

Safeguard your company against corruption

the TI – Malaysia Corporate Integrity System

Corruption has a way of working its way into a company and taking over from within. It usually starts with small things: a pleasing gift or enjoyable meal with the supplier, or a promising conversation with a potential customer who seems keen to do business with you. By and by the relationship develops till, in due course, the way opens up for business to be done. Not always good business though: with corruption, someone along the way loses, be it the buyer or the seller. The people involved, though, stand to gain personally and are indifferent to such matters, provided they get what they want. Sometimes, corruption is more blatant: a phone call from the local politician requesting funds in exchange for future contracts; or a government official requesting a generous contribution for his daughter's wedding, when a permit is being held up and he has the power to grant it. The permutations are endless, and the effects damaging for our country and the well-being of ourselves, our children and grandchildren.



Photo source: www.pemandu.gov.my

What Can We Do to **Stop** It?

Those of us who own or manage our own companies now have the means to do our share for our country. By stopping these wrong payments we can clean our own company, and impact those around us, by ensuring these illicit payments stop, at least from our pockets. TI Malaysia set up our Business Integrity Program in 2011 to help companies, state enterprises and other organisations deal with these challenges in a structured, visible way so that they, and their staff, know the line between a gift and a bribe, and have clear guidelines to help staff make positive decisions for integrity. Through our six step programme we take the client from initial commitment, through risk assessment, integrity infrastructure design and implementation, to final evaluation. We have delivered a series of projects, some with companies determined to put a stop to wrongdoing and damaging behaviour, others who simply want to ensure their policies and procedures are up-to-date and in line with world standard best practice.

One of our well-known clients is PKNS. We began work with them in late 2011, after they provided a generous grant to TI Malaysia to help them design a brand-new system, the first comprehensive Corporate Integrity System (or CIS) for a state enterprise in Malaysia. The system took six months to design and build, and was tested by a thorough verification process with their management. The system was approved by the PKNS Board on 8 October, following which an extensive training communication program was delivered by their recently formed Integrity Department. The PKNS system is now being

presented by MACC as a best in class example as part of their Certified Integrity Officer (CeIO) training programme, and the system has been showcased to many visitors to the enterprise interested to see how the system works.

As the BIP work grew, it was found that the operation took on the form akin to a consultancy operation. The BIP has always been entirely self-funded, supported by grants provided by organisations the Programme works with. After due consideration, in October 2012 the TI Malaysia Exco decided that it was time to set up a separate legal entity to manage the operation. So it was that TI BIP Malaysia Sdn Bhd was set up, and came into being on 28 March 2013. The company is now managed by the Business Integrity Programme Manager, Dr Mark Lovatt, with Deputy President Prof. Datuk Haji Mohamad Ali Hasan and Exco members Mr Tam Wah Fiong and Dr Muhammad Mohan appointed to provide direct oversight. The company is wholly-owned by TI Malaysia, forming an extension of the BIP and the Chapter's work in the commercial sector.

The BIP has not only been a success in Malaysia. The TI-S Strategic Plan has business integrity as one of its main key deliverables, and the TI Secretariat are very keen to see chapters, especially in developing countries, take the initiative in this area. TI Malaysia's Business Integrity Program has emerged at the forefront of this movement and leads the way in the Asia-Pacific region and perhaps worldwide. The TI Malaysia BIP has

been upheld as an outstanding example in the last two Regional Program Meetings (RPMs) by Dr Srirak Plipat, Regional Director of TI Asia Pacific Department.

Cross-chapter work has been enhanced with a special workshop running in Cambodia in March 2013, where TI Malaysia was asked to showcase our development and inspire other chapters to follow suit. At this year's RPM, again in Cambodia, the BIP workshop attracted one of the largest attendances, with representatives from chapters across the region. TI Vietnam has already come to Malaysia in July to have training in setting up and running a BIP, which included visits to organisations who have implemented CIS projects with TI-M as their consultants: PKNS, Ridpest Sdn Bhd (a local SME) and PEMANDU. Plans to expand this international dimension are now in the pipeline, with the new secretary general Dr Loi working closely with TI- S and TI BIP Malaysia to develop the programme.

All in all, it has been a very successful two years. Beginning with just one person, Dr Lovatt,

working part-time in a spare room, this section now has four staff operating from the TI office in Petaling Jaya. There is increasing corporate interest in the work we do and the services we provide, and new initiatives such as the quarterly best practice sessions which provides an opportunity for Integrity Managers and corporate members to join together and discuss the challenges of implementing integrity systems in the commercial sector.

