



UNITED NATIONS
Office on Drugs and Crime



Workshop On Measuring and Monitoring Corruption and Anti-Corruption

Sofia, June 17-18, 2005

I. Background

1. The Workshop on Measuring and Monitoring of Corruption and Anti-Corruption was organized jointly by the United Nations Office on Drugs and Crime (UNODC) and the Center for the Study of Democracy (CSD), and held on 17-18 June 2005 on the premises of CSD, in Sophia, Bulgaria. The meeting was attended by researchers and experts of international and regional organisations, all specialized in the area of measuring of corruption as well as the monitoring of anti-corruption policies and the international legal instruments against corruption. The list of participants is contained in annex 1.

II. Objectives

2. In the light of the imminent entry into force of the United Nations Convention against Corruption (UNCAC), the objective of the workshop was to take stock of existing approaches and methods to assess the levels, nature, location and impact of corruption, as well as to monitor the implementation of international instruments against corruption, with a view to identify basic parameters for the measuring and monitoring of corruption and anti-corruption. For this purpose, the workshop reviewed the role of monitoring in international anti-corruption policies, and took stock of existing corruption monitoring methodologies and instruments and their respective impact both on the public as well as on policy makers. The agenda of the meeting is contained in annex 2.

III. Discussion

A. Introductory Remarks

3. The Workshop was opened by Mr. Ognian Shentov, CSD, Mr. Nikolai Milkov, Deputy Minister of Foreign Affairs of Bulgaria, and Mr. Dimitri Vlassis of UNODC. Mr. Nikolai Milkov welcomed the participants on behalf of the Minister of Foreign Affairs and commended UNODC and CSD for the timely organization of the event. He emphasized the need for more accurate measuring methods, overcoming some limitations of current assessment methodologies mainly based on perceptions. Moreover, he praised the work of the CSD in launching Coalition 2000, a broad based movement of stakeholders against corruption, which had been instrumental in raising public awareness about corruption and its detrimental effects for development, and had succeeded in mobilizing action against corruption.

4. Mr. Dimitri Vlassis, UNODC, stressed the great potential of the workshop with corruption being high up on the political agenda of Member States. The forthcoming entry into force of the Convention provided a unique opportunity to review past and ongoing research on corruption in the light of the UNCAC. So far 25 countries had ratified the instrument and another three ratifications were expected to be deposited soon, approaching rapidly the 30 ratifications required for its entry into force.¹ This would also trigger the establishment of the Conference of States Parties, the body mandated to ensure the effective follow-up of the implementation of the Convention through assessing trends of corruption, reviewing the status of implementation and identifying needs for capacity building. Thus, it will be necessary to provide the Conference with the necessary knowledge base in order to facilitate rational policy development and prioritization.

¹ The thirtieth instrument of ratification was submitted on 15 September 2005. The Convention will enter into force on 14 December 2005.

Session 1: The Role of Monitoring in International Anti-Corruption Policies

5. The session was chaired by Mr. Boyko Todorov, CSD. Speakers were Mr. Wolfgang Rau, Executive Secretary of the Group of States against Corruption (GRECO), Council of Europe, Mr. Patrick Moulette, Head of the Anti-Corruption Division, Organization for Economic Co-operation and Development and Mr. Dennis de Jong, Ministry of Foreign Affairs of the Netherlands.

6. Mr. Rau, briefed participants about the GRECO monitoring mechanism which has been designed to improve the capacity of GRECO Member States through monitoring of their compliance with the various anti-corruption instruments including the Twenty Guiding Principles for the Fight against Corruption, the Criminal and the Civil Law Conventions on Corruption (ETS 173 and ETS 174), the Council of Europe Recommendation on Codes of Conduct for Public Officials, and the Council of Europe Recommendation on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns. In view of this far reaching mandate, GRECO has decided to focus its evaluations on key issues. So far, two evaluation rounds have been conducted focusing on the independence, specialization and means of bodies engaged in the prevention and fight against corruption, the extent and scope of immunities, the identification, seizure and confiscation of corruption proceeds, the role of the public administration, including its efficiency and transparency, tax and financial legislation to counter corruption, the prevention of legal persons being used as shields for corruption, and the links between corruption, organized crime and money laundering. The GRECO monitoring mechanism is based on the principle of the strict equality of rights of all members. As a consequence, all States who joined GRECO at a later stage, are obliged to participate in the evaluations conducted prior to their accession. Each evaluation commences with the administration of a questionnaire. The responses are analyzed by the Secretariat and provided to the evaluation team in preparation of its on-sight visit. The evaluation team is composed of three experts appointed by Member States and two members of the Secretariat. This team conducts an on-sight visit, including meetings with all stakeholders both in the public and private sector. The evaluation team prepares a draft report which assesses the extent to which the various obligations under the Council of Europe instruments in the relevant thematic areas have been implemented by the Member State under evaluation. Moreover, it recommends concrete actions which should be undertaken by the Member State in order to reach full compliance in all areas under evaluation. The report is discussed with the Member State and adopted by the GRECO plenary. Within 18 months, the Member State must report back to the GRECO Secretariat on the implementation of the recommendations.

