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Invisible progress

According to this year's CPI, BiH recorded a slight improvement with a score of 3.3, though it remains a European lagger.

Berlin/Sarajevo, 26. September 2007 — This year's global Corruption Perception Index (CPI) of Transparency International (TI), the most representative global survey of corruption captured the record 180 countries, including Bosnia and Herzegovina for the fifth consecutive year. The index ranks countries from the least to the most corrupt, according to the mark that a state obtains (these marks range from 10 – no corruption to 1 – absolutely corrupt) in accordance with the relevant surveys that make up the Index.

BiH in the past years recorded a slide on the CPI scale, reaching the score of 2.9, which it retained in 2006 sharing the 93 to 98th position. This branded the country as being a most corrupt and underdeveloped European state. This year BiH received the score of 3.3 and shares the 84 to 93rd position with Macedonia, Montenegro and several undeveloped African and Asian economies. This mark points to a slight improvement, but when taking into account the expansion of the CPI list, this is almost no upgrading. The progress is not necessarily a consequence of the improved operations of the executive (governments) but of all the pillars of the society, including a greater pressure exercised by the civil society and the international community against the government. Compared to the European countries, BiH is lagging well behind the EU member states and accession candidates. Of all the Old continent countries, only Albania stands behind BiH.

“Despite the stabilisation in its position, the result of this year's CPI is hardly comparable to the other transition economies' progress and the key to this stalemate is a lack of political will of the BiH authorities to combat corruption” stressed Boris Divjak, Chairperson of the TI BiH Board of Directors and a Member of the global Board of Directors of TI while presenting the CPI results in Sarajevo. “With no strong will of the governments demonstrated through an implementable, holistic state-wide anti-corruption strategy, we're risking another drop in the list and overtaking by the more advanced countries as it happened with the neighbouring Serbia”, Divjak concluded.

TI BiH offered specific recommendations through its “National integrity enhancement” project, based on the international responsibilities of the country and an undertaken related research, in order to strengthen the institutional capacities to combat corruption and improve the legal framework.

Comparing BiH with the other countries of the region shows a straggle. Croatia climbed to 64th position with an improved rating of 4.1, while Serbia records a continuous progress, overtaking BiH and

reaching 79th position with a score of 3.4, which is a significant improvement. Macedonia and Montenegro share the same position with BiH, while only Slovenia by far and large broke off with the Western Balkans 6.7 and the 27th position in the global index.

This year's presentation was amended with an introduction to the key findings of the Cost of Doing business for 2008, a joint report of the International Financial Corporation and the World Bank that examines the investment climate in 155 countries. The results and trends for BiH were introduced by Orhan Nikšić, Country Economist of the World Bank Office in BiH.

Transparency International and the World Bank co-operate closely through a number of years in promoting good governance, accountable and transparent rule and the fight against corruption both globally and in BiH. The very projects financed by the World Bank Group aim to strengthen the business environment in the country, including a simple, transparent and cheaper doing business framework that would make BiH ever more attractive to inward investment, the efforts fully endorsed by TI.

Study of the National Integrity System that TI BiH released in 2007 elaborates on the greatest obstacle to successfully fighting corruption – its presence in all the levels of government and a significant presence of the 'captured state' phenomenon, i.e. an inadmissible influence of the powerful oligarchs and criminal gangs exercised over the ruling elites. Year after year all surveys show political parties as being the most corrupt institution in the society, which keep depleting the state-owned companies and misusing privatisation to attain illegal proceeds. Prosecution and judiciary in BiH, despite a reform, barely show noticeable results in prosecuting corruption and together with the police structures and law enforcement agencies, which to a large extent remain loyal to the political parties' interests rather than transforming into institutions which operations are founded in the relevant laws, remain a problem and not a solution.

CPI as well as all other TI surveys do not only rate performance of the executive but also of all public offices at all levels in the country. The index is composed of 14 various international researches combined, of which seven this year rated BiH. CoDB of the World Bank is an expert survey of business environment and it is carried out specifically from the investor's perspective.