

Money from corrupt deals for Kazakh children

Since June 2008, there exists the new BOTA-foundation in Kazakhstan. Its aim is to return money stemming from a supposed corrupt deal which is blocked on Swiss bank accounts, to Kazakhstan and to use it for social purposes. There are some critical questions concerning this success story.

Stefan Howald

Sometimes everything moves very slowly. In 2004, Swiss NGO Aktion Finanzplatz Schweiz (AFP) took on the case of dubious money from Kazakhstan, blocked on bank accounts in Geneva. Together with a Kazakh partner and other Swiss NGOs we formed the Kazakh Coalition which reported publicly about the case and started lobbying the authorities. With time, we could persuade the Swiss authorities that they should act more actively. They also took on board the idea propagated by the civil society of creating an independent fund. Because the money was blocked on accounts which belonged to an US-citizen who was charged with corruption in the USA, the USA had to be part of any deal. Finally, in May 2007 a trilateral agreement between Kazakhstan-Switzerland-USA concerning the return of 84 million US-dollars, plus interest, and the creation of a fund was signed, administratively supported by the World Bank. At that time, AFP was of the opinion that the agreement represented an innovative repatriation with some flaws, mainly because the initial investigation into corrupt dealings was suspended; although the Kazakh government agreed in addition to support programmes fighting corruption.

Since this agreement there have been long-winded juridical and procedural discussions. But sometimes everything moves very quickly. In May 2008 the fund has been registered in Almaty as an independent, charitable foundation. The BOTA-foundation (Bota meaning young camel in Kazakh) aims to establish projects in aid of poor and underprivileged children and youth. Its board consists of five Kazakh representatives plus the US-ambassador in Kazakhstan and Pietro Veglio from the Swiss economic agency. But even before the official registration of the foundation, the World Bank already advertised internationally for the management of implementing the social projects. 19 organisations applied of which seven have been short-listed: six from the USA and one from Great Britain. The projects are planned to start at the beginning of next year. The costs for supervising the whole process by

the World Bank which is estimated at 1 million US-Dollars over a period of five years will not come from the foundation's money but will be directly paid by the Kazakh government.

So is this a success story for civil society and justice? Not quite. Since the agreement in 2007, all the discussions have been conducted in bureaucratic style, opaque and non-transparent. The Kazakh civil society has only been involved very selectively, the Kazakh members of board have been hand-picked.

And there are other questions. There are still some further 40 million US-dollars blocked in Geneva. Is there any movement in this case? Impunity is not only granted towards the US-dealer, but the role of Kazakh officials, especially President Nazarbayev, who are implicated in the case will no longer be investigated. The agreement to support programmes to fight corruption is laudable, but practical and productive proposals, for instance to establish independent media, have not been considered. So we have to reiterate: a success story with flaws. And for an organisation like AFP the case once again poses the question, how we, with our limited personal and financial capacities, can critically accompany and assess the implementation of the aims of the BOTA-foundation by NGOs which are part of a professionalized service industry.

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by Aktion Finanzplatz Schweiz, Drahtzugstrasse 28, CH-4057 Basel.

www.aktionfinanzplatz.ch