



**TRANSPARENCY  
INTERNATIONAL**  
LUXEMBOURG

**Activity Report 2013**

**Financial Information 2013**



A PROPOS

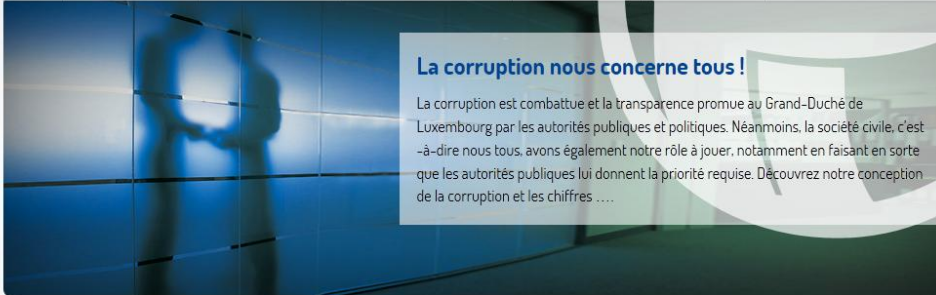
ACTUALITÉ

LA CORRUPTION

HOTLINE

PRESSE

DOCUMENTATION



**La corruption nous concerne tous !**

La corruption est combattue et la transparence promue au Grand-Duché de Luxembourg par les autorités publiques et politiques. Néanmoins, la société civile, c'est-à-dire nous tous, avons également notre rôle à jouer, notamment en faisant en sorte que les autorités publiques lui donnent la priorité requise. Découvrez notre conception de la corruption et les chiffres ....



**Venez découvrir qui nous sommes et ce que nous faisons**

Transparency International Luxembourg est le Chapitre luxembourgeois de Transparency International, mouvement mondial de lutte contre la corruption. Nous sommes une asbl de droit luxembourgeois indépendante et avons comme objectif de promouvoir la transparence, de lutter contre la corruption et de promouvoir les acquis et les atouts du Grand-Duché de Luxembourg au plan international. Venez découvrir qui nous sommes, ce que nous faisons et ce que proposons à nos membres.



**L'actualité va vite, prenons le temps de revenir sur l'essentiel qui touche à la corruption**

Nous éditons une revue de presse dans le but de ne pas laisser passer les événements importants qui touchent de près ou de loin la corruption. Nous vous invitons à la consulter, tout comme nos prises de positions officielles et autres communiqués de

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## Introduction

While the organization has been incorporated in 2009, it immediately developed its affiliation process with Transparency International, becoming a national contact point in 2009, a National Chapter in Formation in July 2010 and was granted the “full chapter” recognition on November 2012 just before the AMM (Annual Members Meeting) held in Brasilia (Brazil). Needless to say that this has been a huge step for our organization and we are grateful for the cooperation we have with TI-S.

At the same time, the organization has been working with national partners and stakeholders in order to develop a sound working and resources base.

This process led the organization to work on different projects with national stakeholders in 2011 and 2012, participating a.o. in the OECD evaluation phase of Luxembourg in early 2011 and in the GRECO evaluation phase of Luxembourg in late 2012. The process also led in 2011 to an explicit recognition of TI Luxembourg by the Luxembourg government and an explicit support of the aims defended by our organization.

The development of the organization’s financial resources was an important step and permitted our organization to put in place the organization’s professionalization. The organization was thus able to rent office spaces from October 2011 onwards. A new Executive Director joined TI Luxembourg in 2012 and now heads the team. In 2013 a part time legal advisor also joined TI Luxembourg’s hotline (ALAC). The financial resources have taken a huge step from a meager 2.000 € in 2010 to some 99,000 € in 2012, thanks to a (limited) number of private and public donors, thereby confirming the developments of 2011. Special thanks are here directed towards these private and public donors. Our organization has also advocated for systemic changes to be adopted by the Luxembourg state authorities. Some of these have now been accepted in principle and have even been partially implemented in 2012 and in 2013, a.o. a code of conduct for members of the government, MPs, local elects, civil servants and employees of public bodies. TI Luxembourg has been asked to provide input into how such a code of conduct should be drafted and is monitoring the efforts undertaken.

A huge development then was initiated on 9<sup>th</sup> December 2011, the international day of the fight against corruption, with the launch of our anti-corruption hotline. At the time of this report some interesting cases have been brought to our organization's attention. Our responses to these cases need however to be professionalized, development started with the hiring in 2013 of a part time legal advisor.

Our new government has suggested important advances in transparency, governance and better and stronger institutions. While the new government is still in its early stages, TI Luxembourg would like to see the government implement these important steps in the near future. Every effort should be made to ensure that the government stays true to the high hopes civil society puts into it.