As the reputation of TI BIP grows, we are seeing major corporate clients open their doors at the highest level for discussions on how to improve their integrity systems and safeguard the well-being of their companies. Some TI corporate members are already working with TI BIP to develop their systems, with EP Plus Group Sdn Bhd being the latest to do so. With our services including CIS design & implementation, Integrity Pact implementation, Tendering & Procurement process analysis, and training, there are a variety of options for companies wanting to develop in this area and raise the standard of corporate integrity here in Malaysia.

The Need For A Construction Industry Coalition

By: Melissa Ong

With over 68,000 contractors registered with Construction Industry Development Board of Malaysia (CIDB), the Malaysian construction industry is a significant contributor to the country's GDP, with a total value of construction work done amounting to RM79 billion in 2012. The industry however, is plagued with bribery and corruption issues such as:

- *Facilitation payments to obtain relevant permits and approvals*
- *Lack of transparency in selecting Public Private Partnerships (PPP) and Joint Ventures*
- *The use of direct negotiations instead of open tenders in awarding contracts by the government*
- *The use of subcontractors and/or agents to give or solicit bribes*

With allegations of corruption being cited as the reason for escalating costs and delays to major projects such as the Port Klang Free Zone and KLIA 2, a coalition will help change the landscape of Malaysia's construction industry and discourage the use of corruption as a method of obtaining a competitive advantage.

The cost of corruption eats into the margins of private contractors and developers. And with the rise of material and labour costs, coupled with calls for the development of affordable housing, profit margins in the industry are falling. This has led to some companies calling for a change in the status quo.



KLIA 2 under construction
(<http://www.klia2.info/photos/work-in-progress>)

During a discussion between TI-M and a private developer in early March 2013, it was highlighted that any one company which chose to act with integrity would be held at a disadvantage - not only would the company lose out on projects, but further losses will also be experienced when unprocessed permits and approvals cause delays to projects. The chairman of that company then mooted the idea of a construction coalition, made up of industry movers and shakers who all agree to act with integrity. He said that such a coalition will create a more level playing field in the industry and will push the government into taking action in improving transparency in procurement as well as improving systems for issuing permits and approvals.



Aerial view of PKFZ
(Source : The Star.com.my)

This idea was similar to that of ex-TIM president, Datuk Paul Paul Low, who during the launch of the 2013 Corruption Perceptions Index, called for a formation of a coalition in the construction sector, made up of public and private institutions. Now, as the Minister overseeing anticorruption, governance and integrity issues in the Prime Ministers Department, Datuk Paul Low continues to call for the coalition to be formed, and he has the backing of MACC and the Ministry of Public Works.

Will the push for integrity in the construction industry thus come from the public sector? With allegations of grand corruption in major government projects being a regular in Malaysian news, it is not surprising that the general public are wary of any government initiatives such as this as they are often accused of being window dressing with little or no positive impact on corruption. Thus, to ensure that the coalition is a success, it is recommended that the following be outcomes of the coalition:

Implementation of a transparent and consistent national system for approving permits at local authorities and land offices

Abolishment of the direct negotiation method in government procurement

Exclusion of public procurement from the Official Secrets Act (OSA), making all decisions made transparent to the public.

The use of Integrity Pacts for all mega projects, with skilled and experienced professionals being appointed to monitor the entire life cycle of the projects

The setting up of a whistleblowing channel for members of the construction industry to report to MACC on any acts of corruption, with the Whistleblowers Protection Act overriding the OSA. Dedicated MACC officers with experience in the construction sector should also be appointed to respond to allegations made through this channel.

As a first step to forming the coalition, key players in the construction industry need to take the initiative to organise themselves by forming a core working group to drive the coalition's objectives of promoting integrity and transparency in the construction industry. All parties will then have to play an active role in ensuring that the coalition is a success, with the knowledge that the road to integrity is a long one. Private sector coalition members will have to work closely with MACC and other relevant government officials to highlight the corruption scenarios they face. To ensure candour, all such discussions should be hypothetical in nature. The members of the coalition will then have to work together to find long term resolutions for these issues instead of relying on MACC to prosecute offenders after the fact. Government ministries and departments will then need implement the proposals made by the coalition, with the latter monitoring the progress of implementation and enforcement.

In view of this, it is hoped that all relevant parties will get involved by participating in the efforts to set up the coalition and support its initiatives to instil integrity in the Malaysian construction industry.

