

Executive Summary

The second report of the Transparency and Integrity Committee

"Action Priorities and its Mechanisms"

The Transparency and Integrity Committee was formed by a decree , No. 86 of 2007 issued by the Minister of State for Administrative Development based on the ten recommendation of the Council of Ministers meeting No. (24) held on February 1, 2007. The Committee has begun its work by issuing its first report at the end of October 2007. The first report has addressed the various definitions of corruption and reviewed the most significant international experiences in combating corruption and indicators established at the international level for measuring corruption.

The second report of the Committee, which lies in 79 pages, addresses the status of transparency, integrity and efforts to combat corruption in Egypt. The report aims at putting into effect the Committee's role in diagnosing and monitoring transparency and integrity in Egypt, in addition to study and propose ways and mechanisms to promote support for transparency, accountability and anti-corruption efforts in the administrative apparatus and government sectors in coordination and full cooperation with the state organs concerned, and in the framework of following-up on Egypt's international commitments in that regard.

The report points to a link between slower rates of development and wasting national resources in Egypt and the spread of corruption and lack of transparency and integrity in the various state bodies. It notes the impact of economic transformations and the problems of imbalance in the structure of production, employment and balance of payments and growing disparities in incomes, and its negative effects on values and the social and cultural environment. These negative effects were manifested in the misuse of power, spread favoritism and misappropriation of public money, absenteeism career, negligent management of public utilities and unjustified payments for services and licenses.

Due to the increasing number of irregularities and wastage of resources, it was imperative to accelerate the adoption of a national action effort that would contribute to the maintenance of state resources and the upgrading the performance of the government machinery and the organization of its work, which would lead to restoring confidence between it and the citizens.

Accordingly, **the report was divided into six chapters**, with five chapters dealing with legislative and institutional frameworks, economic and societal requirements and needs to fight corruption, in addition to necessary actions to improve and develop frameworks and activate different stakeholders roles in achieving transparency and integrity. Chapter six includes an action plan prerequisites. The report was supplied with eight annexes which included resolutions on establishing the committee, existing executive and monitoring official bodies, mechanisms to follow up regarding implementing regional and international treaties on fighting corruption, state's ranking according to having a transparent budgeting procedures, some non-governmental institutions concerned with fighting corruption, a proposed initiative on "media against corruption", and a comparative study on the ombudsman systems.

The report gave considerable weight to strengthen the legislative and legal frameworks, where Egypt is rich in laws, decrees and relevant regulations concerned with fighting corruption and reduce the chances of its emergence and promote integrity and transparency. The report mentioned that the strategy of fighting corruption requires continuing the legislative and regulatory reform, and reviewing existing anti- corruption legislations and make it clear, simple and appropriate for that cause. In this regard, Egypt succeeded in developing a set of legislation and issuing a series of laws to ensure greater transparency and accountability mechanisms for activating and filling gaps and sources of corruption. Examples of these new laws that were approved by the parliament are the new tax law and the law of construction projects, as well as proposed laws such as the new public service law and the law of information disclosure, which are considered essential to support the efforts to achieve greater transparency and integrity in Egypt. In addition to the adoption of a programme to develop a culture of upholding the right of the citizens.

The report concentrated also on other different aspects to combat corruption, among them were reviewing Egypt's commitments and obligations at the level of international conventions on preventing and combating corruption. Forming the Committee of Transparency and Integrity to serve- among other monitoring bodies- as a coordinator with the Secretariat of the United Nations to follow up on the implementation of the provisions of the United Nations Convention Against Corruption (UNCAC), in accordance with Article (6) of the Convention, was one of those efforts. Egypt also submitted documents for the accession to the African Union Treaty on Preventing and Combating corruption, in addition to its participation in formulating and supporting the Arab League in drafting a convention to combat corruption, which shall enter into force in 2009 and which will constitute a framework of the Arab commitment to the United Nations Convention to combat corruption and work on asset recovery.

In its second chapter, the report focused on international efforts in developing indicators measuring corruption and Egypt's ranking according to it. The report listed international and national institutions and bodies concerned with forming indicators and measuring corruption, as well as internationally used transparency and integrity standards and methods to improve state's positions in fighting corruption. The report refers to some of these organizations, which include Transparency International - the Freedom House - the Global Compact Office - World Economic Forum - Global Integrity - the Organization for Economic Cooperation and

Development and Information and Decision Support Centre at the Egyptian Cabinet. The nature of such indicators differs according to the data collection methods and methodology pursued in calculating these indicators, which is reflected over the credibility of those indicators to demonstrate the size and quality of corruption in different world countries.

Given Egypt's ranking in a number of these indicators, it shows a clear decline in the "corruption perceptions index", which ranks Egypt between 3.3-2.9 degrees to ten in 2007, where as in the "index of Freedom House" concerning civil liberties, the rule of law, accountability and expression of opinion and efforts to combat corruption, Egypt ranks between 1.72-1.88 degrees from seven degrees in 2007. The former weak results were confirmed in the "Global Institute index of integrity", where Egypt obtained very weak degrees in issues of transparency and Integrity in civil society, media, public access to information, free elections, the existence of an accountable government and administration and civil service. It obtained high degrees in public procurement, the rule of law, existing set of laws to combat corruption and taxes and customs.

