Anti-corruption

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CONTENTS

EXECUTIVE SUMMARY

The negative impact of corruption on development is no longer questioned. Evidence from across the globe confirms that corruption impacts the poor disproportionately. Corruption hinders economic development, reduces social services, and diverts investments in infrastructure, institutions and social services. Moreover, it fosters an anti-democratic environment characterized by uncertainty, unpredictability and declining moral values and disrespect for constitutional institutions and authority. It also undermines efforts to achieve the MDGs. Corruption therefore reflects a democracy, human rights and governance deficit that negatively impacts poverty and human security.

Since 1997, UNDP has been involved in accountability, transparency and integrity (ATI) programs as part of its interventions to strengthen democratic governance, initially through the Programme for Accountability and Transparency (PACT). UNDP's corporate policy paper*, Fighting Corruption to Improve Governance (1998),* highlighted the importance of addressing corruption as a development phenomenon. However, it did not elaborate on how to develop specific ATI and anti-corruption measures and effectively integrate these initiatives into larger development programmes.

UNDP's ATI and anti-corruption interventions over the last five years (from 1998 to 2003) have evolved from principally supporting awareness-raising and advocacy to advising national partners aided by more holistic approaches grounded on early lessons and internally developed policy tools. Although much remains to be done, particularly in building UNDP's internal capacity and revising corporate structures to adequately support and capture the organization's work and performance on this issue, UNDP has come a long way in codifying and sharing knowledge to improve anti-corruption and ATI programming. This practice note, along with the Source Book on Accountability, Transparency and Integrity (ATI) and the case studies, is a contribution to this effort.

In *Fighting Corruption to Improve Governance*, the organization's political impartiality, partnerships and governance focus was clearly cited as its value-added contribution in the area of anti-corruption. This remains our primary comparative advantage. This practice note builds on the organization's ability to broker knowledge and innovative ideas, and to build trust and confidence in order to better help governments identify and pursue appropriate policies through open and participatory dialogue among key stakeholders. This note also capitalizes on the momentum gained through governance and poverty reduction initiatives to provide the platform for an integrated and holistic approach. It also stresses our non-partisan stance, which helps us manoeuvre difficult country-specific political conditions, while promoting democratic development and commitment. In so doing, UNDP is able to capitalize on different entry points using ATI as cross-cutting theme.

A key challenge is determining the feasibility of effecting any real change given the political environment. There is considerable scope for creative programming in countries that are generally "clean," and governed by political leaders committed to reform. However, this would not be the case in countries where corruption is systemic and has become the norm. Awareness of the political constraints, as well as the political openings is very important. As shown in the case studies, such openings exist, and need to be carefully cultivated.

Consequently, UNDP is in a unique position to engage a broad range of national stakeholders in a holistic approach to fight corruption and to provide high quality support and advice in the following eight priority areas: (1) Launch, development, implementation of national and local anti-corruption strategies; (2) Improving internal accountability; (3) Capacity building of ATI bodies and national integrity institutions; (4) Providing special focus to strengthening ATI in post-conflict situations; (5) Engaging civil society organizations in ATI programming and policies; (6) Coordination of anti-corruption initiatives at the country level; (7) Implementation and monitoring of the UN Convention against Corruption; and (8) Knowledge codification and measuring performance.

1. INTRODUCTION

The negative impact of corruption on development is no longer questioned. Evidence from across the globe confirms that corruption disproportionately impacts the poor. Corruption hinders economic development, reduces social services, and diverts investments in infrastructure, institutions and social services. Moreover, it fosters an anti-democratic environment characterized by uncertainty, unpredictability and declining moral values and disrespect for constitutional institutions and authority. Corruption, therefore, reflects a democracy, human rights and governance deficit that negatively impacts on poverty and human security.

In the wake of globalisation and increased pressures for improving "governing institutions," development assistance providers began shifting away, in the early 1990s, from traditional (neutral) public administration reform concerns, to also confront more politically sensitive areas that are at the core of good governance. Since then, improving accountability, transparency, and integrity (ATI), as well as fighting corruption, has been a rapidly growing area of assistance *(See Annex 1: Definitions of ATI and Annex 2: General overview of key actors involved in combating corruption and their roles.)*

The global demand for accountable and transparent governance also gained new momentum at the International Conference on Financing for Development in Monterrey (March 2002) where leaders from developing and developed countries agreed on the principle of "mutual responsibility and accountability," underlying a global deal in which sustained political and economic reforms would be matched by increased support from the donor community. Success in meeting the Millennium Development Goals (MDGs) objectives will depend on the "quality" of governance and the level of effectiveness, efficiency and equity in resource generation, allocation and management. Consequently, efforts to combat corruption directly support goals of eradicating poverty and promoting human security for all and contribute to the UN's global agenda of assisting countries in achieving the MDGs. Although, it is clearly recognized that corruption is an important issue both for developed and developing countries to address, and is not a problem particular to developing countries alone.

By the end of 2003, the United Nations completed negotiations on the UN Convention against Corruption. Once ratified, member states will be required to revise or adopt national legislation on anti-corruption compatible with this international treaty. For member states to fulfil their commitments and obligations to this UN Convention, UNDP COs will be called upon to assist partner countries, thus adding impetus for further action and corporate learning in the area of accountability, transparency and integrity.

This practice note aims to provide a framework to develop UNDP's approaches and interventions and facilitate the knowledge network on ATI and anti-corruption, as a cross-cutting issue in the over-all democratic governance community of practice. The specific objectives are:

(1) To improve understanding of UNDP practitioners of the principles of ATI and anti-corruption vis-à-vis development and governance at both global and national levels;
(2) To introduce UNDP's experience and lessons learned in the field; and
(3) To share UNDP's specific approach, niche and recommendations for action.

This practice note, developed through organization-wide consultation, as well as advice from other experts and partners, builds on: internal knowledge mapping and case studies developed; research on emerging issues; and extensive peer review.

2.   CORRUPTION AGAINST DEVELOPMENT: ISSUES AND ITS DIMENSIONS

In its corporate policy paper, *Fighting Corruption to Improve Governance* approved by the Executive Committee in July 1998, UNDP defined corruption as: *the misuse of public power, office or authority for private benefit – through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement. Although corruption is often considered a sin of government and public servants, it also prevails in the private sector.* (A copy of the policy paper is found at http://www.undp.org/governance/docsaccount/fighting_corruption_to_improve_governance.pdf. The paper elaborates on types of corruption (petty and grand), as well as differences in perceptions and practices across cultures, which are not discussed in this note.)

2.1   Causes of Corruption

Corruption is principally a governance issue – a failure of institutions and a lack of capacity to manage society by means of a framework of social, judicial, political and economic checks and balances. When these formal and informal systems break down, it becomes harder to implement and enforce laws and policies that ensure accountability and transparency.

From an institutional perspective, corruption arises when public officials have wide authority, little accountability and perverse incentives, or when their accountability responds to informal rather than formal forms of regulation. *(Box 1 provides a formula for this.)*

Research suggests that the **reward structure** within the state administration is a key determinant in the evolution of corruption. Corruption tends to thrive when the individuals concerned receive meagre salaries, have ample opportunities to be corrupt, and are unlikely to be caught or not

> **Box 1: Causes of Corruption**
>
> Robert Klitgaard, a leading expert in this field, devised a simple equation, which identifies the causes of corruption: monopoly control of public officials wielding discretionary powers in the absence of accountability systems:
>
> **C (Corruption) = M (Monopoly) + D (Discretion) – A (Accountability)**
>
> The UNDP Source Book on Accountability, Transparency and Integrity (*forthcoming/draft available at (http://intra.undp.org/bdp/anti-corruption/sourcebook_ati.htm)* also takes into account other dimensions (Integrity and Transparency), which are also important to balance Monopoly and Discretion. The UNDP Sourcebook proposes the following formula:
>
> **Corruption = (Monopoly + Discretion) – (Accountability + Integrity + Transparency)**
>
> This suggests that the absence of ATI (primary as a consequence of weak governance) in addition to Monopoly and Discretion results in corruption. Hence corruption is principally a failure of governance.

severely punished even if detected (Quah, 1999, 7). Nonetheless, higher salaries, increasing either from economic growth and/or cost-effective adjustments to the size of the civil service workforce, will not have the desired effect, unless there is also a strong political commitment to change attitudes, to establish a meritocratic public service and to strictly enforce anti-corruption regulations.

Other factors that may contribute to corruption include **risk of exposure** (probability of being caught) and consequences for officials if they do get caught. Freedom of association and of the press engenders civil society, public interest groups, investigative journalists and others with a mission and the right to expose abuses. Greater civic engagement may lead to closer monitoring and hence conditions that do not allow for public scrutiny often provide more opportunities for corruption. Moreover, **punishments for criminal malfeasance** are obviously a relevant determinant to facilitating corrupt behaviour. If corrupt officials are not promptly

prosecuted, do not lose their jobs and do not face social stigma when exposed, these may facilitate criminal wrongdoing and nurture a culture of impunity that breeds more corruption.

An equally complicated set of factors might be thought to affect the **expected benefits** from corruption, which a rational official would balance **against the expected costs**. Most corrupt acts involve a bargain between the public official and some private actor. The official uses the powers of office to create concentrated gains for the private partner beyond those he/she could earn without state intervention (Treisman 1999). Most obviously, the larger the state and the greater the extent of state intervention in the economy, the greater will be the options available (Tanzi 1994). Second, the ability of an official to provide a private partner profitable protection in some domestic market will depend upon how open the market is to

> **Box 2: Typical features of a system prone to corruption**
>
> - Concentration of powers in the executive and there are weak or non-existent checks and balances
> - Poor transparency surrounding executive decision combined with restricted access to information
> - Elaborate regulatory systems allowing for discretionary decision making
> - Weak systems of oversight and enforcement.
> - Soft social control systems/high tolerance for corrupt activities

external competition from imports. Experts suggest that countries more open to foreign trade tend to be less corrupt. Third, **some rents may be "natural"** rather than artificially created, but still induce a corrupt competition over their distribution. For example, in countries with large endowments of valuable raw materials – fuels, minerals and metals – corruption may offer greater potential to officials who allocate rights to exploit such resources (Ades and Di Tella 1999).

The list of factors can cover a wide range of issues, including structure of the market for corruption interventions in which individual officials operate, as well as the **level of political stability or instability of a country**. For example, recent research suggests that post-conflict conditions breed more ground for corrupt behaviour, and specific circumstances surrounding transition from centrally-planned to market economies allowed for state capture and administrative corruption to flourish in former Soviet republics.

In this regard, it will be important to understand the causes of corruption in a particular country context to ensure that any planned interventions or reforms address the roots of the problem, which the succeeding parts of this practice note, will tackle. *(Box 2 identifies some typical features of a governance system prone to corruption.)*

2.2. Consequences of Corruption

Corruption is costing the developing world billions of dollars every year. It siphons off scarce resources and diminishes a country's prospects for development. In a country where corruption is endemic, the consequences are disproportionately and cruelly borne by the poor who have no resources to compete with those able and willing to pay bribes. In the end, corruption tightens the shackles of poverty on countries that can least afford it, on societies that need every dollar to pay for important social and economic programs. Corruption also undermines efforts to achieve MDGs, and is a primary obstacle in the effective delivery of public services.

