials of PPRA rules. Increased cases come to TI Pakistan’s knowledge due to whistleblowers that have extended their support to TI Pakistan in unearthing irregularities in public procurement at federal, provincial and local government level.

Letters written to procuring agencies citing the infringement of PPRA rules are copied to Public Procurement Regulating Authority, Auditor General Pakistan, National Accountability Bureau, Public Accounts Committee and Registrar Supreme Court. This practice has led Supreme Court take suo motu notice at many instances such as Rental Power Plant, PIA, Bahria Town case and Haj scam, saving billions of rupees.

In pursuance of TI Pakistan’s public procurement watch policy, scanning of tender advertisements and monitoring of tender opening have become a regular feature. TI Pakistan has participated as an observer at tender openings of various organizations with whom MOUs have been signed.

Moreover, an education committee has been formed to formulate recommendations to curb ghost schools and exorbitant increase in fees of private schools.

ALAC is prospering and has been entertaining complaints from all over the country. It has convened many kutcheries and workshops across the country propagating information regarding lodging FIRs at local police station and other advocacy campaign. In this context, pamphlets have been distributed in regional and national languages.

Communal gatherings or kutcheries has become an institutional practice at TI Pakistan. These gatherings allowed exchange of information between TI personnel and local people. The local people shared their experiences of being a victim of corruption whereas the expert panel of TI informed them of their rights and provided legal advice.

A citizen’s report card study was undertaken on the ‘Federal Tax Ombudsman (FTO)’ Office that would help the organization in understanding its shortfalls. An independent research firm M/s Islamic Countries Society of Statistical Sciences (ISOSS) Lahore was contracted to carry out the study. It took a lot of effort as it entailed coordination with the FTO Office in Islamabad, FBR offices and trade bodies spread across the country. The study indicated that the Federal Tax Ombudsman was one of the cleanest public-sector organizations in Pakistan. The report is available on TI Pakistan website.

As a consequence of an agreement TI Pakistan signed with USAID for the establishment of Anti-Fraud Hotline, a toll free hotline has been set up, operated and maintained. The hotline has been receiving numerous calls reporting fraud, wastage and abuses in USAID funded projects.

Complaints received by Hotline are evaluated by TI Pakistan before forwarding them to USAID Office of the Inspector General (OIG), USAID, Washington for investigation. In
case any irregularity is found, further necessary action will be taken by OIG. As a result of Anti-Hotline reporting, many officials were sacked in USAID funded agricultural program. Nine education officials were suspended for theft and diversion of fortified edible oil intended for primary school students in Sindh under WFP’s Food for Education Program.

As floods ravaged the country, donor agencies doled aid. However, as disasters bring out good and the bad of people together, AFH received many complaints highlighting discrepancy in flood relief services.

With increasing activities, hiring of staff continued this year as well. Capacity building training programs for the staff was organized on regular basis.

YinG project is popular among the private and public educational institutions. New institutions have expressed their interest in becoming part of YinG. Lectures, debates, dramas and workshops had been arranged throughout the year propagating anti-corruption practices in all provinces with special emphasis in Khyber PakhtunKhawa.

TI P website is updated regularly. Also, a Facebook page is maintained and monitored on daily basis.

TI Pakistan also has become a center of information, on corruption issues, for the print and electronic media, and their viewpoints are always sought after and given prominence by the national media.

It is well known that any chain is as strong as its weakest link. The strength of the chain is that it stands together. Keeping this in mind, TI Pakistan is taking the message of anti-corruption everywhere with special focus on Khyber Pakhtunkhwa (KPK) and Baluchistan provinces. Few workshops were organized in collaboration with Anti-Corruption Establishment Khyber Pakhtunkhwa. Youths from both provinces are invited in large numbers to YinG activities taking place in other parts of Pakistan and events are also conducted in their own provinces.

TI Pakistan is indebted to various NGOs, CSO and CBOs for endorsing our mission and propagating our message at the grass root level.
Part 1 REVIEW.

1. Changes in the context

It has been observed that the corruption in Pakistan has reduced during the year. The Corruption Perception Index 2011 ranks the country as the 42nd most corrupt country of the world as compared to the 34th position of last year CPI.

However, the progress has been overshadowed by the ongoing corruption cases – NICL scam, Haj swindle and RPP frauds.