Photo credit (Left) : www.corporatecomplianceinsights.com

Coming Together to Fight Corruption



Industry players need to form a core working group to promote integrity and transparency in the construction industry.

TI Malaysia Helps TI Vietnam to Kick-start Business Integrity Programme

22 – 24 July 2013

The Business Integrity Programme (TI-BIP) Unit had the pleasure of hosting two delegates from TI Vietnam (also known as Towards Transparency, TT) – namely Mr Conrad F Zellmann (Deputy Executive Director) and Mr Pham Anh Duong, Senior Programme Officer, Integrity Solutions (which is the TI-BIP equivalent within TT).

The idea of a business integrity programme was first presented to National Chapters during Outreach Day- which was part of the Regional Meeting held in Kuala Lumpur in 2011. It was there that members of TT Vietnam (including Mr Conrad) first heard about TI-BIP's work.



Tn Othman Omar (GM of PKNS) discussing with Mr Conrad, Mr Pham and Dr Mark

With TT Vietnam's interest, TI-BIP arranged for this visit to Malaysia to enable the sharing of knowledge, expertise and experience by the TI-BIP team in the area of Business Integrity, namely BIP's Corporate Integrity System projects as well as TI-M's involvement in the Corporate Integrity System Malaysia (CISM) Roundtable.



Pn Norita Mohd Sidek (Chief Integrity Officer of PKNS) showing TT Vietnam team PKNS's communication tools on its whistleblowing policy

Day 1 : Introduction & Training

TI-M President, Dato' Akhbar bin Satar, had an introductory meeting with the TT delegates, in which he shared TI-M's current initiatives in battling corruption and upholding integrity in Malaysia. This was then followed by a detailed briefing: How to deliver a Corporate Integrity System (CIS) Project. The briefing was conducted by Dr Mark and Mr Joseph Tong (TI-BIP Project Manager) which included a walkthrough from the client engagement process, to the CIS 6-step Project Plan, to implementation guides and challenges faced. The day ended with a welcoming dinner attended by Dr Loi Kheng Min (TI-M Secretary General) and TI-BIP staff.

Day 2 : BIP in Action

TI-BIP arranged for field visits to key stakeholders involved in their work, namely Perbadanan Kemajuan Negeri Selangor (PKNS), PEMANDU and Ridpest Sdn Bhd. Both PKNS and Ridpest shared their experiences engaging with TI-BIP to implement their CIS, as well as the various challenges they faced during the implementation phase. Both companies are very pleased with the CIS and recognised that the CIS is effective in managing corruption risks and has even helped enhance their financial controls. Meanwhile, the visit also allowed TT delegates to engage with PEMANDU, who elaborated on Malaysia's CISM and Corporate Integrity Pledge initiatives. Through these sessions, the TT delegates were provided with ideas which would help formulate their own private sector collective action initiatives to combat corruption in Vietnam.

Day 3 : What's next for TI Vietnam?

On the last day of their visit, TT delegates kick started their morning with a dialogue with Dr Loi. They then proceeded to present the results of their brainstorming sessions on how they can apply the lessons learnt during this visit to TT's work in Vietnam.

The strategy they will be adopting has a three-prong approach:

- ▶ **Changing Minds**
 - o Raising awareness among the business community to create a friendly environment and identify integrity champions (individual companies)
 - o Showcasing examples of success stories
- ▶ **Initiating Individual Action**
 - o Assisting individual companies (integrity champions) in implementing the CIS and providing continuous support
- ▶ **Formulating Collective Action**
 - o Engaging with key stakeholders including government agencies and regulatory bodies to formulate a working group for effective collaboration
 - o Creating incentives for companies to act with integrity
 - o Inviting integrity champions from similar industries to form established self-regulating coalitions



Mr Joseph Tong, Mr Pham, Pn Norita Mohd Sidek, Mr Conrad and Dr Mark at PKNS

TI-M recognises that regional collaboration between National Chapters (NCs) is crucial in the fight against corruption, especially in the formulation of collective action. Collective action plays a crucial role in raising international awareness of the pressing need to fight corruption, and calls for the attention of key stakeholders across the globe to act without hesitation.

Collaborations also enable NCs to establish strong working ties to foster better information sharing and experience learning. Experiences learnt from one chapter in solving, for example, the issue of facilitation payments can be shared and transferred to other chapters for implementation in their respective countries, allowing for exchange of new ideas and concepts on how to tackle corruption.