Consequently, corruption *(see also UNDP Discussion Paper: Corruption and Good Governance: http://magnet.undp.org/Docs/efa/corruption3/corruption3.htm)*:

- **Reduces economic growth and discourages foreign direct investments (FDI).** Corruption undermines the performance, integrity and effectiveness of the private sector.

According to an IMF study, distortions generated by corruption result in lower investments and economic growth.

- **Decreases and diverts government revenues.** Corruption in revenue-generating agencies means less money for the government budget and hence, less funds available to respond to perceived needs in society, in particular those of the poor.

- **Misallocates scarce resources.** Corruption in the budgetary process reduces important expenditures for development and for social safety nets.   It shifts the already limited funds for priority social sector spending to areas that benefit few people.

- **Renders government regulations ineffective.** The evasion of requirements for public health, protection of the environment, etc. can have disastrous consequences for people's livelihoods and the country's and region's environment and bio-diversity.

- **Breeds impunity and dilutes public integrity.** Officials and judges who accept bribes strengthen the hold and influence of criminal and corrupt elements in society. Corruption in the judiciary thus breeds impunity and creates uncertainty and unpredictability for those who seek recourse to justice, in particular the poor and disadvantaged people.

- **Violates human rights.** A corrupt state creates a vicious circle in which the state quickly loses its authority and ability to govern for the common good. Corruption makes it possible for critics to be silenced, for justice to be subverted and for human rights abuses to go unpunished. When corruption reigns, basic human rights and liberties come under threat and social and economic contracts become unpredictable.

Box 3: Measuring Losses Due to Corruption

- A study of one African country's Revenue Authority reveal that lost revenues from unpaid customs duties was equal to 70 billion in local currency (or US$ 134.5 million) over the period 1993-94. In comparison, only 28.4 billion in local currency of customs duties were actually paid, which means that for every 1 unit of local currency paid in customs duties, 2.5 units were lost due to corruption.

- In a country in Asia, the scope and magnitude of corruption are estimated at 30 to 45 percent of the annual State Budget (APBN). A total of 30 per cent, or approximately 12 trillion of local currency of development funds allotted for the fifth Five Year Development Period (1989-1993) were embezzled. The private sector estimates that a minimum of 30 percent of production costs is used to pay unofficial fees. More than 100 trillion in local currency from the country's Bank Liquidity Support Fund vanished when dozens of private banks went bankrupt robbed by their owners and executives.

- Based on capital expenditure figures and experts' estimation of the percentage of corruption in contracts, corruption's share in one Arab state varies between 20 and 70 per cent, amounting to US$ 1.5 billion for nine years. In a post-war situation, cost of corruption in this Arab nation has been equated with the cost of peace, reconciliation, reconstruction and politics in general.

- In a country in Asia, Government records show that in the 8th plan period the total expenditure for poverty alleviation and rural development programmes has been Rs. 30,000/crores (total of 8,000 crores). Where has the money gone? The most common answer is to invariably cite the country's Prime Minister remarks about the failure of rural development programmes, "that of every rupee spent by the Government for poverty alleviation only 15% actually reached the people." The rest he implied was wasted and pocketed en-route. Public hearings provided the missing link, proving where, when and how misappropriation occurred; and help shatter the façade created on paper. Hearings also showed that the level of fraud amounted to at least only 30 per cent of the money even reaching the local village level. Quick calculations showed that in areas where poverty (and its alleviation) was big business, this would be by far the biggest scam against the poor in this country.

Sources: Fjeldstad, 2002:3; Holloway, 2002; Adwan 2003, Roy and Dey 2001.

3. UNDP'S NICHE AND POSSIBLE ENTRY POINTS

UNDP's corporate policy paper, *Fighting Corruption to Improve Governance*, clearly cited the organization's **impartiality, partnerships and governance focus** as its value-added contribution in the area of anti-corruption. As a **broker of knowledge and innovative ideas**, UNDP's approach is to build trust and confidence in order to better help governments identify and pursue appropriate policies through open and participatory dialogue among key stakeholders. Our focus on governance also provides the ideal platform for an **integrated and holistic approach** to tackle corruption. Interventions also benefit from the global and domestic experience of the larger community of practice in democratic governance, covering issues as parliamentary and judicial reforms, human rights and access to justice, public administration and civil service reform, urban development, decentralization, access to information and capacity building. In turn all these integrate ATI and anti-corruption components.

Fostering nation-wide partnerships, bringing together national stakeholders to reach consensus to **develop the political will to design and manage reform strategies** to combat corruption and promote transparency are our key strengths. UNDP support is **not conditional**. It does, however, have a mandate to create an enabling environment for democratic governance and sustainable human development. It also has a **mandate to fight poverty** and to support the achievement of the MDGs. Since corruption clearly works against these goals, UNDP supports projects and activities that address the fundamental (and often politically sensitive) elements of the corruption problem, including its social, economic and political consequences and its impact on poverty, environment, human rights, gender, etc.

Consequently, UNDP is in a unique position to engage a broad range of national stakeholders in a holistic approach to fight corruption and to provide high quality support and advice. The eight key entry points under the framework of a suggested five-pronged approach *(discussed in the next section)* are*:*

I. Focusing on Prevention and II. Enforcement

- Launch, development, implementation and monitoring of national and local pro-poor anti-corruption strategies and supporting legislation
- Demonstrating UNDP's own internal accountability and transparency

III. Strengthening National Integrity Institutions

- Capacity building of accountability, transparency and integrity (ATI) bodies and national integrity institutions
- Providing special focus to strengthening ATI in post-conflict situations

IV. Increasing Public Participation and Building Coalitions

- Engagement of civil society organizations in ATI programming and policies

V. Working with the International Community

- Coordination of anti-corruption initiatives at the country and international levels
- Implementation and monitoring of the UN Convention against Corruption
- Knowledge codification and measuring performance

4.   OPERATIONAL IMPLICATIONS

4.1.   Lessons and Principles for Action

Emerging key lessons from UNDP case studies recently documented, results of a mapping exercise of CO activities in this thematic area, as well as experience from countries assisted by PACT are synthesized below under four main categories: rationale, approaches, requirements and role of donors/international community. *Annexes 3 and 4 provide a full of description of and the hyperlinks to the case studies, mapping results and the work of PACT.*

4.1.1.   Rationale for Fighting Corruption

▪ **Reducing poverty is the fundamental justification for fighting corruption.**   The principles of empowerment, transparency, participation and accountability, are at the centre of a human-rights based approached to poverty reduction and at the heart of UNDP's prioritisation of achieving MDGs. These are the same principles that motivate the anti-corruption drive. In the fight against corruption, the poor must be considered as the principal actors of development; they can no longer be seen as passive recipients; they are strategic partners rather than target groups (India, Indonesia and the Philippines). UNDP and government efforts need to strategically integrate anti-corruption components within the PRSP (Kyrgyzstan), including participatory assessment methodologies that link rights, obstacles and strengths around which poor people can secure their livelihoods.

4.1.2.   Designing A-C Approaches

▪ **Fighting corruption, improving ATI is a long-term effort, although timing is key** (as seen in the experiences of Tanzania, Ecuador, Argentina, Kyrgyzstan, and Nicaragua). Many anti-corruption efforts have failed for a variety of reasons, among which is the imbalance between prioritizing short-term, immediate visible targets that create momentum but merely scratch the surface of the problem with deeper, more difficult, as well as time and resource intensive systemic reforms that attack root causes of corruption. A well-thought anti-corruption reform strategy requires a long-term vision and a clear understanding that fundamental change can take place, at the earliest, in the next and not in the present generation. However, an appropriate mix of immediate and medium -term actions can yield crucial results that help build the foundations for strengthening a culture and system for accountability, transparency and integrity.   *See Annex 3 for example on establishing an anti-corruption reform agenda in Nicaragua.*

▪ **An integrated and holistic approach, which targets key institutional reforms, as well as culture change, is required**.   This may involve a combination of implicit as well as explicit reform programmes that are grounded on principles and corresponding efforts to strengthen democratic governance. In many countries, corruption is a central part of the institutional reform and democratic governance agenda, which requires long-term and constant effort (Argentina, Philippines, Romania, Azerbaijan, Bolivia, Indonesia, Kyrgyzstan, Nicaragua, and Tanzania). It must also integrate efforts by the judicial, legislative and executive branches into one holistic, non-partisan approach (Nicaragua) that is actually implemented and applied (Guyana, Philippines, and Pakistan).

▪ **There is no one model to fight corruption, and although "best practices" exist and can provide guidelines, they are not automatically applicable to any one country's specific context** (Kyrgyzstan, Lithuania). In the RBEC region where an extensive UNDP study has been conducted on factors affecting the fight against corruption, "best practices"

have been deemed useful but difficult to transfer to other contexts. Using ready-made models requires caution and the development of sufficient locally designed safeguards to "get things right", as in the case of Lithuania Special Investigation Services. Other models, especially those with strong civil society involvement have been more universally applicable, but their impact has been partial.

- **Anti-corruption reforms need to transform values and ethical frameworks through education and close participation of youth in order to be imbedded in public culture.** Mainstreaming public service professionalism and ethics is an integral part of engaging all governance partners in the participating countries to build a culture of integrity and prevent corruption. Most PAR efforts include training programmes to create positive behavioural change of civil servants towards this end. However, the transformation of values and public ethics require that the next generation of leaders, the youth, be closely involved at the very onset. Educating the youth about corruption is an important step to strengthen public integrity (Lebanon).

- **To be effective, institutions dedicated to fight corruption must have clear mandates and powers, sufficient resources and independence** (Nigeria, Honduras and Mongolia). However, anti-corruption commissions (ACCs) alone are inadequate to address corruption. Establishing ACCs should be based on a systematic assessment of the particular needs and priorities of the country and form part of an over-all integrated approach. Some anti-corruption reform programmes can be effective without setting up an ACC (as seen in the local initiatives to improve participation, accountability and transparency, such as in Santa Rosa de Copan in Honduras, and in Pedro Moncayo and Cayembe in Ecuador). *See also Annex 3 Case Studies: Anti-Corruption Commissions in RBEC.*

- **Targeting local accountability could be an effective place to start and build momentum** (Mozambique, Ecuador, and Honduras). When high-profile activities fail, particularly those lacking in political commitment, other approaches that could deliver concrete results (Romania) must be considered. Focusing on bottom-up approaches and initiatives with specific and timely outcomes could help promote accountability and transparency in the public sector. This can be pursued while being active in general policy dialogue on anti-corruption, e.g. Early Warning Reports and Report Cards. (*See also Annex 3 Case Studies: Transparent Municipalities in Ecuador.)* While the process of decentralization ideally helps to reduce opportunities for corruption by strengthening participation, accountability and transparency of citizens in local governments, experience has shown that decentralization may also increase opportunities for corruption. (*See also Fighting Corruption in Post-Communist Countries: Where are we now? Where do we go from here? and the Practice Note on Decentralization.*)

4.1.3. Requirements for Anti Corruption Reforms

- **Strong committed leadership from government and civil society, backed by a coalition of supporters including political institutions and parties ready to push for greater accountability and transparency is fundamental to any effective reform programme** (Argentina, Honduras, Bolivia, and Indonesia). For UNDP, this also highlights the importance of supporting the development of a broad-based network of anti-corruption "champions", including developing supportive networks of advocates against corruption, who often take on the fight at great personal risk (Cambodia, Indonesia, and Kyrgyzstan). In some countries, governments still refuse to work with civil society. This requires greater "bridge building" by UNDP to foster broader support to anti-corruption efforts in these situations (Moldova). On the flip side, if political will is absent, UNDP can still demonstrate results by working more closely with civil society (Morocco).