It is the lack of political will that impedes any measures to curb corruption. One clear manifestation of short supply of political willingness is the ability to take the menace of corruption holistically. But there is no change in our agenda and TI Pakistan resolves to continue its efforts to whatever extent possible to aware the nation of the ills of corruption.

During 2011 YinG was blooming. Throughout the year anti-corruption activities were held across the nation in which youth enthusiastically took part. We are focusing on youth in particular for they are the makers of the future.

Despite the prevailing law and order situation in the country, TI Pakistan activities never came to a halt. This year however, flood added to the problems and a number of planned activities had to be put off. Surmounting all hurdles, workshops and kutcherys (communal gatherings) were held in different parts of Pakistan.

2. PROGRESS REVIEW

2.1 Duty Bearers in Selected Public Sector Organizations practice Good Governance

Capacity building programs have become an integral part at Transparency International Pakistan.

TI Pakistan advocates strict adherence to PPRA rules. If any rules of procurements are violated by any procuring agency, TI Pakistan usually writes to them to inform the violation and request them to take corrective measures. In this respect, TI Pakistan monitors procurements through scanning of tender announcements published in English as well as Urdu dailies of Pakistan.

To ensure compliance with the requirements of the rules of the PPRA, TI Pakistan sent teams as observers at tender openings of various organizations. As a part of the MoU signed between TI Pakistan and Pakistan Steel Mills (PSM), TI Pakistan personnel went
to monitor the Tender openingS at PSM, Bin Qasim. TI-P also observed tender opening of Sindh Irrigation & Drainage Authority (SIDA), as per agreement.

TI-P in collaboration with Sindh Public Procurement Regulatory Authority (SPPRA) organized a seminar on “Sindh Public Procurement Rules 2010” on October 22, 2011 at Avari Towers, Karachi. A total of 170 procurement officials of Government of Sindh attended the seminar.

M/s Islamic Countries Society of Statistical Sciences (ISOSS) Lahore was contracted to conduct a Report Card Study for the Federal Tax Ombudsman (FTO) Office with the objective of assessing the accessibility, transparency, response time and appropriateness of the current information in respect of FTO so as to identify gaps, determine information requirements and future research needs.

This year the message of anti-corruption was taken to the province of Khyber Pakhtunkhawa. On March 30, 2011 at Pearl Continental Hotel, Peshawar, a workshop on ‘Awareness and Prevention of Corruption’ was organized in collaboration with Anti-Corruption Establishment Khyber Pakhtunkhwa. The program was attended by about 100 persons primarily from the Anti-Corruption Establishment Khyber Pakhtunkhwa and the provincial government.

A seminar on “Measures for Eradicating Corruption in the Education Sector” was organized at Hotel Avari Towers, Karachi on April 16, 2011. Almost 200 people attended this seminar. The seminar culminated into the formation of Transparency International-Pakistan’s Education Committee. The committee convened its first meeting at Hotel Marriott, Karachi on April 30, 2011 and postulated recommendations to bring about improvement in the education sector.

Later the year, on September 24, 2011 another education committee meeting was arranged at Pearl Continental, Karachi. The meeting was headed by former Chief Justice, Federal Shariat Court, Chief Justice (Retd.) Haziq-ul-Khairi and attended by leading educationists and members of Civil Society Organizations (CSOs).

A seminar on “Curbing Corruption in the Education Sector” was organized by Transparency International-Pakistan on 22nd October 2011 at Hotel Marriott, Karachi.

On October 29, 2011, a seminar on “The Performance of Public Accounts Committee” was held at Islamabad Marriott Hotel. The Chairman of the Public Accounts committee was the main speaker. The seminar was attended by 120 people including members of the public accounts committee, media personnel, civil society and various government officials.
TI-Pakistan yet released the yearly National Corruption Perception Survey (NCPS) with deterioration in ranking of the sectors of Land Administration, Judiciary, taxation, customs, tendering & contracting and improvement in ranking of police, education and health. According to the findings of the report, land administration and police are the two most corrupt and education and military least corrupt departments.