7. The monitoring methodology has proven sound to assess the level of compliance of Member States with the GRECO instruments with a view to promoting their full implementation. In view of the wide scope of the instruments, it was particularly important to limit the scope of each evaluation round to certain thematic areas. Moreover, great care should be applied to the formulation of questions in order to accurately reflect the underlying standard. On-site visits have proven of particular importance to enhance the accuracy of the evaluation and ensure the credibility of the process. They provide a unique opportunity to cover those questions, which are difficult to answer and to pose follow-up questions. Furthermore, GRECO does not engage in any explicit comparison of Member States regarding levels of implementation of Council of Europe anti-corruption instruments and compliance with GRECO's recommendations.

8. Mr. Moulette informed participants about the monitoring mechanism for the OECD Convention on Combating Bribery in International Business Transactions. The mechanism,

which currently covers 36 countries, is based on a number of principles similar to the ones applying to GRECO. The purpose of monitoring is to ensure compliance with the Convention and the 1997 Revised Recommendation. Monitoring also provides an opportunity to consult on difficulties in implementation and to learn from the solutions found by other countries. In order for the monitoring to be effective, monitoring must be systematic and provide a coherent assessment of whether a member state has implemented the Convention. Moreover, the monitoring must be fair and based on the equal treatment for all participating countries. Monitoring performance is an exercise among peers who can be frank in their evaluation. The Secretariat has an important role in ensuring uniform application of the procedures. The monitoring procedure should be efficient, realistic, concise and not overly burdensome. It is important to ensure that monitoring is effective, since it guarantees the level playing field. Moreover, it is essential to coordinate with other monitoring bodies, such as GRECO, with a view to avoiding duplication, resulting in “monitoring fatigue” of member states, and to build on existing synergies. Similar to the GRECO monitoring mechanism, the OECD Secretariat administers questionnaires to Member States. Where the answers are incomplete or raise additional questions, the Secretariat poses follow-up questions. This self-assessment phase is followed by an on-site visit allowing for verification and further in-depth interviews with various stakeholder groups, including civil society, independent experts and private sector entities. Based on the self-assessment and the findings of the on-site visit, a draft assessment report is prepared in consultation with the concerned Member State and submitted to the OECD Working Group on Bribery, which meets five times a year. Monitoring was organized in two phases with phase one focusing on the evaluation of legal texts. The Secretariat examines the replies to ensure they are complete and, if necessary, requests additional information from the concerned member state. This is followed by consultations in the Working Group with the purpose of clarifying questions formulating conclusions, including, as appropriate, recommendations to the examined country. The final assessment is adopted by the Working Group by consensus minus one (the examined country), but allows for the reflection of different opinions among participants.

9. Phase 2 of the monitoring mechanism studies the structures put in place to enforce the laws and rules implementing the Convention, including their functioning in practice. Phase 2 should broaden the focus of monitoring to encompass more fully the non-criminal law aspects of the 1997 Revised Recommendation. As for Phase 1, the evaluations in Phase 2 are country examinations in order to assess the functional equivalence of participants’ efforts. In addition to the questionnaires and consultations, phase two encompasses on-site visits of countries under examination. These on-site visits are conducted by the Secretariat and lead examiners in accordance with pre-determined terms of reference. The results of the analysis of the questionnaires together with the findings of the on-site visits are combined in a draft report, which is discussed and adopted in the Working Group following the extensive consultations with the country examined, the Secretariat, and the lead examiners. The report is publicized by the OECD Secretariat and countries are obliged to report in writing within two years on the follow-up actions undertaken by them with a view to ensuring the effective implementation of the recommendations contained in the final report.