- **Solid data and analyses are crucial to evaluating problems, devising solutions and assessing progress** (Tanzania and Mongolia). In some countries, inadequate statistical information has been an obstacle for more effective advocacy (Moldova and Mongolia). In others, policy decisions are not always based on objective evidence, it is crucial to make available good evaluative evidence through an effective information system/advocacy strategy that can provide valid information at the right time to the most strategic national and international stakeholders, for example policymakers (Morocco and Mongolia). Aside from solid data and analyses, the assessment of the political, social, cultural and economic context is a prerequisite to better understand the different parameters of the corruption problem and the key institutions involved (Laos, Mongolia, Pakistan and the Philippines). Another opportunity to systematically evaluate a country's vulnerability to corruption exists with the over-all governance capacity assessments conducted as part of the CCA/UNDAF process.

- **Fighting corruption requires extensive resources: financial, technical and human.** It is therefore essential to have adequate analysis of the problem to be in a good position to identify and act on priority reform areas (Moldova). *Annex 3 suggests parameters in estimating financial costs associated with supporting an anti-corruption initiative.*

- **It is important to keep the public informed, as seen in success stories** in Tanzania and Indonesia. Information helps citizens, who often feel powerless to resist corruption in their everyday lives, to act. If citizens are largely unaware of the enormous social and economic costs of corruption, as well as what can be feasibly done, they are less likely to fight the problem. Further work is needed to help people identify practical ways to avoid involvement in corruption. For example, setting up an effective complaint mechanism and helping to enforce the rule of law (Indonesia and Mongolia). Public awareness campaigns are an important starting point but efforts need to go beyond these (Kyrgyzstan, Lithuania, and Mongolia).

4.1.4. Role of Donors and the International Community

- **Donors and international organizations can provide impetus for reforms but they need to be "home grown" and "locally driven"** (Honduras, Kyrgyzstan, Mongolia, Mozambique, Tanzania).

- **Donors also need to "lead by example" and show internal accountability to signal commitment and seriousness in fighting corruption with country partners**. *See also Annex 3: Case Study Pioneering Donor Accountability: UNDP Bangladesh.*

4.2.   A Five-Pronged Anti-Corruption Reform Strategy

Applying the lessons and principles discussed above suggests that a successful campaign against corruption demands a complex set of interventions applied strategically over the short, medium and long term. It requires a highly political balancing act and coordination among various pressing (sometimes conflicting) priorities and stakeholders.

When corruption is endemic, piecemeal reform efforts are not likely to make a difference. Partial solutions can offer some help to countries with strong and clean government traditions. Other countries need more comprehensive reforms since they are in a "corruption trap" where corruption feeds on itself to produce only more corruption. The history of anti-corruption efforts is filled with programmes that succeeded at first only to be undermined by subsequent governments or by

economic and political crises later. **There are no quick or certain fixes**, but the reform experiences of several countries, such as those discussed, offer some important lessons and practical guidance.

Since fighting corruption is **politically sensitive and extremely complex**, **the five-pronged strategy suggested here attempts to provide a simplified menu of options to help a CO in assisting partner countries in systematically initiating, developing reform programmes, prioritizing action, implementation and monitoring.** The five prongs of the strategy are classified in terms of interrelated elements: (1) prevention, (2) enforcement, (3) public participation and coalition building, (4) strengthening national integrity institutions, and (5) working with the international community. A country's reform effort may contain all of the five prongs or a combination of some, depending on the established needs, agreed upon priorities, available resources and timing of the A-C programme. Again there is no one solution or model, the key will lie in strong political commitment and public participation in a coherent, comprehensive strategy that attacks on several fronts and involve the widest possible range of stakeholders. Most countries, however, will not be able to do everything at once. Dedicated reformers need to decide where the greatest problems lie and what kinds of policies will be most effective. Specific entry points will also vary across each region, and Regional Bureaux may identify these in a strategic manner to guide COs.

4.2.1. Prevent Corruption

Improving efficiency, accountability and transparency in the delivery and administration of public services often close the loopholes for corruption. It is also the best mechanism to achieve MDGs: minimizing corruption to improve public service delivery. Preventive measures entail reform of administrative procedures, accounting and procurement practices, and record keeping, among others. Anti-corruption reform efforts, which focus on prevention should take into consideration and be integrated with other reform programmes, such as those in financial management and civil service reform. *The PAR Practice Note goes into further detail about many of these preventive measures highlighted below, for more details see http://intra.undp.org/bdp/PAR/index.htm*

- **Decrease opportunities for corruption through simplification of procedures and regulations, as well as use of ICT to transform delivery of public services.**

- **Minimize discretionary powers of decision-makers.** Publish clear written guidelines for exercising discretion, publication of staff manuals, manuals of procedures etc.

- **Demystify and de-personalize government**. Transparency of public affairs and the right of access to information on rights of citizens and government functions is an integral part of an anti-corruption campaign. Minimizing unnecessary face-to-face contact and rotation of staff also decreases the chances for corruption by reducing the predictability with whom the public may be dealing. Pilot projects have demonstrated the usefulness of ICT in tax collection, elections monitoring, public procurement, maintaining land records, for example, to improve efficiency and transparency in public transactions and services. *(Please also refer to the UNDP A2I practice note http://www.undp.org/policy/docs/pn-accesstoinformation17oct03.pdfm)*

- **Promote meritocracy.** Compensating public servants with a decent living wage is critical in any effort to prevent corruption. This is where civil service reform and anti-corruption initiatives link with fiscal policies and economic policies to stimulate equitable growth. Other measures include performance management, publicizing roles and responsibilities, ensuring effective appeal mechanisms against contentious decisions, and instilling a sense of

purpose and mission in civil servants. For example, developing a campaign of respect for government and civil servants, as well as a common understanding for their mission and a sense of pride in pursuing it can help reduce tolerance for corruption.

▪ **Improve public financial management and controls for stronger oversight:** sound financial management practices, with timely and efficient accounting systems combined with punctual, professional reviews by internal and independent auditors. (*See also section 4.2.4. Strengthening National Integrity Institutions and CONTACT guidelines chapters 5 to 8*)

▪ **Support legislation.** If designed with the broad participation of all stakeholders involved, laws can contribute positively to the establishment of a value system that would support a culture of zero-tolerance for corrupt practices. This also requires strong independent oversight and enforcement actors. *(Refer to the UNDP Policy Note on Parliamentary Strengthening* http://intra.undp.org/bdp/policy/docs/parliamentarydevelopment.doc *and Annex 6 summarizes key features of a legal package necessary for a viable anti-corruption policy.)*

▪ **Educate the younger generations towards a responsible citizenry:** sensitizing future generations to key principles of democratic governance and the negative consequences of corrupt behaviour. It is also important to instil in young people a culture of positive engagement and respect and skills for constructive and investigative debate on the quality of governance and its impact on people's lives.

4.2.2. Enforce Accountability

Vigilance is necessary in the implementation of anti-corruption legislation and in the enforcement of accountability mechanisms that have been initiated. Often, this role will be assigned to an independent anti-corruption agency. No matter what the options are, reform within public programmes and procedures cannot occur in isolation and different types of reforms need to be considered to strengthen the enforcement of anti-corruption incentives. *The Access to Justice Practice Note discusses these mechanisms in greater detail.)*

▪ **Establish independent investigators, prosecutors, and adjudicators** that ensure "equal" enforcement of the laws and regulations.

▪ **Strengthen capacity and integrity of the police** as the frontline investigator agency for criminal infractions.

▪ **Strengthen and ensure independence and accountability of the judicial system.**

▪ **Provide adequate powers of investigation and prosecution**, consistent with international human rights norms.

▪ **Integrate transparent mechanisms**, which eliminate privileges that have no relations with the needs of the public, and which high public officials enjoy by reason of their office, into the reform of enforcement measures.

▪ **Develop effective complaints mechanisms and procedures for appeals,** whether internally by a public servant or by a member of the public. The potential application of an online complaints system should be explored to widen reach of feedback mechanism.

- **Develop mechanisms to protect whistleblowers:** encourage the development of institutions, laws and practices, which ensure that responsible citizens can report corrupt practices without fear of reprisals, and to ensure that the media is empowered to play its pivotal role in holding relevant individuals and institutions accountable.

- **Consider procedures for punishing those involved in corruption** within the state but who are outside the jurisdiction of the state in the anti-corruption reform effort.

- **Impose powerful disincentives for the would-be corrupt,** such as civil penalties, black-listing of corrupt firms, extradition arrangements, and other legal provisions, which enable the profits of the corrupt to be seized and forfeited, inside or outside the country.

4.2.3. Increase Public Participation and Build Coalitions

A common factor to all successful anti-corruption efforts, whether these efforts involve reforming public programmes, reorganizing government, or strengthening enforcement, is that they enjoy broad public support and are strongly championed by the highest level of political leadership. Anti-corruption campaigns cannot succeed unless the public is behind them. Therefore, public awareness and coalition building is the glue that holds the campaign together. It is also where the campaign starts, with the public review of the legal and institutional framework and the assessment of the nature and extent of corruption in society.

People generally understand the seriousness of the corruption problem; they only need to be convinced that something can be done about it. Various civil society groups (religious leaders, business organizations, professional associations and ad hoc groups) have roles to perform in assessing, monitoring and public awareness raising, thus enabling active public participation and oversight.