2.2 Transparent Systemic Reforms and Anti-Bribery Practices in Selected Private Sector Entities Strengthened.

TI Pakistan has continued its contacts with the Private Sector to motivate them for systemic reforms and to adopt anti-bribery principles in their practices. Chambers of Commerce and Industry were visited to involve them in reaching out to their members. The Punjab Business Forum (PBF) was approached and an MOU was finalized to be signed by representatives of PBF and TI Pakistan in the presence of the Chief Minister of Punjab.

2.3 Selected Credible Civil Society Organizations act as agents to deter corruption.

It has been realized that there is a need to involve people at grass roots to curb corruption. It is the people at the bottom tier that bear the brunt of corruption for they are directly exposed to it. Sensitizing people at the grass root level about the issue shall boost transparency and accountability.

However, taking message to grass root levels is an uphill task therefore there is a need to involve CBOs in the mobilization of ordinary people in the mission against corruption. For such purpose, TI-P has partnered with different CBOs who organize activities within their locality from time to time.

A Kutchehry (Communal gathering) was organized in collaboration with Community Research and Development Organization (CRDO) at Hotel Grand, Peshawar on February 17, 2011 which was attended by 90 people. Another Kutchehry took place on the same day at Shelton Guest House in Peshawar in collaboration with Community Appraisal and Motivation Programme (CAMP). Project Coordinator, TI Pakistan, represented the organization at both the occasions.

A capacity building workshop was conducted in Quetta in collaboration with KWS. The topic was “Leadership & Good Governance” and it was attended by almost 55 people.

A visit was made to Bunyad Foundation in Lahore. The purpose was to have an initial visit & evaluate the organization for selection as a partner for the outreach program.
Later, a capacity building workshop in Multan was held in collaboration with Bunyad Foundation in Lahore.

A meeting regarding the planned ‘One Against Corruption’ monitoring program with District Coordination Officer (DCO) Layyah took place on 15th September 2011 at his office in Layyah (Punjab). Due to political circumstances, the project was later on shifted to Chiniot. The first phase of ‘One Against Corruption’ Monitoring project ended successfully. Findings of the project will be revealed in presence of District Coordination Officer and other government officials in a concluding meeting.

In collaboration with TI-Pakistan partner community based organizations, walks and seminars were held at 7 locations in Punjab and Balochistan on the UN Anti-Corruption Day on 9th December, 2011.

2.4 Right Holders and Civil Society become more aware of their rights & responsibilities and the negative impact of corruption

One man’s bribe is another man’s gift. It is difficult to give legal sanctions to perceptions and attitudes. Where all participate, it becomes easier to curb corruption and for that awareness needs to be created amongst the general masses. Transparency International Pakistan acknowledges the role of civil society in limiting corruption and therefore organizes an awareness campaign throughout the year.

The main emphasis is on the youth as children of today are the future of tomorrow.

This year another 20 clubs were established in various public and private sector higher education institutions across Pakistan, including Kashmir, bringing the total number of Ying clubs to 36. A number of workshops, lectures, debate competitions and drama festivals were held in member institutions.

10th, 11th and 12th Ying workshops took place this year. The 10th Ying workshop was organized at the Islamia University of Bahawalpur in Jan 2011. Almost 230 students from 15 universities participated from all over the country in the event. The 11th Ying workshop was held at the Agriculture University Peshawar on 27th and 28th April. The University of Azad Jammu and Kashmir, Muzaffarabad became the venue for 12th
workshop. A total of about 250 people attended the workshop from 21 different universities.

Youth in Governance lectures were organized on June 06 and 09 at Quaid e Azam University Islamabad and Muhammad Ali Jinnah University Karachi respectively. The third Youth in Governance (YinG) Convention also took place here on 22nd and 23rd November 2011.

1st Inter school Debate on the topic “We have a Democratic System but not Democratic Values” took place at Karachi Cadet School under CVoC on January 26, 2011. Eight schools participated in the event. Approximately 100 people attended the Debate Competition. Another Inter-departmental Debate Competition was organized under YinG at Shah Abdul Latif University Khairpur on February 25, 2011. The event was attended by almost 300 people.

All Pakistan Inter College Debate Competition was held at International Grammar School and College, Islamabad. Topic of the debate was “Public, Not Government Can Stop Corruption”. The event was attended by 100 persons.