Vietnam delegates were impressed with Ridpest's banner which publicly declared Ridpest's Integrity values

On being asked how he found his 3 day stint with TI-BIP, Mr Conrad answered, "Our visit to Kuala Lumpur was an invaluable learning opportunity for our newly established business integrity team. The opportunity to hear and see first-hand the work of TI Malaysia's business team and to receive their advice on technical and strategic aspects of supporting business integrity are absolutely critical in developing our own approach in this area. We are very grateful for TI Malaysia's generous sharing of their expertise with us. As we now build our own analysis and advisory tools for business, this learning is already being applied in our daily work."

He added, "The highlights of the trip in addition to the conversations with TI-BIP were really the company visits, which were very inspiring and brought real life to the matter. It was very clear to see how TI-BIP's work was having a direct impact in fortifying a culture of integrity within Ridpest and PKNS."

TI-M welcomes requests for more regional collaboration to intensify efforts in the global fight against corruption.

TI-M Forest Governance Integrity (FGI) Project



FGI Kick off meeting in Jakarta 2009

The TI-M FGI Project commenced as a regional project in 2009 with China, Indonesia, Malaysia, Papua New Guinea, Solomon Islands and Vietnam as participating countries.

The TI National Chapters in each country set up a local forestry unit with Indonesia being the Regional Centre, based in Jakarta. The Regional Centre implemented the project with the support of the TI Secretariat in Berlin.

FGI Project: Phase One and Two

The first phase of the FGI project was funded by the European Union (EU).

Overall objective

The project serves as a preliminary step to contribute to improved and strengthened transparency, integrity and accountability of forest governance systems and related target groups in national, transnational and sub-national forest sector governance in Asia Pacific.

Some of the specific objectives were:

- Increasing awareness and knowledge of the challenges and systemic structure of forest sector corruption
- Fostering the development and application of monitoring tools and strengthening cooperation among relevant stakeholders in addressing corruption in the forestry sector

Milestones



Launch of Forest Governance Integrity Report 2011

• From 2009-2010, the FGI Project performed extensive research and analysis of corruption risks in forestry chains of regulation, licensing, timber supply, revenue, reporting and enforcement. The results of the study were summarized in the book: 'Forest Governance and Integrity Report – Peninsular Malaysia.' The risk assessment identified the main areas in the forestry sector that was at high risk for corruption. Corruption in the forestry sector is seen as a byproduct of weak governance. Much of corruption in the forestry sector can be addressed through good governance and instilling integrity within the system.

• In 2011, FGI was also involved in developing a manual for Reducing Emissions from Deforestation and forest Degradation (REDD+) 'Keeping REDD+ Clean' which could be used to develop REDD+ strategy in Malaysia.

• FGI had also pioneered the Forest Watch Initiative in 2011 and Voluntary Forest Monitor network in order to integrate public efforts to strengthen the programme's framework. Through this initiative, the public are able to voluntarily monitor forest activities in their locality and report any irregularities they notice. The formation of the Task Force consisting of TI-M, Forestry Department (Peninsular Malaysia), Malaysian Anti Corruption Commission (MACC) and the Institute of Foresters Malaysia (IRIM) was a major mile stone for the project. Reports made through Forest Watch are reviewed by this Task Force. Currently, this Task Force is operational in Peninsular and Sarawak. The Task Force for Sabah is in the pipeline for 2013.

• FGI also formed a coalition with 24 NGO partners and stakeholders who collectively drafted an Eco Manifesto in March 2013. The Manifesto comprehensively outlines all measures necessary to align reforms in the forestry sector with recommendations towards good governance in the forestry sector.



Forest Watch Mobile training at Malaysia Anti - Corruption Academy (MACA) on 26 June 2013

• Subsequently, to complement the Forest Watch Initiative, a mobile application for lodging reports and monitoring using smart phone technology was introduced in June 2013. The application helps the public participate in forest monitoring and reporting by using the application as a reporting and monitoring tool. A publication on forest reserve sites and threatened sites in Peninsular Malaysia with the title 'Going, Going...Gone? Our Turn to Care and Act for Our Forests' was published as a book for public information.

During the project period, there were many engagements in the form of meetings, workshops, conferences, etc with stakeholders and the public. The FGI project has established a niche in the forestry sector and many NGOs and stakeholders work closely with the programme.

Though the FGI programme has made much progress, there are some concerns that hinder further progress, such as:

- The lack of participation by government agencies that are involved in Forestry. These agencies need to be more participative and be open to working in collaboration with TI-M. Currently, forestry related government agencies participate in FGI activities but these has been little visible efforts in making improvements.