Several steps can be taken to pursue public awareness and coalition building campaigns:

- **Ascertain what the public perception is regarding existing levels of corruption and where corruption takes place** in order to provide a baseline against which the progress of anti-corruption reform can be measured. *(See also Module 4: Ways to Document Bad Practices, UNDP Source Book on ATI.)*

- **Provide an enabling environment for a free press**: pass Freedom of Information laws; repeal or revise anti-defamation laws and "insult" laws to ensure that these cannot be used to threaten the press; and removing press and media censorship; raise the professional standards of journalists; end government discrimination against certain media; and ensure that state-owned media employees can maintain professional standards of independence and responsibility. *(See also A2I Practice Note.)*

- **Build capacity of civil society to perform watchdog functions.** Besides well-functioning governing institutions, it is also necessary to strengthen the role and capacity of civil society, including the media, as independent watchdog bodies that need to raise public awareness about the seriousness of the corruption problem. The fight against corruption in developing countries requires an engaged and informed public and an increased demand for good governance. *(See also UNDP and CSO: A Policy Note on Engagement http://intra.undp.org/bdp/policy/brsppolicynotes/UNDP%20CSO%20Policy.pdf)*

- **Active involvement of the private sector.** Given their increasing role in providing essential goods and services, improved corporate governance and private sector transparency is a powerful tool in fighting corruption. Corporate governance sets up a system where integrity

in business practices is reinforced not only by written regulations, but also by moral standards of business ethics and by responsible corporate behaviour. The banking sector plays a significant role in this arena, through transparent recording of transactions, curbing the levels of money-laundering and facilitating the return to developing countries of funds looted by corrupt leaders. Corporate codes of conduct may also have a positive influence, depending on the degree to which they are "embedded" in the corporate culture and promoted through training, monitoring, and enforcement activities. *(Note: This Practice Note does not go in detail about corruption and the role of private sector, which will be elaborated in a separate document to be prepared on private sector transparency and corporate social responsibility.)*

4.2.4. Strengthen National Integrity Institutions

A nation that is serious about fighting corruption needs to establish or strengthen institutions and ensure that they are adequately staffed and funded to carry out some specific functions in the anti-corruption mandate. The *options* include:

- **An Independent Commission Against Corruption,** which has broad investigative and prosecutorial powers (operating closely with the judiciary), as well as a public education mandate.   Such a Commission must be genuinely independent of the country's rulers but subject to the rule of law, or it risks becoming a force for repression in its own right. To operate successfully, any independent agency tasked to investigate and prosecute corruption must possess: committed political backing at the highest levels of government; political and operational independence to investigate even the highest levels of government; organisational capacity[1] and a coherent strategy, significant human, technical and financial resources and adequate powers to access documentation and to question witnesses, and leadership, which must be of highest integrity.

  As already discussed, the creation of independent anti-corruption commissions is not the "end all and be all" solution to the corruption problem. Alarmingly, most countries recently embarking on an anti-corruption campaign have focused solely on the creation or strengthening of such an institution, as it appears to be a "quick fix" to the problem. There are actually very few examples of successful independent anti-corruption commissions. Often cited are the experiences of Hong Kong Independent Commission Against Corruption (ICAC), Singapore Corrupt Practices Investigations Bureau (CIPB) and Botswana Directorate for Economic Crime and Corruption (DCEC). In many instances, these models are hardly replicable due to the specific context in which they operate (and the particular history of their creation and evolution).

- **The Office of the Auditor-General, Office of the Ombudsperson, and the Office of the Accountant General.** The office-holders must be appointed in a way that ensures the independence and professionalism of each office, reports stemming from these offices must be given widespread publicity, and the government must act to implement recommendations. Both the Auditor General and Ombudsman play a key role in ensuring oversight, with the latter providing a mechanism for the public to air their complaints and file cases of maladministration.   The Accountant General, particularly in countries where the office has some autonomy within the Ministry of Finance, can play a very important role in prevention, by making sure that authorized expenditures are fully justified and transparent. *(See also CONTACT chapters 3, 7 and 8 at* http://www.undp.org/governance/contact_2001.htm*)*

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[1] "Are independent corruption agencies an effective solution to the corruption problem?" Paper presented at the 9th International Anti-Corruption Conference by the Corruption and Anti-Corruption Strategies Research Project funded by DfiD UK, October 1999 (unpublished)

- **A Transparent Public Procurement Body** would provide independent oversight of government procurement, contracting and performance*. (See also CONTACT chapter 12.)*

- **The Electoral Management Board** which ensures an independent and impartial review that does not favour any political party or group. Countries must be able to contain the corrupt influence that money has over many of its democratic processes. In order to build confidence, public participation in the monitoring process is required. So is the need for training of political party officials to ensure their familiarity with the system and enable them to monitor it professionally. *More details are found in the Elections Practice Note.*

- **Strong legislative mechanisms for accountability** such as a Public Accounts Committee are required to ensure public access to oversight proceedings, which needs to include oversight of state-owned corporations, financial and budgetary processes, public expenditure and revenues. *(Refer to UNDP Policy Note on Parliamentary Strengthening)*

- **The Judiciary** enforces the rule of law and thus a powerful player in addressing corruption, details discussed in the Access to Justice Practice Note.

4.2.5. Working with the International Community

A particular area where international organizations add value to national efforts lies in their ability to access and share cutting edge, innovative and effective international "good" practices in anti-corruption as well as resources an expertise. One primary area where international partners can intervene is in supporting and monitoring national and local capacity building efforts to analyze the nature and extent of corruption, stimulating home grown and context specific solutions through participatory processes and enhancing these with lessons and experiences from other countries and regions. International partners can also facilitate access to and use of appropriate information communications technology in the fight against corruption, as an integral part of a country's institutional reforms. International organizations (donors) also have a critical role to play in supporting the ratification and implementation of global and regional treaties *(see Annex 7 Regional and International Instruments to Fight Corruption)* that attack both the demand and supply sides of bribery and corruption, and provide the impetus for international cooperation in this struggle.

4.3. Practical Guidance: Suggested UNDP Entry Points for Addressing Corruption

UNDP's services may differ from country to country depending on specific political situation, democratic development and commitment. UNDP will capitalize on different entry points using ATI as a cross-cutting theme. However, one of the key issues that UNDP will need to address at the very onset is the feasibility of effecting any real change given the political situation in which the CO operates. Where a country is generally "clean", and where there is commitment from the political leaders of the country for reform, then there is considerable room for manoeuvre, and considerable scope for creative programming. The difficulties of designing and implementing with local partners governance reform projects in a country in which corruption is systemic and the norm are, however, very different. UNDP COs need to be very aware of the political constraints and political openings, as well as exercise care in identifying political allies. As has been shown in the UNDP case studies documented, such openings exist, and need to be carefully cultivated.

One of the politically sensitive issues is collaboration with and support of non-governmental actors where it seems very difficult (if not impossible) to address anti-corruption issues with the government. It is important to remember that government is not monolithic in most cases – offering UNDP the opportunity to find "champions" within government; to supplement the

"champions" that can be found outside government – in businesses, NGOs, academia, and religious organizations. *(This is further elaborated in Module 6: "Who to Work with in ATI Programming" of the UNDP Source Book on ATI and excerpts of which are found in Annex 8: With Whom then Can UNDP Programme?)*

4.3.1   Prevention and Enforcement

Launch, development, implementation and monitoring of national and local pro-poor anti-corruption strategies and supporting legislation

UNDP draws on its comparative experience in developing holistic, participatory, broad-based democratic governance programmes, to help facilitate the preparation of local and national pro-poor anti-corruption plans and strategies by country partners.   A useful starting point is conducting an assessment of systemic vulnerabilities to corruption, in order to guide action-planning and priority setting. *Annex 5 provides a model on how to launch and anti-corruption reform programme, and Chapter 13 of CONTACT a detailed checklist and questionnaire on assessing institutions, processes and mechanisms required to improve ATI.*

UNDP has the opportunity to identify, stimulate, support and protect those who want to help the poor in their battles against corruption. The battle has to start, however, with making sure that the poor themselves are aware of what they are entering into since it is quite possible, in countries of systemic corruption, that work ostensibly designed to help the poor will result in retribution and punishment for them by powerful organizers of corruption who realize the implications of losing the huge benefits they gain from extortion of the poor.

This can be accomplished through various avenues, such as initiating local policy dialogue (some COs have used the NHDR process as a powerful advocacy and agenda setting tool), conducting quality research and systematic social and institutional assessments (that involve the poor and their communities), building coalitions, providing policy advice that are responsive to the needs of the poor, facilitating knowledge sharing, coalition building and awareness-raising. *(For more details refer to Module 5: Programming with the Poor in the UNDP Source Book on ATI.)*

UNDP's assistance can also focus on assisting governing institutions with the preparation of constitutional, legislative and regulatory reforms that support the implementation of these pro-poor anti-corruption strategies *(See UNDP Policy Note on Parliamentary Strengthening and Annex 6).*

Other practical measures include development of social and public accountability, as well as civil society and community oversight components within UNDP governance and poverty projects.

4.3.2   Demonstrating UNDP's Own Internal Accountability and Transparency

UNDP has the potential to create greater impact in the area of accountability and transparency by demonstrating highest and most professional quality and ethics in all our areas of work. Accountability, transparency and integrity in our own projects, programmes, management and internal forms of governance will be the strongest signal and best manifestation of credibility in engaging national partners in fighting corruption.   **A potentially good practice is the experience of UNDP Bangladesh** *(Annex 4),* **where their work in improving accountability, transparency and efficiency covered their own internal processes, as well as the development programmes with which they engaged government partners in.**   A similar internal accountability initiative has just begun in UNDP Burkina Faso, with the creation of an

ethics committee to improve accountability and transparency in contracting, among others. Notably, UNDP Burkina Faso is also actively engaged with government and civil society in developing national policies to fight corruption, which began with advocacy and research conducted through the National Human Development Report process.

Various initiatives have been launched to look into donor and international institution's own accountability. The United Nations Office for Internal Oversight Services has recently spearheaded the Organizational Integrity Initiative, which aims to mainstream ethics and enhance integrity within the UN. The OII, launched in May 2003, will allow the United Nations to apply internally the emerging approaches to corruption control and strengthen the culture of performance, accountability and results. The initiative includes diagnostic training, publicity, enforcement and early detection measures, as well as perception surveys. Although laudable, the OII will need to demonstrate "early results", build momentum and overcome organizational resistance to change, in order to achieve its goals of mainstreaming ethics and integrity, similar to any national effort. UNDP may be able to apply some of the lessons from this initiative and embark on similar efforts to improve internal accountability as a corporate priority.

Other practical measures that need to be considered are: setting up hotlines and anonymous complaints channels, as well as protection of whistleblowers within UNDP COs (along the lines of the recently established UNDP Office of the Ombudsperson). Further, COs embarking on internal accountability drives need to be supported corporately to ensure that challenges met at the country level are uniformly addressed or guided by good practices.

4.3.3   Strengthening National Integrity Institutions

Capacity building of accountability, transparency and integrity (ATI) bodies and national integrity institutions

UNDP is at an opportune stage where most governments choose the organization to help them navigate the politically charged environment of fighting corruption. Where possible, UNDP should start assisting governments in demonstrating political commitment through "early" results that feed the momentum of a long term reform process. One way of doing so is by strategically coordinating on-going governance reform programmes (whether by UNDP or other donors) with specific anti-corruption initiatives under a holistic package that strengthen national integrity systems. Here UNDP can capitalize on institutional and sectoral reform efforts that ultimately target strengthening of accountability and transparency (implicit reforms) and provide the enabling environment to prevent corruption. UNDP has significant experience in supporting implicit reform (institutional strengthening) measures that build accountability, transparency and integrity in democratic governance. These include, among others, support to the Auditor General's Office, National Tender Bodies (Procurement Agencies), Customs and Tax Administrations, Parliamentary Oversight Committees, Electoral Management Boards, Ombudsperson and Human Rights Commissions *(see also Section 4.2.4. Strengthening National Integrity Institutions and Annex 2: General Overview of Key Actors Involved in Combating Corruption and their Roles)*. **One area where UNDP may have a comparative advantage in the se implicit reform measures is transparency in public procurement. The experience of UNDP in the Latin America and Caribbean region in terms of helping partner countries improve transparency in public procurement offer many significant lessons.**

By focusing on explicit interventions that build the capacity of specific ATI bodies, UNDP can channel its scarce resources in feeding the anti-corruption momentum one institution at a time. A broad range of approaches from prevention, strengthening national integrity institutions and enforcement has been discussed in the earlier section. However, one of the specific and

practical measures that UNDP may consider is the development of feedback-based decision-making systems in critical partner institutions, such as with the Ministries of Finance and Planning.