A YinG & a CVoC’s debate competitions were organized at Swabi Institute of Management Sciences (SIMS), Swabi on February 28, 2011. The topic for CVoC’s debate was “It is Possible to eradicate Corruption from Pakistan” while for ‘YinG’ it was “Corruption begins at home”.

The 5th YinG Debate Competition on the topic “Democracy Prevents Corruption” was held at BIZTEK Karachi on March 24, 2011. Nine universities took part in it while the event was attended by approximately 90 people. A debate competition was also organized at Sargodah University on April, 07 2011.

An All Pakistan Business Ideas competition was organized under Youth in Governance (YinG) Project at Mohammad Ali Jinnah University, Islamabad on 11th January 2011. A total of 56 universities took part in the competition while the ceremony was attended by the twenty-five shortlisted universities.

In collaboration with Al- Mehran Rural Development Organization (AMRDO), a prize distribution ceremony and Exhibition for the 9th Child’s View of Corruption (CVoC) Poster Painting Exhibition was held in New Saeedabad, Sindh on January 18, 2011.
Prize Distribution Ceremony for CVOC’s 11th Poster Painting Competition and 3rd Essay Writing Competition were held in Mirpur (Azad Kashmir) on April 07, 2011.

13th Poster Painting Competition was held at Government Comprehensive Girls High School, Sargodha on October 07, 2011. A total of 269 students from 19 schools participated in the competition.

YinG Drama festival was organized at National Iqra University, Peshawar on February 26, 2011. 9 universities took part in the competition.

The Screening and Award Ceremony of All-Pakistan Inter-University ‘Anti –Corruption Documentary Film Competition’ was held on Saturday, 30th July, 2011 at Institute of Business Management, Karachi. The event was attended by over 100 people including participating teams, faculty members of different institutions, member of NAB, media personnel, etc.

To mark the International Anti-Corruption day, a lecture was organized at Hamdard University, Karachi which was attended by 120 students. Another lecture took place at National Textile University which was attended by 90 students. Walk and speeches were also held at University of Gujarat and Greenwich University, Karachi.

Later the year, a seminar was held at International Islamic University, Islamabad in collaboration with NAB. It was attended by over 300 persons. Another seminar took place in Karachi which was attended by 200 people.

2.5 Structure, Systems and Capacities of TI-Pakistan enhanced to implement the programme

With the passage of time, activities at TI Pakistan have increased manifold. In order to cope up with the workload, additional staff was inducted. To enhance the capacity of staff, a Staff training program on the subject of ‘Report Writing Skills’ was conducted at the Civil Society Resource Center on July 21 & 22, 2011.

A two day training workshop was organized at Pearl Continental Hotel on March 15 and 16 for the TI-P staff on the topic of “Research, Advocacy & Strategic Planning”. The training, attended by 11 members of the staff, was conducted by Prof. Dr. Muhammad Burfat from University of Karachi.
Another training workshop was arranged for Transparency International Pakistan on "Fundraising for Non Profit" by Civil Society Resource Centre on 11th and 12th October, 2011 at their office in Karachi.

Annual Members’ Meeting (AMM) of Transparency International (TI) took place in Berlin. TI-Pakistan was represented by Mr. Sohail Muzaffar, Chairman of the Board of Trustees and Saad Rashid, Executive Director.

Transparency International Pakistan’s Annual Members’ Meeting was held on November 05, 2011 at Hotel Marriott, Karachi. It was attended by 40 members of TI Pakistan.

Board of Trustees Meeting of TI-P was held on June 06, 2011 to discuss the plans and activities of the chapter. In this context, more meetings took place from time to time.

A team from Aga Khan Foundation (Civil Society Resource Center) visited TI Pakistan’s office on September 09, 2011 and met with Executive Director, Mr. Saad Rashid to discuss collaboration in the future.

Occasionally, representatives of USAID visited the TI Pakistan office. Mr. Daniel P. Altman, Special Agent In-charge OIG, visited the office of TI Pakistan on February 15, 2011. During the visit, he also inspected the setup of USAID Anti-Fraud Hotline and held a meeting with the staff. Another meeting took place on April 08, 2011 in Islamabad to further discuss the progress of AFH.

Moreover, a team of the World Food Program (WFP) visited the TI-Pakistan office on March 09, 2011 where they had a meeting about the working of USAID Anti-Fraud Hotline.