TI Luxembourg needs to professionalize its services and its output. In order to do this, serious efforts need to be undertaken in terms of fundraising. Our finances, while sound, need to grow more stable and need to support structural changes within the organization. TI Luxembourg has relied over the last years on funding from EU projects. While these projects remain important, both in terms of substance and in terms of financing, TI Luxembourg cannot rely in the long term on these projects to finance its structure.

TI Luxembourg should be able in early 2015 not only to support its current resources, that have until that time been financed partly by EU projects, but needs to be able to finance at least one further FTE.

In order to achieve this, we need to develop in the second half of the year our fundraising efforts but also our public appearance. 2014 is then a year of many potentialities that we should try to make good on.

Yann Baden

President of TI Luxembourg

# **I. Activities during the year 2013**

## **1. Meetings of the Board of Directors**

During the year 2013 six formal Board meetings were held. The dates of the meetings were as follows:

31 January 2013  
13 May 2013  
11 July 2013  
5 September 2013  
21 November 2013  
12 December 2013

Further informal meetings and discussions were held. The members of the Board of Directors were:

Mr Yann Baden	Chair
Mrs Marguerite Ries	Vice-chair
Mr Pascal Espen	Secretary
Mr Stephen Nye	Treasurer
Mr. Claude Schomer	Board member

## **2. Executive Director and staffing**

The Executive Director (Jean-Jacques Bernard) has been joined by a part time Legal Counsel (Ms. Alice Guidal) in April 2013. She is part of the “Speak Up” EU Program (see relevant section below).

Together with the other permanent staff (under ATI Government Program) the whole team of TI Luxembourg counts 4 permanent people (not all full time).

### **3. Annual General Meeting**

The ordinary Annual General Meeting of TI Luxembourg relating to the year 2012 was held on 20 June 2013. Both the activity report and the financial statements for the year ending 31 December 2012 were unanimously approved by the meeting. The meeting appointed Mr. Christian Steichen as the internal auditor for the year ending 31 December 2013. Three members of the Board of Directors of TI Luxembourg (Mrs. Marguerite Ries, Mr. Stephen Nye and Mr. Yann Baden) were reelected unanimously for the year 2013 and two new Board members were appointed (Mr. Pascal Espen and Mr. Claude Schomer) with a mandate ending with the approval of the 2013 accounts for all of them.

### **4. Luxembourg public authorities**

#### **1. Ongoing relationship with the Luxembourg government**

The relationship with the Luxembourg government normalized over the year 2012 and became good working relationship over 2013. Contacts were made with the new Luxembourg government as a result of the October 2013 election and the good working relationship seems to be ongoing.

The new government has confirmed to continue to grant TI Luxembourg an annual subsidy of 15.000,00 €.

#### **2. Codes of Conducts**

TI Luxembourg has been pressing for enactment of codes of conducts at government-, Parliament-, municipal- and public servant level since TI Luxembourg's inception. These topics seem to be part of the new Government agenda although on a new base.

In that respect, the draft code published in early 2013 and all other draft unpublished documents are not to be considered any longer. TI Luxembourg received oral confirmation from the Minister of Justice that the new Luxembourg government is determined to continue the path and even go further. TI Luxembourg will remain vigilant and monitor carefully this topic in 2014.

### 3. Draft legislation on military and police discipline

TI Luxembourg has provided comments on a piece of draft legislation on discipline within the military, the grand-ducal police and the inspection of the police. In particular TI Luxembourg has asked for a specific change in the draft. The government accepted TI Luxembourg's position and undertook to change the draft accordingly. The legislation is still pending and we will monitor any development.

### 4. MEP

In support of an initiative taken by TI-S, TI Luxembourg intervened with the Luxembourg MEPs in order to ask for their support of the anti-corruption provisions in the European Parliament discussions on the EU public procurement directive 2014/24. This Directive has been published on the Official Journal of the EU on March 28th 2014 and the State Members of the EU have until April 2016 to transpose the Directive into national law.

## **5. Accreditation – ongoing process**

TI Luxembourg has been accredited as full National Chapter by the relevant committees of TI-S on 4 November 2012. The accreditation is lasting until 2015 and certifies TI Luxembourg is complying with the high standards set by TI-S.

TI –S updated the re-accreditation process during the AMM held in Berlin on October 2013. In that respect, TI Luxembourg will have to renew its accreditation in 2015 under the new regime. The decision will most certainly occur before the 2015 AMM.

## **6. Fundraising and office**

TI Luxembourg undertakes continuous efforts to raise funds and donations in order to become more productive and more professional in its operations.

The income realized by TI Luxembourg has grown from a mere 2.250,00 € in 2010 to approx. 150.000 € in 2013, thanks to private donations and government support and subsidies and mostly



to EU Programs such as “Speak Up” and “An Alternative to Silence” which together represent more than half of this amount.

TI Luxembourg is renting a small office space in 11C, Bd. Joseph II, Luxembourg. The office is open to the public at large during business hours (8.30 am – 12.30 and 13.30 – 17.30 generally) but mostly with an appointment to guarantee confidentiality of our visitors.