Nonetheless, UNDP will need to draw specific lessons from its experience and expertise on capacity building of democratic governance institutions (implicit reforms), examine its applicability to ATI bodies and institutions, and ensure that ATI efforts are effectively and strategically coordinated with related governance and poverty reduction programmes.

4.3.4   Providing Special Focus to Strengthening ATI in Post Conflict Situations

UNDP is increasingly called upon to work with transition administrations to help rebuild democratic governance process and institutions in post-conflict countries.   In this capacity, UNDP is in a unique position to integrate ATI in the peace process, national reconstruction and post conflict institution building.   In these situations, many opportunities for dramatic change arise and democratic governance reform programmes implemented by UNDP should capture the social and political momentum for improved accountability, transparency and integrity. The need for comprehensive and holistic interventions to address corruption in the new governance system, before the problem takes deeper root, becomes even more crucial. UNDP's focus should therefore be on reviewing these special situations as specific cases with particular needs.   For example, UNDP COs in Afghanistan, Central African Republic, Democratic Republic of Congo, and Kosovo are developing anti-corruption programmes with a special focus on post-conflict needs. To build the organization's capacity to address corruption in post–conflict situations, lessons and good practices from these actual experiences will be actively codified and shared. One such is an on-going research effort underway in collaboration with CSO partners in this field, which was launched in an initial workshop on "Post War Reconstruction and the Corruption Dimension" at the 11th IACC in Seoul (May 2003).

4.3.5   Increasing Public Participation and Building Coalitions

Engagement of civil society organizations in ATI programming and policies

Historically, UNDP has engaged civil society (including the private sector and the media) in policy consultations and in the implementation of activities that target improved accountability and transparency (e.g. social audits).   But to date, civil society organizations are not yet sufficiently and systematically involved in the policy dialogue, particularly in the development of national strategies and policies for strengthening accountability and transparency in public and corporate governance. UNDP's approach needs to ensure that civil society is truly engaged as a development partner, and not only called upon to validate and monitor government anti-corruption policies and programmes. In order to effectively do so, UNDP may also be called upon to help build relevant capacity of civil society organizations not only in advocacy but also in the implementation and monitoring of national or local anti-corruption strategies and programmes.   UNDP can also offer training of trainers to CSOs to scale up capacity in advocacy, implementation and monitoring.   Other practical measures include facilitating coalition building for South-South exchange of knowledge and expertise.

(Refer also to the UNDP and Civil Society Organizations: A Policy Note on Engagement, the Access to Information Practice Note and Module 6 of the UNDP Source Book on ATI.)

4.3.6   Working with the International Community

Coordination of anti-corruption initiatives at the country and international levels

At the national level, UNDP, through its UN Resident Coordinator role, has the convening power and mandate to create forums or use existing development dialogue platform to initiate discussions, identify requirements and priorities, and bring stakeholders to the table to ensure a coordinated response to the corruption problem. Within the UN system, this coordination role will allow UNDP to promote the mainstreaming of ATI and analyze the impact of corruption and then mainstream anti-corruption in the CCA and UNDAF exercise. UNDP could also facilitate the coordination and implementation of UN treaties at the local level, as the operational arm of the UN system in countries. Effective coordination and strategic partnerships in the efforts to combat corruption can go a long way in ensuring that sustained and concerted actions, as well as resources, are in place for the long term. UNDP because of its comparative advantage impartiality and of having government's trust, could provide the necessary policy coherence and ensure that donor interventions strategically support government priorities to prevent duplication and overlap. Effective coordination and partnerships can also provide additional pressure to national partners when political commitment is weak.

At the international level, UNDP's coordination and partnership-building role is also of significant importance to ensure that lessons learned, synergies generated and effective collaboration at the national level are reflected in global policies and programmes. These in turn help shape national strategies. There is clearly a role for UNDP to help stimulate home-grown policies that have benefited from international comparative experience and vice versa. A venue for such knowledge sharing and collaboration is provided by the IGAC. It is a recent initiative that brought together all UN agencies under an informal coordinating mechanism. IGAC started off as a UN Inter-Agency body and has now grown to include other bi-/multi-lateral development agencies and CSO representatives aiming for more systematic coordination and collaboration among international organizations in anti-corruption. Its secretariat is based with the UN ODC/CICP in Vienna, which is also responsible for the UN Convention against Corruption.

4.3.7 Implementation and monitoring of the UN Convention against Corruption

The negotiations on an ambitious and comprehensive international legal instrument to fight corruption will be completed at the United Nations in 2003. Only 40 countries are required to sign this instrument into effect, and many governments view this as an important framework to raise national anti-corruption legislation to the level of international standards. Although the general consensus is supportive of the UN Convention against Corruption, many also find it unwieldy to implement and difficult to monitor.

UNDP, because of its extensive field network, has a critical role to play in ensuring that national partners are made aware and understand this treaty, have the capacity to implement it, and the donor community mobilized to support it. In order to assist governments in fulfilling their commitments to the UN Convention, UNDP, in close collaboration with UN ODC/CICP, will be in a position to help countries review capacity needs of their national legislatures through specialized training, as an integral part of its existing legislative strengthening programme. Based on an initial survey conducted, raising public awareness of the scope, substance and process of the UN Convention against Corruption, and of the role of the public in its implementation and monitoring would be among the initial support initiatives. Also emerging will be the need to assess capacity constraints to implement the Convention, not only in revising national legislation to meet international standards set by the treaty, but also to promote linkages, integration and harmonisation with other existing regional legal instruments and/or other ongoing initiatives in the area of ATI.

4.3.7 Knowledge codification and measuring performance

UNDP as a learning organization is well-positioned to capture and further learn from experience. This could take place in the systematic documentation of results and good (as well as bad practices), through monitoring and evaluation of reforms' intended impact on corruption or undertaking case studies that provide insights on progress made, as well as conducting research on emerging issues (e.g., corruption dimensions in post-conflict situations, gender, corporate social responsibility, financing MDGs through integrity dividends). Process-mapping, social audits, report card systems, social marketing strategies etc. are some of the tools that can be used to ensure effective monitoring of ATI programmes.

In terms of forward looking strategies, second generation reforms in anti-corruption should include impact and outcome assessments that quantitatively and qualitatively measure performance and effectiveness of UNDP's interventions. Results from these assessments should guide UNDP's position and priority areas of focus in the next five years.

ANNEXES

ANNEX 1: DEFINITION OF ACCOUNTABILITY, TRANSPARENCY AND INTEGRITY (ATI)

Accountability and transparency are indispensable pillars of democratic governance that compel the state, private sector and civil society to focus on results, seek clear objectives, develop effective strategies, and monitor and report on performance. Through public accountability and transparency, governments (together with civil society and private sector) can achieve congruence between public policy, its implementation and the efficient allocation of resources.

ACCOUNTABILITY means holding individuals and organizations responsible for performance measured as objectively as possible. Accountability stands on three pillars:

1. **Financial accountability** is the obligation of anyone handling resources, public office or any other position of trust, to report on the intended and actual use of the resources or of the designated office. This includes ensuring transparency in the process and procedures to achieve that obligation.

2. **Administrative accountability** includes critical systems of control internal to the government, which complements and ensures the proper functioning of checks and balance supplied by the constitutional government and an engaged citizenry. These include civil service standards and incentives, ethics codes, criminal penalties, and administrative review.

3. **Political accountability**, fundamentally begins with a free and transparent elections, is an effective starting point for oversight. In an electoral democracy, people have a regular, open method for sanctioning or rewarding those who hold positions of public trust. Through periodic elections and control mechanism, elected and appointed officials are held accountable for their actions while holding public office. Another mechanism to achieve more specific oversight is to have the three political branches (executive, legislative and the judiciary) watch over each other. In addition, separating the institution that raises and spends funds from that which actually executes the spending decision helps ensure that the underlying public interest is served.

4. **Social accountability,** a demand driven approach that relies on civic engagement and involves ordinary citizens and groups exacting greater accountability for public actions and outcomes.

TRANSPARENCY comprises all means of facilitating citizens' access to information and their understanding of decision-making mechanisms. Public sector transparency begins with the clear application of standards and access to information.

INTEGRITY is a key element that completes the notion of accountability and transparency. It is defined as incorruptibility, an unimpaired condition or soundness, and is synonymous to honesty. In terms of public service, integrity requires that holders of public office should not place themselves under financial and other obligation to outside individuals or organizations that may influence them in the performance of their official duties. Integrity is not an end in itself rather than a path leading to the effective delivery of the services and performance of functions, which the public is entitled to receive from those who govern them.

Source: Country Assessment in Accountability and Transparency (CONTACT) guidelines, UNDP, 2002 (http://www.undp.org/governance/contact_2001.htm)