This year Asia Pacific Regional Meeting was held in Kuala Lumpur, Malaysia from July 13th to 15th and TI Pakistan was represented by its Executive Director, Mr. Saad Rashid and Syed Fawad.

2.7 TI-P recognized as the focal point for promotion of transparency and anti-corruption practices in Pakistan

TI-Pakistan is acknowledged for its endeavors to promote anti-corruption practices.
Young Minds Corruption Awareness Workshop was held at the Institute of Business Administration on December 24, 2011 where 65 participants were imparted with training by experts.

TI-Pakistan team comprising of Saad Rashid, Executive Director, Project Manager and other members of the Anti-Fraud Hotline Project visited the US Embassy, Islamabad to meet with the OIG team and members of all offices of USAID on November 17 and 18, 2011.

2.8 ALAC

Committed to the vision of empowering the grass root level to combat corruption, ALAC has gained momentum since its formal launch in 2009.

Despite hurdles, the performance has been commendable for there is a 117% increase in the number of complaints made this year as compared to 2010’s total initial contacts of 1,092. Moreover, 455 cases have been opened. A number of complainants benefitted from TI-P's intervention.

Most complaints received are from urban areas as compared to rural areas. Hence, ALAC expanded its outreach in rural areas by equipping people with basic knowledge and skills to tackle corruption. In this context, an effective coalition was formed with TNN Punjab coordinator and members.

20 Corner Meetings in 8 districts of the Punjab province were arranged in June 2011. These districts include Rahim Yar Khan, Bahawalpur, Sahiwal, Toba Tek Singh, Gujranwala, Hafizababd, Ranjanpur, Lodharan. These gatherings were attended by people belonging from different walk of life and thereby discussed problems faced by them because of corruption. Furthermore, they emphasized on the importance of transparency.
On June 23rd, ALAC personnel visited Shadadpur in the Sindh province where a Kutchery (communal gathering) was held with the help of the Villagers Development Organization. At the end of the kutchery, there was an interactive question and answer session in which the expert panel (one lawyer, VDO CEO) and ALAC personnel addressed the problems of the villagers.

According to National Corruption Perception Survey (NCPS) 2010, Police department was perceived to be the most corrupt department. Analyzing the complaints, it was noted that a high percentage of complaints were against the police department. Having studied this pattern, ALAC started an advocacy campaign, “Say No to Corruption”, in Toba Tek Singh in collaboration with the Police Department. The campaign strives for curbing corruption by bridging the gap between the citizen and police.

Consequently, many successful seminars and effective sessions were convened from time to time. Pamphlets were distributed amongst the local people in different languages, mainly English, Urdu and Sindhi, containing information regarding lodging FIRs in police station.

In February, a workshop for 20 NGOs was conducted in the province of Khyber PakhtoonKhuwa (KPK). The participating NGOs decided to make plans to work with TI-P on advocacy level.

In order to form more partnerships and expand the TI-Pakistan transparent NGO network, visits were made to evaluate NRSP and PIPHRO in Badin, Sindh.

2.8 Anti-Fraud Hotline

With the dual objectives of spreading awareness to counter corruption and addressing complaints received, Anti-Fraud Hotline is progressing day by day. To deter fraud, abuse and wastage in USAID funded projects; TI-Pakistan has developed and maintained a toll free hotline for citizens to register complaints of fraud from all over the country.
As a first step, TI-P is involved in a vigorous marketing campaign with the notion that enhanced knowledge about the project to the people shall increase the number of complaints. Therefore, the masses are gradually becoming aware of the AFH as a tool to register their complaints.

AFH is advertised through TV, newspapers, radio, billboards, posters and websites. Apart from Urdu and English, the AFH is marketed in regional languages.

As soon as the media campaign picked up pace, the number of calls received started increasing exponentially. The AFH staff went through a rigorous training exercise to handle various types of complaints in multiple languages. To handle these calls properly and maintain the quality TI-Pakistan installed a voice recording system. Each call received is categorized as a complaint, inquiry, irrelevant call, aid request or as an ALAC complaint. User Manuals have also been developed.

As of Dec 31, 2011, the hotline has received over fifteen thousand calls. Out of this two thousand five hundred plus calls have been converted to complaints. Most of the calls were related to discrepancies in the delivery of flood relief services.