However, due to the future end of the EU Programs in 2014 (please see relevant section below), TI Luxembourg needs to increase its funding in order to continue its operations at the same level. In that respect TI Luxembourg is seeking other forms of funding (private sector, new members, new donators, ...).

## **7. Communication with its members**

TI Luxembourg has started in 2012 to publish a corruption related press review. This review has originally been disseminated to its members via e-mail. It is now both published on TI Luxembourg’s new Internet website ([www.transparency.lu](http://www.transparency.lu)) and sent to its members via e-mail. It is generally sent twice a month and focuses on the Corruption related articles both in Luxembourg and internationally.

TI Luxembourg has issued in January 2013 a new opus of its non-periodical “Corruption Newsletter” informing its members of its activities and updates. The aim is to use the Newsletter as a general information document and to issue a new opus as often as required.

## **8. Communication with the public**

In order to promote its cause and familiarize the public with its activities, TI Luxembourg continued to meet with external stakeholders/partners, met with members and gave some interviews as follows:

### **Interviews (printed press, radio and television) :**

- 15 March : Yann Baden on Radio 100.7 about the Deontology Code for Government Members ;

- 11 June : Yann Baden on RTL Radio about Robert Biever’s revelations on the Bommeleeër case ;
- 11 July : Yann Baden on Radio Swiss SRS about the Press Release on the SREL ;
- 12 September : Yann Baden on RTL TV about Protinvest’s Press Release ;
- 27 September : Yann Baden on Tageblatt.lu about the Protinvest case ;
- 22 November : Jean Jacques Bernard on L’Essentiel about the Whistleblowing legislation in Luxembourg ;
- 26 November : Yann Baden on RTL TV about the alleged conflicts of interest in the Protinvest case ;
- 9 December : Yann Baden on RTL Radio about the CPI 2013 and the International Day against Corruption;
- 10 December : Jean Jacques Bernard on L’Essentiel about the Whistleblowing legislation in Luxembourg.

**Press releases :**

- 3 June : TI’s National Chapter accreditation for TI Luxembourg ;
- 6 June : about Robert Biever’s revelations of destabilization attempts and covert surveillance on himself ;
- 9 July : Global Corruption Barometer 2013 ;
- 11 September : about the Report and Conclusions delivered by the Commission of Inquiry for the SREL ;
- 3 December : Corruption Perception’s Index 2013 ;
- 9 December : about the International Day against Corruption and the release of TI Luxembourg’s collection of corruption-related offences.

**Meeting with stakeholders / partners :**

- 24 January : meeting with the Minister of Justice.

**TI Luxembourg mentioned in the media :**

- 3 February on Paperjam : “Un code de déontologie toujours en souffrance”  
<http://www.paperjam.lu/article/fr/un-code-de-deontologie-toujours-en-souffrance> ;

- 13 March on Le Quotidien : “Code de déontologie des ministres : se soumettre ou se démettre” <http://www.lequotidien.lu/politique-et-societe/42939.html> ;
- 9 July on L’Essentiel : “Le sentiment de corruption grandit au Luxembourg” <http://www.lessentiel.lu/fr/news/luxembourg/story/23720766> ;
- 27 September on Paperjam : “Octavie Modert a participé à une table ronde sur la protection des donneurs d’alerte de la corruption” <http://www.paperjam.lu/communiquede-presse/fr/octavie-modert-participe-une-table-ronde-sur-la-protection-des-donneurs-d-alerte-de-la-corruption> ;
- 27 September on Tageblatt.lu : “Änderungen sind unausweichlich” <http://www.tageblatt.lu/nachrichten/luxembourg/story/15449039> ;
- 3 December on L’Essentiel : “Le Luxembourg perçu comme « peu corrompu » ” <http://www.lessentiel.lu/fr/news/luxembourg/story/10177323> ;
- 28 December on Le Quotidien : “Les lanceurs d’alerte au Luxembourg” <http://www.lequotidien.lu/politique-et-societe/51671.html>.

## 9. GRECO evaluation, 4<sup>th</sup> evaluation cycle – Report published

TI Luxembourg has been invited by the Luxembourg government to participate at the GRECO 4<sup>th</sup> Evaluation Round on Corruption Prevention in respect of Members of Parliament, Judges and Prosecutors, as part of the civil society panel.

Jean-Jacques Bernard and Yann Baden thus participated during these discussions on 3 October 2012. The report was adopted in June 2013 and published in July 2013.

The report can be found using this link :

[http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/GrecoEval4\(2012\)9\\_Luxembourg\\_FR.pdf](http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/GrecoEval4(2012)9_Luxembourg_FR.pdf)

In its report, the GRECO acknowledges the improvement in the set of rules applicable to the Members of Parliament, to Judges and to Public Prosecutors in order to better prevent corruption during the past 5 years, these specific position being the core of this particular cycle.