ANNEX 2: GENERAL OVERVIEW OF KEY ACTORS INVOLVED IN COMBATING CORRUPTION AND THEIR ROLES

KEY ACTORS	ROLE IN COMBATING CORRUPTION
Freely elected Parliament	One of the principal functions of the people's representatives is to hold the executive accountable. Regular public scrutiny, through debate and question time, promotes both transparency and accountability. Parliaments also enact anti-corruption legislation that helps to establish a value system that contributes to the creation of an anti-corruption culture in the country. T*he Global Organization of Parliamentarians Against Corruption is a good network for legislators working against corruption* http://www.parlcent.ca/gopac/index_e.php
Leadership at central & local levels	Strong, consistent and coherent political commitment and determination to combat corruption*. An example of local accountability initiatives is the Seoul OPEN system to give citizens ability to track online the progress of their application for services* http://english.metro.seoul.kr/government/policies/anti/civilapplications/
Central government	Economic growth, resulting from sound macro-economic and industrial policies is a key condition for reducing corruption. The supply or oversupply of regulations may create or eliminate opportunities for corruption. Central government is also responsible for creating the necessary space and conditions for civil society (and the press) to operate.
Managers (public sector) at all levels	They need to adhere to the key principles of administrative law: "Selflessness, Integrity, Objectivity, Accountability, Transparency, Honesty and Leadership excellence through leading by example." *For an example of disclosure s ystems, see Mexico Declaranet* http://www.declaranet.gob.mx *, efforts to improve civil service ethics and integrity, visit UNPAN* http://www.unpan.org/EthicsWebSite/inc/ethicspg.htm
Public administration at large	A meritocratic and responsive public service is a sine qua non for minimizing the opportunities for corruption. Through their moral attitude, service-oriented conduct and culture of inf ormation sharing, the public service helps to instil in society values of honesty, sincerity and integrity that help to prevent corruption. *Some examples of work by these actors: Transparencia en la Gestión Publica* http://www.cristal.gov.ar/Englishindex.html
Ministry of Education	Educates younger generations on the values that underpin good governance. Promote a culture of positive engagement and respect and skills for constructive debate. *Education and training in ethics:* http://www.iipe.org/resourcedocs/training.html
The judiciary	Ensures enhanced predictability in society by providing legal protection of contracts and property rights, and, in general, ensuring the protection of basic human rights, frequently violated by corrupt activities
Enforcement Agencies	There role is to ensure the consistent and objective enforcement of the anti-corruption legislation and the protection of whistleblowers and watchdog organizations. *An example is the Lithuania Special Investigations Service* http://64.49.225.236/rc_Lithuania.htm
The Counter Corruption Commission	Usually accountable to the legislature or the Head of Government, it normally has a role that is three-fold: (1) prevention and education, (2) investigation and (3) repression and legal enforcement. . *Some examples: Hong Kong Independent Commission against Corruption* http://www.icac.org.hk/eng/main/index.html *, Central Vigilance Commission Indica* http://cvc.nic.in *, Botswana Directorate on Corruption and Economic Crime* http://www.gov.bw/government/directorate_on_corruption_and_economic_crime.html
The Auditor-General	Responsible for auditing government income and expenditure in order to effectively reduce the incidence of corruption and increase the likelihood of its detection. *The work of the OAG in Canada is a useful example* http://www.oag-bvg.gc.ca/domino/oag-bvg.nsf/html/menue.html
Ombudsperson	Receives and investigates allegations of mal-administration, including issues of corruption and lack of accountability and transparency. Not usually vested with powers to make binding decisions, but has moral authority and public impact.
The Accountant General	Responsible for providing accurate and transparent accounts of public revenues and .expenditures . *See example of support to Tanzania* http://www.u4.no/projects/project.cfm?id=480
Public Procurement Body	To provide independent oversight of government procurement, contracting and performance. *Some examples of e-procurement initiatives to improve transparency and efficiency: Philippines* http://www1.worldbank.org/publicsector/egov/philippines_eproc.htm *, Chile* http://www1.worldbank.org/public sector/egov/eprocurement_chile.htm
The media	Play an important role in exposing corruption and in building support for efforts to combat it. It has the responsibility to keep the legislature, the executive and the judiciary carefully monitored against corruption. In turn, it can help to improve credibility in state institutions, and as such, help to re-instil a culture of loyalty to the nation and to society. *See for illustration Philippine Center for Investigative Journalism:* http://www.pcij.org/
Electoral Management	Crucial to ensure independence and transparency of electoral systems and impartiality of elections. *The ACE –Administration and Cost of Elections project is an important resource* http://www.aceproject.org/main/english/et/et.htm
Civil society	Vital role in re-shaping attitudes, reverse public apathy and tolerance for corruption and monitoring the social and ethical performance of the public officials. It exerts pressure on government and the private sector for greater transparency and accountability. Civil society also ensures that reform measures to combat corruption match the perceptions and expectations of the people. *An important resource is Transparency International* http://www.transparency.org
The private sector	Participates actively in securing the success of the government's anti-corruption strategy by practicing s ound business and accepting to submit their social and ethical performance to public monitoring and scrutiny (corporate accountability). It can be an important check on the government's arbitrary exercise of its discretionary powers. *The Wolfsberg Principles is an effort by private companies to fight corruption* http://www.wolfsberg-principles.com/

ANNEX 3: UNDP CASE STUDIES ON ANTI-CORRUPTION

UNDP's ATI and anti-corruption interventions over the last five years (from 1998 to 2003) have evolved from principally supporting awareness raising and advocacy efforts at all levels, and conducting diagnostic measurements of the extent of the problem and testing possible solutions in a number of pilot countries, to advising national partners aided by more holistic approaches that have been grounded on early lessons and internally developed policy tools. The types of activities funded recently through the DGTTF in 2002 and 2003 ranged from: strengthening transparency and accountability through coalition building and national consultations for anti-corruption strategy-setting, capacity building of independent anti-corruption commissions, development of specific anti-corruption legislation and codes of conduct; improving access to information; and strengthening of specific independent institutions and processes for oversight (including CSOs and media), financial management and transparent budgeting (some at the municipal level), monitoring and enforcement, and e-government to improve public service delivery. In a recent mapping exercise conducted, some 70 COs reported ATI initiatives, either as a priority component of a governance programme or as an explicit effort to fight corruption. *(To access the results of the Anti-Corruption Mapping, please visit http://intra.undp.org/bdp/anti-corruption/docs/Inventory%20of%Anti-CorruptionProjects%20071803.xls)*

Although much remains to be done, particularly in terms of building UNDP's internal capacity to address corruption as a development problem and revising corporate structures to adequately support and capture the organization's work and performance on this issue, UNDP has come a long way in codifying and sharing knowledge to improve anti-corruption and ATI programming.   This practice note, along with the Source Book on ATI *(http://intra.undp.org/bdp/anti-corruption/sourcebook_ati.htm)* and the case studies *(http://intra.undp.org/bdp/anti-corruption/casestudies.htm)* developed by UNDP, is a contribution to this effort.

To better understand the lessons from UNDP's interventions, case studies were commissioned to document good and bad practices, as well as other lessons, from UNDP's experiences. The case studies cover a wide range of interventions, and attempt to bring lessons from all the five[2] regions. These are:

- Support to national processes and consultations in raising public awareness and in the development of an anti-corruption programme or strategy: Tanzania and Mongolia
- Strengthening internal accountability and improving donor governance: Bangladesh
- Improving municipal accountability: Ecuador [3]
- Support to national anti-corruption commissions: Honduras
- Working with civil society partners: Moldova and Georgia[4]
- Assistance to external partnership mechanisms or focus on donor coordination: Indonesia and Tajikistan[5]
- Analysing corruption in a one-party state: Laos[6].

A more in-depth analysis of lessons presented from the case studies, available evaluations and project reports, is concurrently being conducted as part of the UNDP anti-corruption tool kit. Included in this tool kit is a paper focusing on the experience of UNDP in the CEE & CIS region. UNDP's specific approaches proposed in this practice note are guided by emerging lessons already codified.

Excerpts from the case studies and preliminary assessment studies are highlighted below to illustrate some of the key lessons and principles elaborated in *Section 4.A Lessons and Principles for Action*:

1.   Establishing an anti-corruption reform agenda in Nicaragua

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[2] Case studies from the Arab States region may be commissioned at a later date and will build on the survey conducted on 6 countries (Jordan, Yemen, Lebanon, Morocco, etc.) by POGAR.
[3] A pilot testing of the TUGI Report Card on Corruption conducted in June 2003, lessons on which will be documented as part of the set of case studies commissioned.
[4] Moldova and Georgia case studies will use materials from the OECD under the Donor Standards Project
[5] Tajikistan case study will use material from the OECD Donor Standards Project
[6] The Laos case study was also used to discuss ATI problem analysis at the UNDP A-C Sub-Practice Workshop held last May 2003 in Seoul.

Most recently the cases investigated by the Public Prosecutor (Investigations and Advice Unit) against ex President Aleman and his head of the national tax agency have shown how far anti-corruption has come in Nicaragua. These cases have dramatically shaken the patronage system. The investigation of these high level cases combined with press reporting and concerted public pressure to oblige the legislature to withdraw immunity and the judiciary to act represents some of the most effective anti-corruption in the region. It has opened the way for profound change.

In other countries, prompt investigation and prosecution of "high profile" corruption cases effectively demonstrates political will and fuels the momentum in the fight against corruption. However, if judicial independence and integrity is at question in these countries, prosecution of these cases may not necessarily result in the appropriate verdict and in turn exacerbate public cynicism. The experience in Nicaragua is a promising illustration of balancing the immediate target of prosecution with more long-term objectives of reforming governance structures and legal frameworks.
Source: David Pezzullo, Anti-Corruption Strategy for Nicaragua (2003)

2. Anti-corruption commissions in RBEC

Increasingly, specialized anti-corruption bodies have been used as institutional bases for combating corruption. Calls for the establishment of an independent anti-corruption institution are often the symptom of a dramatic inability of existing government institutions to effectively curb corruption. Initiated in response to particular scandals or under pressure from the international community (Romania, Slovenia), and/or civil society groups (Montenegro), they aim at prevention, education and training, but rarely at investigation (Lithuania, Serbia). Unfortunately, the specialized anti-corruption bodies have not met expectations (except for Lithuanian SIS). Few have been successful in their tasks to date. The main reasons for failure: lack of political will, absence of an over-all national strategy, inadequate legal framework and resources, limited independence and public trust, lack of an enabling climate and necessary know-how, and lack of basic ethical values.
Source: Tomasz Anusiewicz, Fighting Corruption in Post Communist Countries: Where are we now? Where do we go from here? UNDP, 2003 (forthcoming)

3. Estimating financial requirements to support an anti-corruption initiative: Experience of PACT

Although no systematic effort has been undertaken to determine actual costs of ATI and anti-corruption interventions, financial resource requirements can be roughly estimated depending on the level and scale of efforts, and which partners (local or international) are engaged. For instance, start-up anti-corruption programmes previously supported by PACT that focus on diagnosing the problem may cost anywhere from $50,000 to $100,000 (even more) for household perception surveys, to more detailed anti-corruption or governance assessment studies. Institution and capacity building programmes, given UNDP experience in other areas, cost significantly more. Nonetheless, the point being made simply suggests that it will be important for UNDP country offices to leverage existing programme resources, to tap local expertise and capacity (also to help ensure that solutions are "home grown"), and to exhibit results quickly. Proving performance not only generates momentum but also attracts additional resources and support from partners and donors.

4. Transparent municipalities in Ecuador

The pilot project, *Transparent Municipalities,* administered by UNDP Ecuador in cooperation with the Ecuadorian Civic Counter Corruption Commission with DGTTF funding has tested a participatory methodology and a menu of transparency enhancing interventions in four Ecuadorian municipalities. This has meant that in four pilot municipalities, comprehensive action plans to open at least parts of the budgeting and spending process to public scrutiny have been produced by civil society, municipal employees and officials working together.

Over the short term this will allow two of the four pilot municipalities (Pedro Moncayo and Cayambe) to complete a very comprehensive participatory budget process over the course of one full budgeting year with UNDP assistance. Institutionalizing participatory budgeting will make accountability throughout the planning, budgeting and contracting cycle systematic.