As a consequence of Anti-Fraud Hotline reporting, ten NGO Personnel were terminated for misconduct in flood relief efforts. Other ten NGO personnel were terminated for misconduct in a USAID-Funded Agricultural Program. OIG/USAID has also recovered a huge amount after investigation the complaints.

An investigation on the mismanagement of distribution of cash, food and other relief goods to the designated areas resulted in the termination of 21 employees by SRSO.

Nine Education Officials were suspended for theft and diversion of commodities from Food for Education Program in Sindh Province. Moreover, USAID Contractor Employees were terminated in FATA on account of fraud.

2.9 Fredskorpset (FK) Norway Exchange Program

Under this Program, the South Asian Chapters of Transparency International exchanged fellows amongst themselves to learn about the expertise of the host chapter. During the year, an exchange fellow from Bangladesh visited TI Pakistan and stayed for a period of ten months. He learnt about the Public Procurement Monitoring, ALAC, TI Pakistan’s outreach program, YinG and Childs View of Corruption programs.

3. MANAGEMENT, ORGANIZATIONAL CHANGES & STAFF COMPOSITION

Change is inevitable. Few staff members left on personal accounts whereas others were inducted to manage the workload efficiently. Handling day to day complaints of citizens and giving them sufficient legal advice is an integral part of the projects at TI-Pakistan. The rapid increase in the number of Initial Contacts has burdened the staff heavily.
4. LESSONS LEARNED & GOOD PRACTICES

In pursuance of the objective to combat corruption, TI Pakistan has initiated various activities. To achieve effective results, civil society has been involved.

Procurement monitoring has emerged as a powerful tool to stop corruption in public sector organizations. Monitoring of tender notices in national dailies has so far resulted in considerable containment of irregularities.

Organizations have begun to acknowledge the worth of signing Memorandum of Understandings with TI Pakistan. Therefore, the signatory organization generally seeks TI-Pakistan’s assistance for reorganizing its procurement manuals. The practice of vetting tenders has saved significant sum due to compliance of PPRA rules. Violations of rules detected are immediately brought to the notice of the relevant organization that then rectifies the non compliance.

The toll free hotline, maintained by AFH project, to report cases of fraud from all over the country unearthed many frauds. As of December 31st 2011, the hotline has received over fifteen thousand calls. This shows that the different methods of advertising have been effective and TI-Pakistan’s message is vigorously consumed by people.

However, there is a need to obtain the list of all implementing partners and sub grantees for it becomes frustrating to search whether or not the alleged organization in the complaint is USAID funded.

The YinG program has generated great interest among the youth. A large number of higher education institutions have shown keen interest in joining it. Our anti-corruption endeavors and messages are taken in with great enthusiasm and zeal by the YinG members.

Apart from entertaining complaints, ALAC has been successfully conducting communal gatherings in rural areas to empower the grass root levels. People discuss their problems with the expert panel that then provide with effective solutions. With the endeavors of ALAC, grass root levels are becoming aware of their basic right to lodge a FIR in an event of grievance. TI-Pakistan has learnt that its presence at grass root level is helping to build demand for change at a wider scale.

Considering the success of our transparent NGO activities in Punjab, ALAC is trying to duplicate the same result in another province – namely, Sindh. Many meetings and research has gone into this and it is hoped that we can build a solid partnership with a reliable NGO soon.

Highlighting corruption in public organization and conveying it to the relevant authorities has proved beneficial. Number of high official rankings has been replaced due to TI-Pakistan intervention. TI-Pakistan has learnt that building partnership with government and forming effective coalition with local organizations helps contain corruption.
Part II  PLAN OF OPERATIONS, PLANNING THE FUTURE.

1.  FOCUS & PRIORITIES FOR THE YEAR

1.1  Poverty

The word corruption conjures images of people getting rich. However, corruption's economic connections to poverty are far more pervasive. Poverty remains a serious concern in Pakistan as a significant proportion of the society lives below the poverty line. Corruption and poverty are interdependent. The proportional relationship between corruption and poverty affect both individual and businesses. Poverty invites corruption and corruption exacerbates poverty. Therefore, TI-P prioritizes anti-corruption measures to combat poverty.