However, the GRECO issued some recommendations in order to harmonize and strengthen the prevention against corruption notably by mean of a Code of conduct for Members of Parliament.

The report further indicates that 27% of Luxembourg residents consider that Corruption is a normal behavior in the ordinary life of the country. This rate is far superior to the 19% European average.

## **10. UNCAC Review Mechanism and 5<sup>th</sup> Conference of State Parties**

### 1. Review Mechanism :

The UNCAC (United Nations Convention Against Corruption) was adopted by the General Assembly of the United Nations (UN) on 31 October 2003 and entered into force on December 2005. It counts 170 State Parties as of January 2014. The UNCAC implies a review mechanism held by the UN Secretariat and State Parties.

In that respect, TI Luxembourg (as civil society representative) was invited by the UN Secretariat on 18 September 2013 in order to be part of the review mechanism held for Luxembourg by the UN Secretariat, Switzerland and Austria. This invitation once more shows the importance of the TI movement at the international level.

### 2. 5<sup>th</sup> Conference of State Parties :

TI Luxembourg (originally invited by the Luxembourg government) participated in the 5<sup>th</sup> Conference of State Parties to the United Nation Convention Against Corruption in Panama City (25 till 29 November 2013) which counted more than 1500 delegates from 130 State Parties.

TI Luxembourg joined *in situ* the UNCAC Coalition (<http://uncaccoalition.org/en/>, Coalition of 250 Civil Society Organisations) movement to better monitor the discussions as observer due to its NGO status.

TI Luxembourg regrettably had to cope with the absence of any Luxembourg official representative at this Conference. On the contrary, TI Luxembourg is of the opinion that the UNCAC is a major set of rules and an excellent way to fight corruption and talk with all official stakeholders. TI Luxembourg is determined to continue monitoring the Luxembourg involvement in the UNCAC and press the Luxembourg government to show a better involvement in this matter.

## **11. OECD Progress Report**

As in the past, TI Luxembourg has been cooperating with TI-S on its OECD Progress Report. TI Luxembourg is of the opinion that the report is seriously flawed conceptually and also in its details.

TI Luxembourg has raised these concerns in 2012 with TI-S, to no avail. TI Luxembourg then informed the Luxembourg government of the concerns.

While the methodology has slightly changed in 2013, the most conceptual flaws remain. TI Luxembourg has again raised its concerns with TI-S in 2013.

TI Luxembourg needs to check what position to take in the future in relation to this report.

## **12. Cooperation with TI-S – 20<sup>th</sup> Anniversary of TI**

Apart from several conference calls, emails and permanent link with TI-S, several international meetings were organised which were attended by a representative of TI Luxembourg.

Jean-Jacques Bernard participated at the Internal ECA regional meeting, which covered a variety of topics relevant to the work of TI chapters in the ECA region as well as the movement in general. The meetings took place from 5 June to 7 June 2013 in Lisbon.

Jean-Jacques Bernard attended the Annual Membership Meeting (AMM) of TI held from 7 November until 10 November 2013 in Berlin. He could then vote in the name of TI Luxembourg as Official Chapter Representative. He also participated in different workshops and conferences held during these events. This annual meeting is of prime importance for all Chapters since it is the only place where representatives from all countries can all meet and exchange.

More specifically, TI Luxembourg could attend the special 20<sup>th</sup> Anniversary of Transparency International (<http://www.transparency.org/20years>) and relayed that special event on its website.

### **13. Global Corruption Barometer 2013 (GCB)**

TI-S informed TI Luxembourg that it would conduct a further GCB survey in 2012, to be published in 2013, but that for budgetary reasons Luxembourg would not be part of the survey.

After several discussions and conference calls with TI-S, it was then decided that TI Luxembourg would have the relevant survey conducted, with the partial financial assistance of TI-S. This cost was recorded in TI Luxembourg 2012 Financial Statement. The survey took place between 29<sup>th</sup> October 2012 and 8<sup>th</sup> November 2012 among 502 people representing a panel of the Luxembourg population. The survey was conducted by TNS-Ilres and was published on 9th July 2013 as part of TI-S' GCB.

The questionnaire included a total of 54 questions and sub-questions in 4 logical pillars : the perception of corruption during the last 2 years, the personal experience towards corruption, the personal commitment and finally some personal question for statistics.

The full set of results is available on our website on the following page : [http://www.transparency.lu/documentation\\_type/publications/](http://www.transparency.lu/documentation_type/publications/).

The first striking element for TI Luxembourg is that 50% of the people believe the corruption has increased during the past 2 years (as opposed to 44% in the 2010 edition). Together with 39% of the people believing corruption stayed the same, we can perceive that the level of perceived corruption in Luxembourg is extremely high and in line with the GRECO report unfortunately (see section 9).