- There is still a major struggle when it comes to Sabah and Sarawak. FGI projects have gained some momentum in both states but more so in Sarawak than in Sabah.

- Securing at least medium term funding (3-5years) in order to have some assurance of continuity of projects



TI-M FGI coalition partner Pertubuhan Pelindung Khazanah Alam Malaysia (PEKA)

FGI Project: Phase Three

For the current project term (2013-2014), FGI projects will focus on the following four main areas:

- Establish cooperation and partnerships with national and regional authorities with the aim of strengthening national laws and institutions.
- Capacity building for civil society, including non-governmental organizations, local communities and indigenous people with the aim of strengthening their capacity to identify corruption threatened areas in the forestry sector through the Forest Watch Initiative.
- Work to map and evaluate existing forest conservation programs and REDD+ related activities in Malaysia
- Work to develop a regional "Forestry Integrity Barometer" in co-operation with TI-chapters in other Asian-Pacific countries.

FGI Project Funding:

From 2011 till the current phase (Phase 3) of the TI-M FGI project, the Royal Norwegian Embassy in Malaysia has generously provided a substantial amount of the required funds to enable TI- M FGI to move on with its projects. TI-M is deeply appreciative of all the support that has been provided by the Royal Norwegian Embassy in Malaysia for the past few years. Their funding has enabled TI-M FGI to work towards diffusing corruption and promoting good governance in the forestry sector of Malaysia.



The 2013 FGI Team (L to R) - Victor Soosai, Chris Toh (Intern), Najiya Hameed (Intern), Christina Stephenson, Chak Tze Chin

"The wholesome gifts of corruption is assured destruction"

Corruption in Malaysia and the Malaysian forestry sector

Thoughts from the perspective of a law student and intern with TI- Malaysia

By Chris Toh Pei Roo

I think it is hardly inaccurate to opine that the younger generation today generally possess an unfavourable view regarding the current state of corruption. Whether this overwhelming lack of confidence in governance is justified is another matter for debate. However, a simple poll would reveal that most people would have had the experience of being approached for bribes, at least once in their lives. Suffice to say, there is little love lost between Malaysian youngsters and the public services. Two key questions then arise;

“ What has gone wrong? And, What can be done to address the problem? ”

Before answering these questions, allow me to stress that corruption as a social malaise is neither uniquely Malaysian nor even a modern peculiarity. In fact, corruption has existed as a thorn in the side of good governance as far back as Ancient Rome. Notably in Roman history, the emperor Pertinax was murdered by the Praetorian Guard (his elite bodyguards) who then offered the throne to the highest bidder. Pertinax was eventually succeeded by Didius Julianus who offered a sum of 25,000 sesterces (Roman coins) to each soldier, narrowly beating the offer of 20,000 sesterces made by the late emperor's father-in-law. But I digress.

My point is that while striving for strides to be made in the battle against corruption, our expectations for probity should be kept within the boundaries of reality. Even in squeaky clean Singapore which ranks 5th globally and 1st in Asia on Transparency International's 2012 Corruption Perceptions Index, corruption scandals do still break out from time to time. Recently for instance, the Wall Street Journal reported that the chief of Singapore's Corrupt Practices Investigation Bureau (CPIB) will be replaced after supervisory failures leading to an alleged misappropriation of more than 1.7 million Singapore dollars was exposed (WSJ Asia Edition, Singapore Replaces Anticorruption Chief Amid Graft Scandal, 6 August 2013). This was despite the substantial remuneration received by Singaporean officials along with CPIB's reputation as a venerable institution after which Hong Kong's formidable Independent Commission against Corruption (ICAC) was modelled.

The ugly truth is that corruption can never be completely eradicated, simply because men are not incorruptible angels. For as James Madison stated in the Federalist Papers No. 51, no form of government would be necessary if men were indeed angels. Instead, men will always remain inherently susceptible towards corruption when placed in positions of power, to the extent of the power vested in them. Thus, the only viable way of minimising corruption is by ensuring that robust check and balance systems are in place to function as institutional safeguards. Although men cannot be



Photo source: www.globalwitness.org

“State authorities are vested with substantial discretion to grant permission for the taking of forest produce by the National Forestry Act. This allows for concessions/licenses to be issued in contradiction with forest plans and may also result in the conversion of forests into plantations without due process”



State authorities are vested with substantial discretion to grant permission for the taking of forest produce by the National Forestry Act
(Photo source: launderingmachine.wordpress.com)

incorruptible, a delicate balance may be preserved by ensuring that the power of the state does not become excessively concentrated in any single institution. This concept is known as the separation of powers and here I must admit that I draw heavily from my past studies in Constitutional and Administrative Law.