In Ruminahui and Esmeraldas, implementing plans generated by this pilot project would significantly improve and institutionalize public oversight of contracting and budget, access to information, and strategic plan implementation. Additionally, through this project, civil society as well as municipal workers and officials have seen, due to a participatory budgeting simulation exercise, how participatory budgeting works and its benefits. Presently it stands out as something to which they can aspire. In Esmeraldas the preconditions for its adoption are not likely to exist for some time to come. In Ruminahui ongoing progress in civil society – municipality relations represented by opening of municipal decision making process and planning implementation suggests that participatory budgeting can be realized in about 3 years. According to citizens and officials, adoption of even these less exacting measures in a participatory fashion will be irreversible because as one mayor put it "once citizens are in the process they won't leave."
Source: UNDP Case Study on Ecuador (2003)

5.   Pioneering Donor Accountability: UNDP's experience in Bangladesh

Anti-corruption can be a very powerful tool in the UNDP context. As in the UNDP Bangladesh case, by "practicing what it preaches", UNDP demonstrated its strong commitment to governance and that it actually had the capacity to institute change. In light of overall pessimism in many who view Bangladesh's corruption as too deeply rooted in the power structure and intrinsic to its business practices, it came as a heartening example that with strong political will and appropriate management tools, corruption can be minimized. The office's efforts at transformation not only strengthened the quality of its programme but also improved its image among development partners (the Government and other donors) as a reliable, committed and effective advocate of good development practices. It is no coincidence that the office has subsequently been more effective in donor coordination and its advocacy for anti-corruption in the country context.
Source: UNDP Case Study on Bangladesh, 2003, hyperlink

ANNEX 4: UNDP PROGRAMME FOR ACCOUNTABILITY AND TRANSPARENCY

Since 1997, UNDP has been increasingly involved in ATI programmes as part of its interventions to strengthen democratic governance. Initial support from the Programme for Accountability and Transparency (PACT), an independent trust fund established with assistance from the Governments of Denmark and the Netherlands, and later on from Germany, enabled UNDP to address the emerging concerns of fighting corruption as part of democratic governance. At the onset, PACT focused on helping countries improve financial management and accountability through technical assistance and tools development. CONTACT – Country Assessment in Accountability and Transparency – is one of the flagship tools developed by PACT to assist governments in undertaking comprehensive self-assessments of their public financial management systems. *(For further information about CONTACT and accessing the guidelines and training modules for Asia and Africa, please visit http://www.undp.org/governance/contact_2001.htm)*

Other significant contributions by PACT in the fight against corruption, since 1997, include:

a) The production of **information, resource and advocacy materials** to help broaden the policy debate and to facilitate international action against corruption, such as, *Corruption and Good Governance Discussion Paper 3* (July 1997) and the joint UNDP/OECD report on *Corruption and Integrity Improvement Initiatives in Developing Countries* (June 1998);

b) **Development of the UNDP corporate position paper**, *Fighting Corruption to Improve Governance,* approved by the Executive Committee in July 1998. The paper is an attempt to provide a cohesive policy on corruption for use of UNDP staff in programme countries, and also suggests a framework to address the issue. The follow-up practice note aims to assist UNDP country offices concretely approach the issue of corruption enriched by lessons learned to-date from other countries. (See also Mapping of UNDP activities in A-C, which also provided insights on CO experiences *http://intra.undp.org/bdp/anti-corruption/docs/Inventory%20of%Anti-CorruptionProjects%20071803.xls)*

c) Conduct of **research and development of innovative strategies**, such as the joint UNDP/OECD Comparative Country Case Study on Anti-Corruption covering five countries, namely Benin, Bolivia, Morocco, Pakistan, and the Philippines.

   Seven case studies on UNDP experiences have been drafted in 2003 on Honduras, Ecuador, Mongolia, Tanzania, Bangladesh and Indonesia, for use by other Country Offices. *http://intra.undp.org/bdp/anti-corruption/casestudies.htm*

   A **joint research project** with Transparency International, UNDP Oslo Governance Centre and Bureau for Development Policy on the issue of **Post War Reconstruction and Corruption Dimension** was launched at the 11th IACC in Seoul. The research will identify a framework to improve accountability in post war situations, where traditional oversight and accountability mechanisms do not function along with the other governance structures.

   Other on-going and planned research includes: politics of corruption and MDGs and the Integrity Dividend.

d) Facilitating **regional and global policy dialogue,** such as, *International Anti-Corruption Conference* series organized by Transparency International and the *Global Forum on Safeguarding Integrity.* At the 9th (Durban, 1999) and 10th IACC (Prague, 2001), UNDP once again led the regional policy discussions in Africa, Asia Pacific, Latin America and the Caribbean, Arab States, and Central and Eastern Europe & CIS. These regional policy discussions benefited from preparatory on-line debates, which widened participation in the effort to obtain country experiences and contributions for follow-up actions. Key outcomes from UNDP's participation in these policy fora include pioneering knowledge networking, brokering policy lessons, and building regional approaches and coalitions to fight corruption. At the 11th IACC (Seoul, May 2003), UNDP supported key thematic (Post War Reconstruction and Corruption Dimension and Next Steps on International Instruments) and regional

workshops (Arab States on Human Development and Corruption; Central America on Political Impunity of Leaders).

e) Built partnerships with key international and regional stakeholders, including signing a Memorandum of Understanding with **Transparency International** in 1998.   UNDP is also supporting the **Partnership Fund for Transparency**. The PTF is a joint collaboration of TI, UNDP and other donors. It supports an independent and effective role for civil society in the design, implementation and monitoring of anti-corruption programmes in developing countries. The Fund also aims to promote South-South exchanges and develop its programmes in a learning mode.

f) Facilitated national capacity building in selected pilot countries, including on-going and planned support to the development of national action plans to prevent and control corruption in Mongolia, Nigeria, Mozambique, Bangladesh, Mauritius, Armenia, among others.

g) In terms of **developing tools and assessment methodologies**, PACT has also spearheaded the creation of CONTACT guidelines (or Country Assessments in Accountability and Transparency). CONTACT is a set of mission guidelines for undertaking assessments of a country's public financial systems.   These guidelines are intended as a tool to review the effectiveness of the financial accountability aspects in a country's public sector. From this an assessment will be developed to accompany the recommendations of how the financial management and audit functions can be improved   in   the   public   sector.   Electronic   version   available   at: http://www.undp.org/governance/contact_2001.htm   Regional pilot training workshops were held in Asia (Bangkok, June 2002) and Africa (Dar-es-Salaam, June 2003) and national level training have also been held (Mongolia, 2002).

UNDP is also working on developing a **Source Book on Accountability, Transparency and Integrity (ATI**), *http://intra.undp.org/bdp/anti-corruption/sourcebook_ati.htm,* which will flesh out in greater detail the practical "how to's" on anti-corruption programming that will be touched upon the Anti-Corruption Practice Guidance Note, also to be completed in 2003. The Source Book will also include indicators for measuring performance, comparative experiences and tools from other organizations and countries, references to other resources, and suggest models for problem identification, analysis and implementation.

h) Public Awareness, advocacy and capacity building to support the implementation and monitoring of the **UN Convention against Corruption**. At the end of 2003, the UN completed the negotiations on a comprehensive international legal instrument against corruption. UNDP will endeavour to widen public awareness and advocacy on this instrument, focusing on national efforts to involve a broad range of stakeholders in ensuring that government commitments are acted upon. Capacity building efforts will be integrated in legislative strengthening and access to information interventions, including possibility of conducting focus group workshops at the regional level on assessing domestic anti-corruption legislation and needs to bring these to the international standards set by the UN Convention.

ANNEX 5: LAUNCHING AN ANTI-CORRUPTION REFORM CAMPAIGN: A MODEL

While there is not one single model or remedy to combat corruption, the following are some suggestions in initiating a campaign, which can be adapted and applied in different contextual situations:

(1) Identify key champions within government (particularly the political leadership), civil society and private sector and form a coalition of stakeholders who would lead the anti-corruption reform effort. Within this coalition, a smaller national integrity working group may need to be established. (*See also Annex 4 for a general overview of key actors and Module 6 of the UNDP Source Book on ATI for "Who to Work With").*

(2) Conduct an in-depth assessment of the governance institutions, systems and processes to determine areas and target groups most vulnerable to corruption and to systematically document the situation. (Over-all governance capacity assessments conducted as part of the UNCCA/UNDAF process may be a useful starting point.) Analyze the existing context and nature of corruption and identify areas for reform in order to develop an overall plan, which includes short-term, medium-term and long-term objectives (including a public awareness-raising programme), and assign responsibilities for follow-up action and reporting back to the working group. *(Refer also to Modules 3 and 4 of the UNDP Source Book on ATI for ways to document bad governance practices).*

(3) Publicize the formation of the coalition, establishment of the working group as well as the initial results of the assessment. Solicit inputs and encourage broad participation by the public in the development, implementation and monitoring of action plans/reform programmes spearheaded by the coalition/working group. For example, setting up a website to publicize the campaign and to encourage participation of citizens through regular feedback could be helpful.

(4) Continue by seeking political leadership's endorsement of the plan.

(5) Hold regular meetings of the working group and give appropriate publicity to its work, paying particular attention to achieving some "quick wins" to build credibility and public confidence.

(6) Establish reporting and monitoring system to gauge progress. *(See Module 8: Performance Measurement in the UNDP Source Book on ATI for more information.)*

In the drive to implement anti-corruption reform — with all of its processes and procedures, choices and options — it is important to remember that it is a long-term process which must be openly supported from the top and one in which attitudes and conduct must be taught and reinforced at all levels. Reform should initially tackle only issues where it can be most effective or where there is the most added-value, bearing in mind the importance of timing and sequencing, and of building the public's confidence in the transparency and accountability of the State. A principal challenge in assessing political commitment is the ability to distinguish between reform approaches that are superficial and designed only to bolster the image of political leaders, and those which are substantive efforts to create real and sustainable change.

Further details on "how to's" in anti-corruption and ATI programming are elaborated in the forthcoming Source Book on Accountability, Transparency and Integrity, a key component of the UNDP anti-corruption tool kit http://intra.undp.org/bdp/anti-corruption/sourcebook_ati.htm

ANNEX 6: LAWS THAT CONTRIBUTE TO ANTI-CORRUPTION POLICIES

Laws that contribute to anti-corruption policies may comprise those that:

- Criminalize corrupt activities
- Enable tracing, seizure, freezing and forfeiture of illicit earnings from corruption
- Require public officials to regularly declare assets
- Identify prevent or resolve conflicts of interests
- Protect whistle-blowers
- Improve access to information (allowing citizens to obtain information from the state)
- Regulate implementation of constitutional right of freedom of expression and association
- Define basic principles for decision-making in public administration (objectivity, impartiality, equality, obligation to justification, right to appeal)
- Enhance transparency in public procurement

ANNEX 7: REGIONAL AND INTERNATIONAL INSTRUMENTS TO FIGHT CORRUPTION

SADC The Southern African Development Community Protocol Against Corruption
http://www.safac.org.zw/pages/SADCProtocol.htm

African Union Regional Anti-Corruption Convention
http://www.transparency.org/pressreleases_archive/2003/2003.03.03.au_anti-corr.convention.html

Organization of American States (OAS) Inter-American Convention against Corruption
http://www.oas.org/juridico/english/Treaties/b-58.html

ADB OECD Anti-Corruption Action Plan for Asia and the Pacific
http://www1.oecd.org/daf/ASIAcom/ActionPlan.htm

OECD Convention on Combating Bribery of Foreign Public Officials
http://www.oecd.org/oecd/pages/home/displaygeneral/0,3380,EN-document-88-nodirectorate-no-no-7198-31,00.html

OECD Anti-Corruption Network Action Plan
http://www.oecd.org/dataoecd/60/59/12593443.pdf

Council of Europe Criminal and Civil Law Conventions on Corruption
http://conventions.coe.int/Treaty/EN/Treaties/Html/174.htm
http://conventions.coe.int/treaty/en/Treaties/Html/173.htm

United Nations Convention against Corruption
http://www.unodc.org/un odc/en/crime_cicp_committee_corruption_session_7.html
http://www.unodc.org/unodc/en/convention_corruption_merida.html

ANNEX 8: WITH WHOM THEN CAN UNDP PROGRAMME?