The second striking element for TI Luxembourg and most certainly the most important is that 18% of the people were “suggested” to pay a bribe and only 88% of these 18% declined the offer. Please note that the questionnaire focused on “bribe” as corruption in this section. However, the results show that the bribe is still an on-going practice in Luxembourg and can only confirm the importance of our action.

Another important result confirms the importance of our work in Luxembourg. 86% of the people are ready to “report” an act of corruption and 36% of them ready to report to dedicated “hotline”. We are then pleased to see that the activities we perform are going in the right direction and we must continue strengthen our efforts and visibility.

## **14. Advocacy and Legal Advice Center (ALAC) / Hotline**

TI Luxembourg has opened in December 2011 an ALAC in the form of an anti-corruption hotline.

While TI Luxembourg didn't expect too many calls to its hotline, TI Luxembourg was still surprised by the steady number of quality cases that have been referred. Meetings were held at different levels with callers and a more in-depth report of TI Luxembourg's findings is included hereafter.

Under the auspices of a EU financed project "Speak Up", TI Luxembourg was able to hire a part-time legal advisor for the hotline in early 2013 and under the same funding, the October Promotional campaign on TV and Radio saw a boost in the number of cases but mostly an increase in their quality.

TI Luxembourg is still studying possibilities to offer further services to the private and public sector in this respect. So far the interest is present when we discuss this aspect with our interlocutors but no realization occurred so far.

The hotline can be reached under TI Luxembourg's internet site at the following addresses: [www.transparency.lu](http://www.transparency.lu), [www.transparence.lu](http://www.transparence.lu), [www.corruption.lu](http://www.corruption.lu), [www.korruption.lu](http://www.korruption.lu) and [www.korruptioun.lu](http://www.korruptioun.lu). The hotline can also be reached through its mail address at [info@transparency.lu](mailto:info@transparency.lu) or through its phone number 26 38 99 29.

## **15. Providing an Alternative to Silence: Towards Greater Protection and Support for Whistleblowers in the EU**

TI Luxembourg participated with TI-S in a EU tender to study and promote whistleblowing. TI has been granted the project which ended in November 2013.

The project was implemented by seven partners: TI-S acts as the Co-ordinator while TI Luxembourg along with five other national chapters of TI (Belgium, Estonia, Greece, Italy, Latvia) as the project partners implemented the activities in their respective countries.

The Project ran for twenty four months and was build on and complementing JLS/2007/ISEC/495 which analysed whistleblowing legislation in ten EU Member States and developed draft principles for whistleblowing legislation.

The aim of this project was to promote the concept of whistleblowing and to enhance the protection of whistleblowers in the EU. Specifically, the project aims at:

- enhancing whistleblower protection in EU Member States and
- promoting the value and importance of whistleblowing towards European citizens and decision makers.

Its key activities were :

- expert and planning meeting ,
- validation and publication of the best practice principles for whistleblowing legislation ,
- assessment of current whistleblowing legislation across the EU against these principles (update of existing research in ten countries, new research in 17 countries) ,
- publication of a report, compiling and analysing the research results in all 27 EU Member States ,
- advocacy towards national and European/international decision makers for enhanced whistleblower protection legislation, complying with best practice ,
- distribution of popular material towards key target audience in EU member states, using print, media and social media tools.

The Project results should be:

- best practice principles for whistleblowing legislation,
- EU-wide comparative whistleblowing legislation assessment,
- greater understanding among European decision makers about the need for adequate whistleblowing legislation,
- greater awareness among the European public and potential whistleblowers about the value of whistleblowing.



The project results were disseminated through print, online and social media. Key target audiences are national and European/international policy makers, whistleblowers, employees, experts, law enforcement, media, business and the general public.

TI Luxembourg has finalized its report on the legal status in Luxembourg and has conducted various events and actions in 2013 :

- Meeting with the Minister of Justice (24 January 2013) to present and plead TI Luxembourg's advocacy regarding the status and protection of whistleblowers in Luxembourg.
- As a consequence of the launch of TI Luxembourg's new website, more information is available concerning Alternative to Silence such as all details of the project and the broadcasting of the video "A voice for change" compiling worldwide whistleblowers' testimonies.
- An Expert Meeting was held in September, 26<sup>th</sup> 2013 where five contributors, including the Minister of Justice, promoted the importance and the value of whistleblowing and the whistleblower's legal protection. This Expert Meeting led to a better acknowledgement of TI Luxembourg's existence and activities in the country thanks to the success of the event and the media coverage.
- In order to promote the Whistleblowing Legislation in Luxembourg, TI Luxembourg has edited flyers and postcards to be distributed during our events and apparitions. The postcards continue the visual display unit of TI-S Alternative to Silence Campaign with a few adjustments to adapt the contents to the Luxembourgish public.
- On November the 4<sup>th</sup> 2013, TI Luxembourg released the Country Report for Luxembourg as part of TI's global report *"Providing an Alternative to Silence, Towards greater protection and support for whistleblowers in the EU"*. The country report for Luxembourg has been broadcasted by TI Luxembourg to over 75 public and private stakeholders by regular post and disseminated by email to all participants to the Expert Meeting.
- A final and global Report for the Alternative to Silence project has been released in the beginning of November 2013 under the title *"Whistleblowing in Europe, Legal protections for whistleblowers in the EU"*. This report includes rapid figures about the

situation in Luxembourg, as the Country Report written by TI Luxembourg offered a more precise and specific view of the whistleblowing legislation in its own country.

