

Report on the recent RS Government-controlled media onslaught against Transparency International Bosnia and Herzegovina

Transparency International Bosnia and Herzegovina (TI BiH) is one of close to 100 national chapters of this global organisation worldwide. In BiH it was established in March 2001 following several consultations among the NGOs from across BiH on how to deal with the rampant issue of corruption in the country. Based on the careful evaluation of the TI International Secretariat and its internal governance assessment, TI BiH was granted a full accreditation and thus became the official representation of the global movement in BiH. Its headquarters were located in Banja Luka and the offices subsequently opened in Sarajevo and more recently in the District of Brcko. Members come from all across the country and it was one of the first NGOs to have a proportionate representation from all towns and cities, with professionals from very diverse and balanced backgrounds.

Ever since, it has grown into one of the most visible NGOs in the country, well recognised and widely acknowledged for its good governance, accountability and transparency contributions. It is featured in hundreds of articles and medial clips annually; it publishes reports and studies and works closely with all pillars of the society. Its most notable achievements are two National Integrity System Studies that analysed the legal and institutional capacities of the country to effectively combat corruption, which later became the basis for the NGO's inputs into the country's anti-corruption strategy, the latest version of which is actually being drafted by TI BiH in close collaboration with the national parliament. TI BiH strongly advocated signing and ratification of the UN Convention Against Corruption (UNCAC) that eventually led to the public pressure build-up and the authorities' positive reaction, making BiH one of the state parties to UNCAC. TI BiH has trained hundreds of public officials at all levels in implementing the newly adopted Freedom of access to information Law, but also assisted the authorities to monitor its implementation and put together a series of legal amendments. Similar was the case with the Conflict of interest Law. TI BiH has been training journalists in investigative reporting, also presenting the annual award for achievements in this area; helped train many NGOs in their internal accountability as well as advocacy work; collaborated with the private sector in implementing the anti-bribery Global Compact principles of the UN; assessed and appraised the work of supreme auditors, also helping to improve that legislative framework and institutional linkages; worked very closely with judiciary, prosecutors, ombudsmen, election commission, procurement agency, municipalities etc. in an attempt to ensure a closer implementation of the laws and their strengthening where gaps and shortfalls were identified. In its close to eight years of operations it has established an impressive number of partnerships with a sole aim to ensure compliance, where the rule of law failed to be enacted.

For this reason, TI BiH has been seeking funding from many and various sources. Its dominant and practically only source of funds to date remain bilateral and multilateral donors – countries, foundations and organisations supporting development of BiH. Except for two minor attempts to partner with the local governments on small scale education projects, all the funding remains international. TI BiH runs no membership fees and receives no funding from the private sector either. However, the funding base has always been much diversified, so that no individual donor agency funds more than 10% of its operations. Its funding is subjected to internal controls, but also two external independent audits annually and the

budget is published in full at the NGO's website alongside all their current activities (www.ti-bih.org) etc.

TI BiH today consists of the membership of some 30 active individuals-volunteers, from among which its 5-person Board of Directors is elected, while the day-to-day operations are run by its executive arm, employing some 7 professionals and a network of external associates, experts and other contributors, who collaborate closely on a project basis. TI BiH co-operates very closely with its sister chapters throughout the region of Southeast Europe and shares best regional practices, often drawing lessons from the similar developing environments.

One of the milestones in the TI BiH sustainable growth was the Advocacy and Legal Advice Centre which opened in 2004, aimed at assisting the citizens at the grassroots level and empowering them to combat corruption. This typically involved provision of legal advice on the appropriate institutional avenues to address the individual concerns. As a matter of last resource, if all institutional alternatives were exhausted, TI BiH would write to the appropriate authority seeking action on behalf of the clients. Such experiences were analysed by the staff, while the agencies that most often failed to respond were being outlined publicly in the ALAC's periodical reports and press conferences. All public authorities have always been provided with an opportunity to comment and present their counterviews. As a result, a number of public agencies improved their work, increased efficiency and as a matter of fact, enhanced their collaboration with TI BiH. On the other hand, many of the citizens' grievances have successfully been addressed, including a number of individuals prosecuted, sanctioned by the internal institutional mechanisms and several key hearings begun at the Court of BiH. As ALAC became more visible and ever more successful in building the institutional bridges, and speeding up the sanction mechanism, while at the same time effectively advocating prevention, the popular trust and the number of submissions by the citizens almost outgrew the NGOs capacities. A recent analysis demonstrates that **every fourth family in BiH has contacted TI BiH's ALAC**, despite a number of helplines run by the authorities and even the EU Police Mission. The database of reported corruption became one of the principle tools to analyse and prevent corruption.