1. The most obvious partners may not be the ones that you want to work with – like government anti-corruption commissions, state audit authorities, ombudsman. They may already have been compromised, or have been designed to fail or be ineffective. They may, however, include staff who are as frustrated as any about their inability to use their organizations for the purposes of good governance and will be looking for a way to work better.

2. The second most obvious collection of partners – the anti-corruption NGOs – also may not be the ones you want to work with, because they may not have a wide membership and their shrillness and anti-government position may make them very visible, but not necessarily have very much impact.

3. This is not to say that there will be many valuable NGOs – but the most useful ones are large membership citizen's organizations which are prepared to enter coalitions with others, and have specific targets – like, for instance, government services to the poor, or the cost of police fines, or water connections.

4. Anti-corruption champions are difficult to identify and need to be investigated closely. Any anti-corruption organization that targets the government (and most will be) is likely to be counter-attacked by the government, and these attacks will very possibly be attempts to prove that the anti-corruption champion is as corrupt as anyone else. Clean people are hard to come by in countries of systemic corruption, and they have to be very clean to stand up to the attacks they will receive.

5. Donors are a possible anti-corruption force, but their organization specific imperatives of "getting the money out" may well counter their rhetoric of good governance. Many donor organizations are also very wary of admitting that they have done anything wrong and cleaning house publicly, even though that would be a very powerful incentive to others.

6. Any organization encouraging and helping champions to stand up and be heard has to be very responsible about its position. It runs the risk of getting such a champion killed. UNDP in supporting good governance work in a country of systemic corruption should be under no illusions – they are engaged in radical and revolutionary work – and this brings with it possible dangers.

Source: Module 6: Who to Work With, UNDP Source Book on ATI

ANNEX 9: PARTNERS, RESOURCES AND OTHER USEFUL HYPERLINKS

UN / UNDP RESOURCES

Source Book on Accountability, Transparency and Integrity (Module 10: Resources on ATI provides a full list of references, web links and sources of information.) http://intra.undp.org/bdp/anti-corruption/sourcebook_ati.htm

UNDP Case Studies on Anti-Corruption http://intra.undp.org/bdp/anti-corruption/casestudies.htm

UNDP Inventory of Anti-Corruption Projects http://intra.undp.org/bdp/anti-corruption/docs/Inventory%20of%Anti-CorruptionProjects%20071803.xls

CONTACT Country Assessment in Accountability and Transparency guidelines http://www.undp.org/governance/contact_2001.htm

Fighting Corruption to Improve Governance http://www.undp.org/governance/docsaccount/fighting_corruption_to_improve_governance.pdf

UNDP/OECD Integrity Improvement Initiatives in Developing Countries http://magnet.undp.org/Docs/efa/corruption/Corrupti.htm

Corruption and Good Governance (UNDP Discussion Paper) http://magnet.undp.org/Docs/efa/corruption3/corruption3.htm

Fighting Corruption in Post Communist States: Where are we now? Where do we go from here? (hyperlink)

Fighting Corruption in Post Communist States: Lessons from Practice

UNDP PARAGON (Training Module on Public Service Ethics and Accountability) http://unpan1.un.org/intradoc/groups/public/documents/eropa/unpan002651.pdf

UN Public Administration Network (UNPAN) http://www.unpan.org/

UN CICP (Centre for International Crime Prevention Anti-Corruption Tool Kit) http://www.odccp.org/corruption_toolkit.html

United Nations Crime and Justice Information Network www.uncjin.org

United Nations Center for International Crime Prevention www.undcp.org/odccp

United Nations Interregional Crime & Justice Research Institute www.unicri.it

UNESCO www.unesco.org/iiep/eng

BOOKS

A Handbook for Fighting Corruption – USAID

A Moral Economy of Corruption in Africa – J.P.Olivier de Sardan (Journal of Modern African Studies)

Anti-Corruption in Transition – a contribution to the policy debate – World Bank

Bribes – a natural history – John Noonan

Combating Corruption in Asian and Pacific Economies – Sheila Coronel

Controlling Corruption – Robert Klitgaard – University of California press

Corrupt Cities – a practical guide to cure and prevention – World Bank

Corruption – its causes, nature, and function – Syed Hussein Alatas

Corruption and Democracy in Thailand – Pasuk Phongpaichit and Piriyarangsan Sungsidh

Country Governance Assessment Report – Indonesia: Asian Development Bank

Liberalization and the new corruption – IDS Bulletin 1996

Participatory Corruption Appraisal – The Partnership for governance reform in Indonesia

Stealing from the People – The Partnership for Governance reform in Indonesia

The Anti-Corruption Handbook – World Bank

The Other Path – Hermano de Soto

The Problem of Corruption – Syed Hussein Alatas

TI Source Book 2000 – Transparency International

WEBSITES

a.   World Bank

CFAA (Country Financial Accountability Assessments)
http://www1.worldbank.org/publicsector/pe/PEMworkshopJune22.ppt
PER (Public expenditure review) http://www1.worldbank.org/publicsector/pe/p1pers.htm
Public expenditure management handbook http://www1.worldbank.org/publicsector/pe/english.htm
CPAR (Country Procurement Assessment Review) http://www.worldbank.org/html/opr/procure/borrower.html
IGR (Institutional and Governance Reviews) http://www1.worldbank.org/publicsector/igrs.htm
HIPC (Expenditure tracking exercise – with IMF) http://www1.worldbank.org/publicsector/pe/tracking.htm
New Empirical Tools for Anti-Corruption and Institutional Reform http://www.worldbank.org/wbi/governance/guide.htm
Country Analytic Work http://www.countryanalyticwork.net

b.   International Monetary Fund

ROSC (Reports on Observance of Standards and Codes) http://www.imf.org/external/np/rosc/rosc.asp
IMF Manual on Fiscal Transparency http://www.imf.org/external/np/fad/trans/manual/index.htm

c.   USAID

USAID (Conducting a DG Assessment – a Framework for Strategy development
http://www.usaid.gov/democracy/techpubs/pnach305.pdf
USAID Strategic Assessments http://www.usaid.gov/democracy/center/sa.html
USAID anti-corruption resources http://www.usaid.gov/deomcracy/anticorruption

d.   OECD
http://www.oecd.org/EN/document/0,,EN-document-0-nodirectorate-no-21-42047-0,00.html
www.anti-corruptionnet.org
www.oecd.org/daf/nocorruption/index.htm
www.oecd.org/EN
www.oecd.org/fatf/
http://www1.oecd.org/daf/nocorruptionweb/index.htm
http://www1.oecd.org/puma/ethics/index.htm

e.   Civil Society Organisations, Academe, Media and other information sources

Anti-Corruption Gateway for Europe and Eurasia http://nobribes.org
BETA news agency, Clean Hands pages www.beta.co.yu/korupcija/eng
Center for International Private Enterprise www.cipe.org/programs/corruption
Colgate University, Corruption Bibliography http://people/colgate.edu/mjohnston
Committee to Protect Journalists www.cpj.org
Ethics Resource Center www.ethics.org
Freedom of Information Laws http://home.online.no/~wkeim/foil.htm
Freedom of Information portals www.freedominfo.org and www.accessinitiative.org
Global Access Project (Center for Public Integrity) http://www.publicintegrity.org
Global Witness (Publish What you Pay Initiative", jointly with Transparency International, Global Compact)
www.globalwitness.org/campaigns/oil/publish_what_pay.html
Human Rights Trust of Southern Africa www.sahrit.org

Paris Declaration www.parisdeclaration.org
Philippine Center for Investigative Journalism www.pcij.org
Respondanet www.respondanet.com
The Corruption List www.corruptionlist.com
The Corruption On-line Research and Information Centre (CORIS) http://www.transparency.org/coris
The International Budget project http://www.internationalbudget.org/index/htm
The SEE Legal Development Initiative www.seldi.net/anti_corruption.htm
The Urban Governance Initiative (TUGI) http://www.tugiapdip.net
TIRI www.tiri.org
Transnational Crime and Corruption Center at American University www.american.edu/traccc
Transparency International Source Book http://wwww.transparency.org/sourcebook.index.html
Transparency International The Corruption Fighters Toolkit http://www.transparency.org/toolkits/index.html

f.   Other Inter-Governmental Organisations

European Bank for Reconstruction and Development EBRD www.ebrd.org
EUROSAI www.eurosai .org
GOPAC Global Organization of Parliamentarians Against Corruption www.parlcent.ca/gopac/index_e.php
Group of States against Corruption www.greco.coe.int
Independent Journalism Foundation www.ijf-cij.org
International Chamber of Commerce www.iccwbo.org/
International Criminal Police Organization (ICPO-Interpol) www.interpol.int
Internet Centre for Corruption Research (at Goettingen University) www.gwdg.de/~uwvw/icr.htm
Nathanson Centre for the Study of Organized Crime and Corruption www.yorku.ca/nathanson/Links/links.htm
Open Society Institute, EU Accession Monitoring Programme www.eumap.org/reports
OSCE www.osce.org/eea
Southern   African   Development   Community   Protocol   against   Corruption http://www.safac.org.zw/pages/SADCProtocol.htm
Task Force on Organized Crime in the Baltic Sea Region www.balticseataskforce.dk/Corruption/Corruption.htm
Utstein Anti-Corruption Resource Centre http://wwwU4.no

ANNEX 10: ABBREVIATIONS AND ACRONYMS

A2I	-	Access to Information
A2J	-	Access to Justice
ACC	-	Anti-Corruption Commission
ATI	-	Accountability, Transparency and Integrity
CCA	-	Common Country Assessments
CEE & CIS States	-	Central and Eastern Europe and the Commonwealth of Independent
CICP	-	Center for International Crime Prevention (UNODC)
CO	-	Country Office
CONTACT	-	Country Assessment in Accountability and Transparency
CSO	-	Civil Society Organization
DGTTF	-	Democratic Governance Thematic Trust Fund (UNDP)
IACC	-	International Anti-Corruption Conference
ICT	-	Information Communication Technology
IGAC	-	International Group on Anti-Corruption Coordination
IMF	-	International Monetary Fund
MDGs	-	Millennium Development Goals
NGO	-	Non-Governmental Organization
OII	-	Organizational Integrity Initiative
PACT	-	Programme for Accountability and Transparency
PAR	-	Public Administration Reform
TI	-	Transparency International
UN	-	United Nations
UNDAF	-	UN Development Assistance Framework
UN ODC	-	UN Office of Drugs and Crime
UN OIOS	-	United Nations Office for Internal Oversight Services
UNDP	-	United Nations Development Programme