## 16. Speak Up : Replicating and Strengthening ALACs in Europe

TI Luxembourg is participating, together with the Czech Republic, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg in a second EU funded program which will run from end 2012 until early 2015. This program has however started and the kick off meeting was held in 2013 for TI Luxembourg.

**Overall concept:** This project will deliver a new and specialised support service (ALACs) to corruption victims, witnesses and whistleblowers in two EU countries, as well as strengthen and expand services in five others. Based on citizen complaints, it will generate a unique set of qualitative and quantitative data on people's experiences of corruption across various EU countries, as well as on anti-corruption enforcement gaps. The project will mobilise European citizens to report corruption and to participate in bringing greater transparency to the workings of government. Campaigning to raise awareness of corruption and steps people can take to address it will be an integral part of the project.

### Activities:

#### Providing Legal Advice and Support to People:

- Opening and running of *new Advocacy and Legal Advice Centres (ALACs)* in Greece and Luxembourg (this program is funding our Legal Adviser position and allowed the acquisition of our Server usefully for our anonymous data collection although our hotline was already existing) ;
- Expanding and strengthening the work of *ALACs* in Ireland, Czech Republic, Hungary, Latvia, Lithuania.

#### Campaigning, Mobilisation and Advocacy for Change:

- National-level campaign and advocacy work to *encourage citizen engagement for transparency and against corruption, aiming to achieve concrete changes in policy and*

*practice* to stop and prevent corruption (building on key issues identified in previous EC-funded projects (NIS, Whistleblowers, etc.)

- Producing *communications materials* (human interest stories, audio-visual products, campaigning materials) that offer a compelling account of citizen action for transparency and integrity

Generating and Sharing Knowledge:

- Direct exchange of *practitioners across the project countries to share learning* on citizen engagement to detect and prevent corruption, within and beyond the TI network
- Integrating *new technology solutions* to facilitate citizen engagement and reporting of corruption (ALAC database, integration with mapping and other tools)
- Smaller-scale piloting of *quantitative and qualitative research* into people’s perspectives on corruption in various EU countries, on the basis of citizens complaints

In 2013, TI Luxembourg has then been able to strengthen its Anti-Corruption Hotline by recruiting a Legal Adviser dedicated to the analysis of the cases and the guidance of clients. In July 2013 the ALAC database has been set up to help trace and account the activities related to the Anti Corruption Hotline.

In October 2013, an advertising campaign was broadcasted in the RTL LETZEBUERG media to promote the Anti Corruption Hotline and make the public aware of the necessity to speak up against corruption and seek guidance to TI Luxembourg. The following compiles the details of the broadcastings :

Date	RADIO	TELEVISION
	Broadcastings	Broadcastings
21 October	10	12
22 October	10	12
23 October	10	12

24 October	None	3
25 October	None	2
<b>TOTAL</b>	<b>30</b>	<b>41</b>

This campaign has led to an increasing of calls to the Anti Corruption Hotline and contributed to improve the quality of the cases examined by TI Luxembourg. More details about the Hotline can be found in the “Hotline Report” section of this document.

## 17. Internet presence

TI Luxembourg has been working heavily on a new and more professional internet presence. After much effort and with the help of a professional agency, the new internet site finally went online in the beginning of 2013, the bulk of the work being performed in 2012. It can now be reached through the following addresses: [www.transparency.lu](http://www.transparency.lu), [www.transparence.lu](http://www.transparence.lu), [www.corruption.lu](http://www.corruption.lu), [www.korruption.lu](http://www.korruption.lu) and [www.korruptioun.lu](http://www.korruptioun.lu).

The new site includes both the former chapter site and the former hotline site.

TI Luxembourg’s new main e-mail address has then been changed to: [info@transparency.lu](mailto:info@transparency.lu).

TI Luxembourg is also present on Facebook under (Transparency International Luxembourg).

## 18. Members

TI Luxembourg is seeking popular support. Corruption being a difficult and technical issue, TI Luxembourg will never attract a very large popular support basis. Nevertheless, its membership basis has been increasing slowly but steadily. Further efforts are however necessary to reach further popular support.

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Transparency International is a non-governmental organisation (NGO) created in 1993 with the aim to fight corruption. For further information please refer to Transparency International's website at [www.transparency.org](http://www.transparency.org).