However, as the popularity of ALAC increased, a number of institutional and private sector whistleblowers approached TI BiH, reporting corruption and submitting evidence they otherwise do not dare to present to the law enforcement agencies, as they are largely seen as being 'captured' and very close to the ruling elites. All such credible evidence was put forward by TI BiH on behalf of the whistleblowers to the BiH Prosecutor's Office and sometimes the international agencies, such as the Office of the High Representative (OHR) and its Anti-crime and corruption Unit. At this point the operations of the ALAC have become a point of interest and regular criticism coming from those who failed to act to prevent or prosecute corruption, but also of those who could potentially be prosecuted if the justice system had taken on the cases.

In the Spring of 2007, following a very murky privatisation of the energy sector in the RS, including the two thermoelectric power plants and the oil refinery giant, the relevant Banja Luka stock exchange faced a major downward trend of all indices, following a very successful year of growth and investment. Several independent regulatory agencies (Securities Commission, BL Stock Exchange, Baking Agency, RS Central Register) turned to TI BiH and due to its public image sought collaboration in training the RS executive in

conducting such public contracting deals transparently in order to avoid negative consequences to the securities market. The World Bank's IFC and other donors supported the series of awareness raising and capacity building events. As TI BiH got more closely involved in the public contracting sphere, further evidence was emerging of the illegal privatisation of several energy giants of RS that possibly resulted in hundreds of million Euro money laundering operations, where the RS taxpayers money was being grossly embezzled. Any further activity of TI BiH to secure publishing of the privatisation documentation resulted in a very angry and resolute attitude of the RS authorities. As the public pressure built up, the RS Government and Prime Minister Dodik finally agreed to partially expose the documentation and thus surrendered the framework documents to TI BiH in a meeting of November 2007 (<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSL2871159620071128>). Simultaneously, many other apparently illicit deals came to light, as the RS administration continued to directly contract foreign companies for large infrastructure projects in RS. The Bosanski Brod oil refinery deal in particular appeared extremely worrisome and from the documentation presented to TI BiH a list of 44 questions to the RS administration was drawn seeking explanations of the very shady provisions of the sales contract. This resulted in a large onslaught of the Government and Prime Minister Dodik against TI BiH but also in his public pledge (25 December 2008 in a 20:00 talkshow Amplituda on ATV) that **"nobody will ever see the privatisation documents** and that is the pledge I now make to you". To date no RS Member of Parliament, public auditor or any other public office in fact managed to see the entire documentation on the oil refinery sale or that of any other portion of the energy sector.

Assumptions are numerous and some have intentionally been released in the public domain in an attempt to ensure the administration's compliance with the Freedom of access to information Act. Eventually the RS Government is being sued by TI BiH for an evident failure to comply with the law and the RS Constitution. The independent media reaction was overwhelming demanding explanations, while the government-controlled media came bluntly in defence of the Government. The possibilities that the local mafia engaged with international networks, laundering hundreds of millions of the RS Budget funds and channelling them into the private pockets of several individuals either from within or very close to the current RS administration appears very plausible and only several pieces of the jigsaw remain in the undisclosed privatisation documentation that would either affirm or negate this. But the fact that the Government refuses to publish these, makes the case as suspicious as possible.

Meanwhile, hundreds of millions of Euros worth of public contracts have been signed with one or two construction companies, all run from the same birth village as the PM Dodik for undocumented works (motorways, government administration centre...) that largely exceed the initial budgets. The contracts' annexes keep allocating further public resources in clearly non-transparent and illicit procedures that the procurement authorities and supreme audit clearly saw as illegal and against any positive practice. TI BiH went public upholding such reports and seeking transparency and publication of the contracts. The media clash between those outlets that are government-controlled and the independents continued with latter carrying TI BiH statements and the former either ignoring or trying to discredit the organisation. The PM himself got actively engaged in the campaign against TI BiH by calling some of its prominent members "faggots", "criminals", "liars" etc. and the partisan media

coming in support of this behaviour. TI's Chair Ms. Huguette Labelle condemned such behaviour (<http://www.ti-bih.org/Articles.aspx?ArticleId=d7799382-a988-41a4-9ce8-c36e3be7cd76>) but the RS administration ridiculed the attempt to voice concerns for independence of the civil society.