To answer the first question, the lack of confidence in governance can be attributed to the perceived institutional flaws in Malaysia. To elaborate, one of the most important safeguards a nation can have is a strongly independent judiciary, free from the influence of the executive and legislature and thus able to curtail any **breeding** malfeasance in both. Unfortunately, as was pointed out in the opinion piece titled 'Restoring Power to the Judiciary the way forward'

published in The Star on 24 July 2013, the 1988 amendment to Article 121 of the Federal Constitution '*restricted the power and jurisdiction of the judiciary to that conferred by Parliament through federal laws*'.

In essence, the judiciary is no longer able to effectively check on the government and thus, there is no distinguishable difference between the judiciary and the government in the court of public opinion. Without confidence in the institution of the judiciary, it is only logical that public perception of corruption in the government remains dim. The judiciary itself did little to improve public opinion when the Federal Court overturned the Court of Appeal's decision that the doctrine of separation of powers is an integral part of the Constitution in the case of Public Prosecutor v Kok Wah Kuan.

Admittedly, there are many factors contributing towards the nation's current state of corruption. As pointed out earlier, the judiciary is both an important cog in the wheel and yet one of the weakest links in the chain. Thus to answer the second question, an important step would be to endeavour to **reinstate** the fundamental precept of judicial independence as this would certainly go a long way towards rejuvenating public confidence. Regrettably however, that is more likely than not too lofty a goal for the capabilities of us mere citizens. Nevertheless, there is still much which can be done in the fight against corruption. And as an intern with the Forest Governance Integrity Project of Transparency International – Malaysia (FGI-TIM), I have been learning firsthand of the organisation's plans and efforts to combat corruption within the forestry sector.



1.9 million hectares of Malaysia's forest cover was lost between 1990 to 2010
(Photo source: greenpeace.org)

The importance of forests as the green lungs of our environment can hardly be over-emphasised. Worryingly, deforestation is taking place at an alarming rate worldwide and has been reported to be responsible for 20 percent of global carbon emissions. In Malaysia alone, 8.6 % of the country's forest cover was lost between 1990 and 2010, the equivalent of 1,920,000 hectares. The FGI project was set up when its need became apparent as corruption was

soon identified to be a primary driver of illegal logging and poor forest management. According to Chatham House (an independent policy institute based in London), 14 to 25% of timber production can be attributed to illegal logging propelled by corrupt practices within the industry.

Research conducted by Transparency International Malaysia has revealed several institutional shortcomings to be part of the overall problem. Firstly, there are potential flaws within the regulatory chain for the establishment and excision of Permanent Reserved Forests (PRF) as well as the conversion of natural forests to plantation forests. The procedures for establishing PRFs are lengthy and a significant area of forest which has been approved as PRFs remain ungazetted as yet. In addition, temptation for conversion of forests into plantation forests is high as the immediate profits may be substantial. Here, FGI is working towards a better regulatory framework by advocating for a fixed schedule in the establishment of PRFs in addition to a stringent control mechanism which may minimise abuse in the system.



The FGI Project was set up when its need became apparent as corruption was soon identified to be a primary driver of illegal logging and poor forest management.

In addition, FGI has also discovered potential weaknesses within the process of granting timber concessions and logging licenses. Specifically, state authorities are vested with substantial discretion to grant permission for the taking of forest produce by the National Forestry Act. This allows for concessions/licenses to be issued in contradiction with forest plans and may also result in the conversion of forests into plantations without due process. To address these, FGI has recommended for concessions/licenses to be awarded through an open tender process or quotation through fair bidding with the aim of bringing an end to the preferential awarding of long-term concessions/licenses.

The two examples of FGI's efforts above clearly demonstrate the need for effective institutional

safeguards if corruption were to be brought below a tolerable level. While we may have been brought up to see the good in people, we must also be realistic enough to realise that complete faith cannot be placed into the morality of mere mortals. Rather, our efforts should be directed towards constructing a system where the risks of corruption far outweigh its benefits as such a system could ultimately outlive several generations of the staff it was designed to regulate.



Chris Toh is a law student from HELP University and will be studying at the University of Leeds this September. Currently an intern with FGI-TIM, Chris believes that youth engagement should be made a priority in the fight against corruption as they are the nation's future leaders. As Franklin D. Roosevelt once declared, 'we cannot always build the future for our youth, but we can build our youth for the future'.



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