Our organization, Transparency International Luxembourg<sup>1</sup>, can be reached by e-mail at [info@transparency.lu](mailto:info@transparency.lu), by telephone under 26 38 99 29 and through its web-site at [www.transparency.lu](http://www.transparency.lu). TI Luxembourg's offices are located at 11C, Bd. Joseph II, Luxembourg. Persons interested in joining our organization can do so by filling out the membership form available on our website.

TI Luxembourg has been recognized by grand-ducal decree of 12 Mai 2011 as being of public interest and it is listed, under its official denomination of Association pour la Promotion de la Transparence a.s.b.l., among the entities whose donations can be deducted from taxable income within the scope of articles 109 and 112 L.I.R..

Transparency International Luxembourg is dependent on private donations to maintain its activities and its independence. We thank you for your interest and your support.

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<sup>1</sup> The organization is doing business as Transparency International Luxembourg, its legal name is Association Pour la Promotion de la Transparence a.s.b.l.

## II. Financial Information

### FINANCIAL INFORMATION

at

31 December 2013

of

Association pour la Promotion de la Transparence Asbl  
exerçant sous Transparency International Luxembourg

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## Balance Sheet

	12/31/13 Euro	12/31/12 Euro
<b>Assets</b>		
<u>Fixed assets</u>		
Internet website	7,561.48 €	5,043.90 €
<b>Total fixed assets</b>	<b>7,561.48 €</b>	5,043.90 €
<u>Current assets</u>		
Cash and cash equivalents	28,354.04 €	9,233.71 €
Subsidy receivable	15,000.00 €	21,600.00 €
<b>Total current assets</b>	<b>43,354.04 €</b>	<b>30,833.71 €</b>
<b>Total assets</b>	<b>50,915.52 €</b>	<b>35,877.61 €</b>
<b>Liabilities</b>		
<u>Reserves</u>	<b>50,340.52 €</b>	<b>35,377.61 €</b>
<u>Creditors</u>		
Invoices to be received	575.00 €	500.00 €
<b>Total liabilities</b>	<b>50,915.52 €</b>	<b>35,877.61 €</b>



# Income Statement

	<b>2013 Euro</b>	<b>2012 Euro</b>
<b>Income</b>		
Membership fees	4,215.00 €	3,245.00 €
Donor contributions in cash	25,920.00 €	25,315.00 €
Donor contributions in kind	34,386.48 €	44,990.89 €
Government subsidy	15,000.00 €	21,600.00 €
EU Project "An Alternative to Silence"	4,126.60 €	4,126.60 €
EU Project "Speak Up"	72,674.06 €	-
<b>Total Income</b>	<b>156,322.14 €</b>	<b>99,277.49 €</b>
Administrative expenses	2,022.10 €	1,837.97 €
Travel and representation	8,564.12 €	2,837.17 €
Rent	9,131.18 €	9,767.00 €
Salaries and wages	74,422.94 €	49,216.27 €
PR expenses	5,508.45 €	0.00 €
Salary costs	13,431.97 €	1,793.05 €
Internet website	590.99 €	199.98 €
Research costs	-4,255.00 €	8,510.00 €
Amortisation	1,890.37 €	0.00 €
IT Equipment	4,387.20 €	3,723.10 €
EU Project "An Alternative to Silence"	1,563.60 €	0.00 €
EU Project "Speak Up"	24,101.31 €	0.00 €
<b>Total Expenditure</b>	<b>141,359.23 €</b>	<b>77,884.54 €</b>
<b>Result from operating activities</b>	<b>14,962.91 €</b>	<b>21,392.95 €</b>
<b>Net surplus</b>	<b>14,962.91 €</b>	<b>21,392.95 €</b>

## Statement of Changes in Reserves

	<b>Special Fund Euro</b>
Opening balance at 1 January 2012	€13,984.66
Appropriation from net surplus for 2012	€21,392.95
Balance at 31 December 2012	€35,377.61
Appropriation from net surplus for 2013	€14,962.91
<b>Balance at 31 December 2013</b>	<b>€50,340.52</b>

## Cash Flow Statement

	<b>2013</b>	<b>2012</b>
	<b>Euro</b>	<b>Euro</b>
<b>Net surplus of the year</b>	14,962.91	21,392.95
<b>Movement in receivables</b>	6,600.00	(13,200.00)
<b>Movement in payables</b>	75.00	500.00
<b>Amortisation</b>	1,890.37	0.00 €
<b>Net cash flow from operating activities</b>	<b>23,528.28</b>	<b>8,692.95</b>
<b>Increase in cash and cash equivalents</b>	<b>23,528.28</b>	<b>8,692.95</b>
Cash paid for purchase fixed assets	(4,407.95)	(5,043.90)
Opening cash and cash equivalents	9,233.71	5,584.66
<b>Cash and cash equivalents at 31 December</b>	<b>28,354.04</b>	<b>9,233.71</b>

## Notes to the financial statements

### 1) Reporting entity

The Association pour la Promotion de la Transparence a.s.b.l (hereafter «APPT» or the «Association») was established on 9 June 2009 as an “Association sans but lucrative” (non-profit association) in Accordance with Luxembourg Law. The Association was established for an indefinite period and has its registered address at:

27, rue J.B. Esch, L-1473 Luxembourg

The principal object of APPT is to promote transparency and integrity in public life.