In early 2008 people from within the administration, sympathetic to the strives of TI BiH carefully approached the NGO with the insider information that a large media campaign is preparing to discredit TI BiH. Several months of such alerts have gone past until it actually begun at the very end of June and shows no signs of coming to an end. The Government controlled media have been daily featuring articles on the front pages and the electronic media reporting on the breaking news that TI BiH officials have been racketeering the private sector through its ALACs mechanisms, suggesting that if ransom is not paid the managers would be blacklisted and similar. Alleged victims of these incidents have been publishing their stories, while PM Dodik has been calling on BiH Prosecutor to act swiftly or "face a total breakdown in collaboration with any RS public authority" (in his statement available at: <http://www.fokus.ba/vidi.php?rub=2&vijest=12742>), which also includes collaboration with the RS police, vital to the prosecutors in the absence of the central-level police force.) Dodik also called on all witnesses to come forth offering support and protection of the RS Government. He implicitly threatened action of the Government-established RS Special prosecution if the BiH authorities failed to act, in their stead. Meanwhile, the BiH Prosecution confirmed no knowledge of an investigation or the appropriate evidence against TI BiH, while the RS Government controlled media continued to publish contradictory and controversial confessions of the supposed TI BiH victims. The Government itself presses the judiciary and the prosecution extremely hard to act upon that 'evidence' and clearly steps beyond the non-interference and no-influence policy of the independent judiciary.

The pressure on TI BiH is enormous and its several staff and active membership continue to combat the large and rich propaganda machinery, the same one that fiercely defended the Government's privatisation deals and their determination never to publish that documentation. TI BiH is being branded "a criminal network", "foreign mercenaries gang" and various other stigmas are being attached to its work in some RS media outlets. The Federation media has largely come quiet or in support of TI BiH, as have all other NGOs in the country, but also the OHR, whose Principal Deputy High Representative Raffi Gregorian received the TI BiH delegation as the onslaught begun (http://www.ohr.int/ohr-dept/presso/pressr/default.asp?content_id=41931). Several ambassadors accredited in Sarajevo expressed their concerns and contacted TI BiH to investigate the safety of its staff.

Nonetheless, the very safety issue remains most worrisome. As the RS Government media now attempts to portray TI BiH as a criminal network heavily indebted with the local mafia, one can easily expect physical attacks against its employees and members. These could be 'justified' as the intra-mafia debt settling disputes and following the current media reports may result in a failure of the RS police to respond and offer protection (as they too are involved in the 'investigation' against TI BiH: <http://www.nezavisne.com/vijesti.php?vijest=25351&meni=2>; <http://www.rtrs.tv/vijesti/vijest.php?id=55410>; <http://www.glassrpske.com/vijest/2/novosti/8813/cir/Svjedocenje-Milosa-LazovicaTrazili-su-20000-KM-da-me-skinu-sa-crne-liste.html>), while the public may be confused enough not to react appropriately and with sufficient concern. Besides, it remains a message of might that 'all those messing with the RS authorities shall be penalised' and that will certainly silence

any critical voice from within, particularly in the run up to the critical local elections, where control of the sizeable local budgets is at stake.

Transparency International's International Secretariat in Berlin (http://www.transparency.org/news_room/latest_news/press_releases/2008/2008_07_02_bih_statement) as well as TI BiH therefore keeps calling on all domestic and international actors to come in support and to aid of TI BiH in this extremely well orchestrated and immensely dangerous attempt to silence the only remaining independent anti-corruption voice of citizens of BiH. This is particularly vital as the further steps in that direction that may be undertaken by the organisers of this campaign remain largely unclear.

Transparency International BiH

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<http://www.ti-bih.org/Articles.aspx?ArticleId=019f587d-e65e-4e23-97ad-de97e0f431af>