1.2  Gender

Gender disparities in Pakistan are severe. The century old patriarchy existent in the subcontinent still defines Pakistani women today. Cultural and institutional constraints deny women the right of playing an effective role in the development of the society. Empowerment and emancipation is still a dream to realize by majority of Pakistani women. TI-P encourages women to participate in variety of anti-corruption activities ranging from YinG to Outreach program and Child’s View of Corruption. TI-P holds a firm belief that through continuous process of advocacy and lobbying for legislation, this target is achievable. Moreover, TI-P endeavors to pursue the act.

1.3  Governance

Corruption of all magnitudes permeates at all tiers of governance and segment of the society. TI-P's Youth in Governance (YinG) project is promoting the idea of good governance among youth for they have the responsiveness and resilience to tackle the issue. The youth across the country is involved through workshops, debates, lectures, essay and writing competitions.

1.4  Human Rights

Gross violations of human rights are a significant characteristic of Pakistan that gives impetus to corruption. It is an irony that people are not aware of their basic rights. Considering this, TI-Pakistan under the outreach program conducts communal gatherings or Kacheri aimed to generate awareness among the grass root levels. It is when they themselves are aware of their rights, only then no one can deny them. Valuing human rights, TI Pakistan has made it a part of ACPP II.
1.5 **Global Food Shortage**

According to the United Nation World Food Program, ‘Yet one in seven people go to bed hungry every night.’ Global food shortage has caused prices to double in the recent years, bringing about a direct impact on developing countries that are home to the burgeoning population. Pakistan has an agrarian economy and if the problem is not arrested in infancy the country shall be at risk of famine and hunger in the imminent future. Therefore, in collaboration with Ministry of Irrigation & Power, and Sindh Irrigation & Drainage Authority (SIDA), TI-P as an observer ensures that there is no irregularity in the distribution of water which shall badly affect crops and result in food shortage.

1.6 **Climate Change**

Like many countries Pakistan is experiencing the adverse effects of climate change. The floods have wreaked havoc in the country; it inundated lands, perished crops & livestock and rendered a million homeless & food insecure. As a result, the prices are soaring high beyond the grasp of an ordinary man.

1.7 **Sustainability**

Transparency International-Pakistan has initiated activities that are conducive to achieve the overall aims of the organization. Moreover, a positive change has been seen as a consequence of such activities that are designed to ensure sustainability.
2. MANAGEMENT

2.1 TI-Pakistan

Transparency International is registered as a Trust with the Sub Registrar, Board of Revenue and Government of Sindh. The Board of Trustees as on December 31st 2011 comprises of 9 members.

The Board of Trustees are:

1. Mr. Sohail Muzaffar Chairman

2. Ms. Yasmin Lari

3. Mr. Khurram S Abbas Treasurer

4. Mr Wajid Jawad Trustee

5. Justice (R) Dr. Ghouse Muhammad Trustee

6. Mr Muhammad Hidayatullah Trustee

7. Mr. Justice® Nasira Iqbal Trustee

8. Mr. Javed Farooq Trustee

9. Dr Ayesha Siddiqa Trustee

The Board meets regularly. The secretariat apprises them of all the activities that are taking place. The financial statements are also presented to the Board at the meetings. Policies formulated by the board are implemented by the secretariat.

There are 55 members of TI-P. They are informed regularly about the activities of the organization through emails and periodic newsletters. These members meet twice a year.

The Advisory Committee as on December 31st 2011 consists of members with expertise in different fields. It comprises of:

1. Khursheed Anwar

2. Syed Salim Ahmed

3. Wajid Jawad
4. Shahana Kaukab
5. Abid Shaikh
6. Khalid Parwez

Mr. Saad Rashid is the Executive Director of TI-P. During the year 2011, he has been ably supported at the Secretariat by:

Dr. N. I. Khowaja          Director Projects
Ms. Naheed Imtiaz Fatima   Project Advisor
Ms. Javeria Zaman          Finance Manager
Mr. Syed Kamran Ahmed      Accounts Officer
Mr. Kafil Ahmad Khan       Media Advisor
Mr. Asif Shakeel           Project Coordinator
Ms. Zareen Zahid Qureshi   Assistant Project Coordinator
Ms. Maria Mudassir         Assistant Project Coordinator
Ms. Sabeela Siddiki        Assistant Project Coordinator
Mr. Ashfaque Ahmad         Assistant Project Coordinator
Mr. Abdullah Bin Tashmeen  Assistant Project Coordinator (IT)
Ms. Lubna Ayaz Sethi       Assistant Project Coordinator
Mr. Mansoor Iqbal          Assistant Project Coordinator
Ms. Arwa Saifuddin         Assistant Project Coordinator
Mr. M. Imran Khan          Secretary
Mr. M. Irfan Khan          Messenger
Mr. Tanveer Ahmed          Generator Operator

Mr. Mansoor Iqbal          Assistant Project Coordinator
Ms. Arwa Saifuddin         Assistant Project Coordinator
Mr. M. Imran Khan          Secretary
Mr. M. Irfan Khan          Messenger
Mr. Tanveer Ahmed          Generator Operator

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2.2 Steering & Controlling Mechanism

Every six months a meeting of the steering committee for the Anti-Corruption Project Pakistan Phase II takes place to monitor, assess and guide TI-Pakistan. All major policy decisions, progress reports and yearly plan of operations are approved by the steering committee. The members of the steering committee are as follows:

- Ms Corrine Beyer  Deputy Country Director, SDC
- Saad Rashid  Executive Director TI-Pakistan
- Dr N.I.Khowaja  Director Projects

3. CONCLUSIONS, CRITICAL ASSUMPTIONS, RISKS, OPEN ISSUES

It has been presumed that an effective and an honest leadership shall eradicate corrupt practices. Since the inception of Pakistan, each government has been criticized for corruption and dearth of statesmanship. Likewise, today Pakistan is at a juncture; the leadership has proved dysfunctional, incompetent and intemperate resulting in fundamental breakdown of trust.

Corruption clouds almost all tiers of government and all segments of the society. Where the elite are involved in scams of billion rupees, the common man is involved in corrupt practices within his own scale.

It is only when the problem is re diagnosed correctly in this perspective, then it can be remedied effectively. The person protesting against corrupt officials must not be corrupt himself. The entire structure needs to be revamped.

There are two main approaches to fighting corruption: top-down approach and bottom-up approach. We need to adopt both. Therefore, strategies and agendas are to be adopted to empower and educate the grass root level.

Apparently there are institutions like NAB, FIA and Ehtesab Bureau to curb corruption but these have not succeeded in their affairs. The most needed accountability Bill ‘The Holder of Public Office’ bill is gathering dust with the NA committee on Law, Justice and Parliamentary Affairs because of non-agreement amongst stakeholders.

Despite various anti-corruption laws, corruption has multiplied. This is primarily because laws are not implemented. Hence, the focus must be on implementation of laws.

It is assumed that man is not corrupt; it is the procedure that makes him corrupt. Therefore, the procedures must be clear, accessible and transparent. In this context, TI Pakistan Procurement monitoring has become a big success. It acts as a watch dog for mis-procurement. Huge amounts have been saved with the intervention of TI Pakistan. The success story is that many organizations have voluntarily signed MoUs with TI Pakistan.
However, there is still some hope. In a country where the government is busy looting and plundering national exchequer to fill their coffers, FIA is being tamed and NAB has been made at toothless paper tiger by stuffing men that act in cahoots with government officials, the Supreme Court has taken stand against corruption. The courts were under duress some time ago and hence came up with doctrine of necessity. However, the courts have become independent and the unanimous 18th amendment guarantees this independence.

Nevertheless, care must be taken that the judiciary does not oversteps its constitutional role. It must be understood that independence does not mean appropriating more powers than prescribed by the constitution.

The vibrant media too has broken the shackles of past and adopted a pro-active role. It has helped to unearth many scams and create awareness amongst people. TI Pakistan’s relation with media has strengthened over time. Press releases of TI Pakistan are regularly published by the media to disseminate the message and propagate the benefits that have accrued in sectors where reforms have been implemented. Stake – holders have been motivated, there capacity enhanced so they are empowered to stand up for their rights and can further make alliance amongst themselves to fight corruption.

Transparency International has successfully engaged people from all walks of life to combat corruption. The task is difficult but not impossible. Mere words cannot fight corruption. A strong commitment and a clear vision to curb corruption is just the beginning.