The financial statements were set-up by the Board of Directors of APPT on 13 May 2014.

### 2) Basis of preparation

#### (a) Statement of compliance

The Association is not in scope of the Luxembourg Law of December 2010 with regard to the Preparation of annual accounts. The annual accounts have been set up with the objective to present a true and fair view of the assets, liabilities, charges and revenues of the Association as at 31.12.2012. Without respecting formally the International Financial Reporting Standards (IFRS) as adopted by the European Union, the annual accounts have been set-up in accordance with the main Standards of IFRS representing the main frame although the Association has no specific legal requirement.

Currently, the IFRS do not contain specific guidelines for non-profit and non-governmental organizations concerning the accounting treatment and the presentation of the financial statements. Where the IFRS are silent or do not give guidance on how to treat transactions specific to the not-for-profit sector, accounting policies have been defined in a sense to respect as much as possible the general IFRS principles, as detailed in the IASB Framework for the Preparation and Presentation of Financial Statements.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### (c) Functional and presentation currency

The financial statements are presented in Euro, which is the Association’s functional currency.

#### (d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### **3) Summary of significant accounting policies**

#### **(a) Adoption of new and revised International Financial Reporting Standards (IFRS)**

There are no new or revised standards to be adopted in future periods that are likely to have a significant impact on the financial statements of the Association.

#### **(b) Income**

Membership fees are recognized as unrestricted funds in the year in which the subscription is paid.

Donor contributions are recognized in the year of the donation and allocated to general funds unless the donor specifies a particular project.

Subsidies are recognized on an accruals basis in the year to which they relate.

#### **(c) Cash and cash equivalents**

Cash and cash equivalents consist only in cash at bank.

#### **(d) Taxation**

No income tax or VAT taxation has been provided in these financial statements as the Association does not carry out any commercial activity and was not in receipt of any taxable income.

#### **(e) Financial assets**

The Association has only cash at bank and short-term receivables as at 31 December 2013 and 2012 for which the carrying values are equal to the fair value due to their liquid and short-term nature.

#### **(f) Finance income**

Finance income comprises interest on bank accounts.

#### **(g) Reserves**

The Reserves of APPT consist of retained earnings.

### **4) Financial Instruments**

The Association has only cash at bank and short-term receivables as at 31 December 2013 and 2012. Cash at bank funds is held at a bank in Luxembourg with a good credit rating. The

Association faced no currency or liquidity risk in 2013 and 2012. The receivables are due from the Luxembourg government which enjoys a triple A rating.

## 5) Related Parties

Neither the members of the Board of Directors nor any other related parties have received any remuneration from the Association. The subscriptions received by the Association have been paid by members of the Board of Directors.

## 6) Internet website

Movements in respect of the capitalised costs of development of the Associations internet website are as follows:

Capitalised in 2012	5,043.90
Capitalised in 2013	<u>4.407,95</u>
Total costs	9.451,85
Amortisation in 2013	<u>1.890,37</u>
Net book value at 31.12.13	<u><u>7.561,48</u></u>

## Compliance & Control

To the general meeting of shareholders  
Of Transparency International Luxembourg  
Asbl (hereinafter the « ASBL »)

27, rue J.B. Esch  
L-1473 Luxembourg

### STATUTORY AUDITOR'S REPORT

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Following the mandate as statutory auditor given by the Board of Directors of the ASBL, we have verified the accounting records of Transparency International Luxembourg for the financial year ending on 31/12/2013.

The ASBL is not legally obliged to have its annual accounts reviewed by a statutory auditor. We have performed our mandate in analogy with article 62 of the law of August 10th, 1915 as amended. We do not form an opinion on the annual accounts. Consequently our assignment is neither an audit of the annual accounts according to the law of June 28th, 1984 or in compliance with the International Standards of Auditing, nor a limited review according to the standard ISRE 2400 (formerly ISA 910).

The annual accounts are drawn up under the responsibility of the Board of Directors. The Board of Directors has decided to draw up the annual accounts with the objective to follow the guidelines of International Financial Reporting Standards (IFRS) as adopted by the European Union. The annual accounts for the financial year ending on 31/12/2013 close with a balance sheet total of EUR 50.915,52 and a profit of EUR 14.962,91.

Our controls allow us to observe that the accounting was properly executed and that the figures of the annual accounts are in accordance with the accounting records and documents submitted to us.

Luxembourg, May 13, 2014



Ralph Bourgnon

Compliance & Control  
Statutory auditor

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