Regarding the institutional development of the state administrative machinery, the report identifies the need to build an efficient and effective management system, in addition to study the shortcomings that affect negatively on the performance of civil servants, in addition to correct the imbalances and bottlenecks in infrastructure and functional system of administrative jobs, which is related to the inflation of the administrative body, and in large numbers of workers, who still believe that the government is the main source of job creation, by virtue of its responsibility to implement all plans and programmes of economic and social development. Institutional Development is considered imperative in this regard to achieve a flexible and dynamic organizational structures with small numbers of organizational levels, that rely on task forces for the completion and integration and coordination required within each administrative unit. The report attaches also the importance to the institutional development of the state's administrative machinery as one of the important policies to reduce corruption. The report points out several measures for institutional development consistent with the redefinition of the role of the state as a regulator and monitor and policy maker.

Some of these measures include restructuring, legislative reform, improving the quality of regulations, the use of modern methods of management by simplifying procedures and re-engineering courses of action in order to deliver services in the least possible time, ensuring that the tasks are accomplished by its designates bodies, as well as developing monitoring mechanisms, improving and upgrading workers performance skills and develop mechanisms to seek the views of citizens in the services provided to them.

The need to issue a new public service law is pressing in order to implement the principles in the area of accountability, amend the existing principles of reward and punishment as the core of any management system for administrative discipline, to ensure that government attracts skills, to be able to resist financial and administrative irregularities, to deter and resist the distortions and stiffer penalties for offences arising from negligence and laxity in the management of public utilities, whether public money or the exploitation of profiteering from performing career, to

strengthen the authorities of senior managers to resist deviation from subordinates, to put clear responsibilities and indication of the limits of functional duties to ensure holding personnel accountable on a sound basis.

The third chapter of the report draws attention to transparency and integrity in the management and expenditure of state resources through a transparent making and declaration and discussion of the State's General Budget. This draws its importance in light of the role fiscal policy plays in the national economy in allocating resources between different economic sectors. It also directly affect the overall use of resources of the economy and the level of total demand. Not to mention its impact on the social subsidies policy.

Increasing public revenues through raising the efficiency of the tax system allows the state to meet its national objectives and to ease the burden on the poor and vulnerable social groups. The success of economic policy in general and financial in particular in achieving the development goals rests on two basic factors: the resources available to the community and how they use it. Hence, the aim of the State Budget is to achieve constitutional and financial control and to accelerate economic development. There are several aspects to study the amount of transparency enjoyed by the State Budget, which include related details of the data and information provided in the budget, whether that income or expenses or the public debt and other important financial matters. Information is referred here to information that can be publicly obtained by request from concerned authorities responsible for issuing the budget, which includes information available through specific actions to ensure the dissemination of public documents to all interested parties, in addition to the information or documents that are available only to demand. The report points out a number of indicators that measure the transparency of the state's budget, namely: the quantity of information published, the nature of the information (financial and non- financial), other relevant documents and how to publish and make it available to the public, the time given by the executive branch to Parliament to discuss the budget, the timing of the deployment of the final accounts for auditing, the possibility of the executive branch to impeach the auditor, and the person or the organization that adopts the final balance sheet.

If the state and its institutions are the main concerned party with combating corruption, the work is not complete without the support of the civil society organizations, especially the media in monitoring and following up on the status of transparency and integrity. Media is considered one of the most important components of civil society and the most effective and influential in shaping public opinion and raising awareness on the principles of transparency by providing information to the public. In spite of the growing number of private associations, forums and networks operating in the area of integrity and transparency and fighting corruption in Egypt (Arab parliamentarians Against Corruption - Egyptians Against Corruption - Egyptian Organization for Transparency - the National Society for Human Rights and Human Development - Egyptian Association for the Advancement of Community Participation - Consumer Protection Associations – Forum on the Dialogue and Partnership for Development – General Egyptian Initiative for Personal Rights, initiatives to promote transparency and integrity in Egypt ... Etc.), the impact of civil society is still limited, because of the seasonal nature in dealing with issues of corruption, transparency and integrity The report emphasizes the historic

responsibility borne by the media to inform the public and to create political, economic and social conditions to combat corruption in all its forms. Media is considered the fourth authority, that represents the conscience of the society and maintains national reconciliation. In this sense, the media bear an important role, no less important than the responsibility of the legislative, executive and judiciary authorities in combating corruption, and sometimes the role of the media takes a social dimension and has a far greater political influence because of its popular rally.

The Committee considered that there are many and complex issues relating to the work programme on the fight against corruption, which have been reviewed in the report, and which were which reached as a direct result of the discussions and periodic meetings of the Committee. The above mentioned parts of the report constitute an integrated system to improve transparency and integrity and fighting corruption in government bodies in Egypt.

The sixth chapter of the report suggests an Action Plan Framework for enhancing transparency and integrity in Egypt, the action plan framework consists of the following priority action areas:

- 1- Promoting and supporting the institutional framework for fighting corruption
 - 2- Strengthening and formulating the legal framework for prosecuting and criminality
 - 3- Expanding the scope of international cooperation
 - 4- Activating and developing the role of media in combating corruption
 - 5- Strengthening cooperation between government institutions and civil society organizations
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