10. The average cost of a complete evaluation (Phase one and two) amounts to Euros 150,000 including staffing, mission costs, costs to the country and the translation of the reports. Over time member states have learned to appreciate the monitoring mechanism as an opportunity to improve their effectiveness in combating corruption through thorough evaluation of their efforts and through the sharing of experiences. However, there are also concerns about the additional workload imposed by the evaluation, in particular the filling out of the questionnaires and the preparation, organization and follow-up to on-site visits. Such concerns must be taken seriously and further efforts must be made to improve the current system.

11. Despite the positive experience with the monitoring mechanism for the OECD Anti-Bribery Convention and the Recommendations, Mr. Moulette doubted it could be used as a model for other Conventions, in particular for the UNCAC. The highly focused nature of the OECD Convention, the strong political will of its members states as well as their financial commitments to support such a monitoring system, had provided the opportunity for designing a very thorough and sophisticated but also resource and capacity intense mechanism, which may not be transferable to a much more diverse and complex environment such as the United Nations. However, there was a series of basic principles which had emerged from the OECD experience which would be relevant also for a future UNCAC follow-up mechanism, including the credibility of the mechanism, its sustainability and its cost-effectiveness.

12. Mr. De Jong informed participants about his Government's efforts to maintain and increase the public's support for its development policy. In this context, the prevention and control of corruption in development aid had increasingly shifted to the centre of attention, both in parliament and in the public debate. Also more generally, the role of good governance in the context of development strategies was widely recognized. Moreover, in order to avoid loss of resources due to mismanagement, including corrupt practices, the Ministry of Foreign Affairs (MFA) recently created a special Task Force against corruption. This Task Force is mandated to come up with recommendations in three areas: (1) support for partner countries' anti-corruption policies (capacity-building); (2) appraisal of the various instruments in the Netherlands development policies to avoid misallocation and misuse of development funds; and (3) promotion of integrity of the ministry's own staff. Since 2005, the embassies in the various partner countries work on the basis of Multi-Annual Strategic Programmes. These programmes are based, inter alia, on an assessment of the efforts undertaken by the recipients of development cooperation in the area of good governance and anti-corruption. More specifically, embassies prepare such an initial country assessment (track record) and compare their own findings with the indicators developed by the World Bank (CPIA) and as far as governance is concerned by the World Bank Institute (Kaufmann indicators). This way, there is a clear relationship between the partner country's performance according to the track record and the multi-annual development strategy. Although the Netherlands fully respects the basic principles of reliable donorship, bad performance resulting in a bad track record can and will result in a re-appraisal of aid modalities. This system thus provides very concrete incentives to countries to improve their governance structures, as well as the required means to further enhance their efforts in preventing and controlling corruption.

13. The challenges of coordinating different monitoring mechanisms fully emerged in the following discussion. The specific nature of each instrument, its constituency, and the specific substantive focus make coordination very complex. Most promising had proven the close involvement of members of the Secretariats of various instruments in the meetings of other monitoring bodies with an overlapping membership, e.g. the OECD Secretariat participates as an observer in the meetings of GRECO, and vice versa. Moreover, to the extent possible, monitoring mechanisms should coordinate the focus of their assessment, avoiding the replication of assessments of the same or similar aspects in order not to foster "monitoring fatigue" which can be observed at this stage in particular in some European countries that are parties to several instruments. However, there are clear limitations to such practices. In particular when countries are a member of one but not the other monitoring mechanism, they may not accept the results of a monitoring exercise, which they were not part of and did have no input into. Moreover, those with experience in monitoring the implementation of international legal instruments warned against overly ambitious expectations. Past experience has shown, that even in developed countries it takes considerable time until instruments effectively have an impact. This does not only require legislative changes but also a change of mentality and culture of the institutions and individuals responsible for the implementation of the new laws. It is therefore key that the monitoring mechanism has the necessary capacity to ensure that implementation stays on course

over time. As far as the presentation of Mr. De Jong was concerned, some participants warned against an exclusive reliance on the World Bank's governance indicators. While they were based on both objective and experience based indicators, the composition of sub-indicators had not been consistent over the years. As a consequence comparison over time had to be applied with caution.

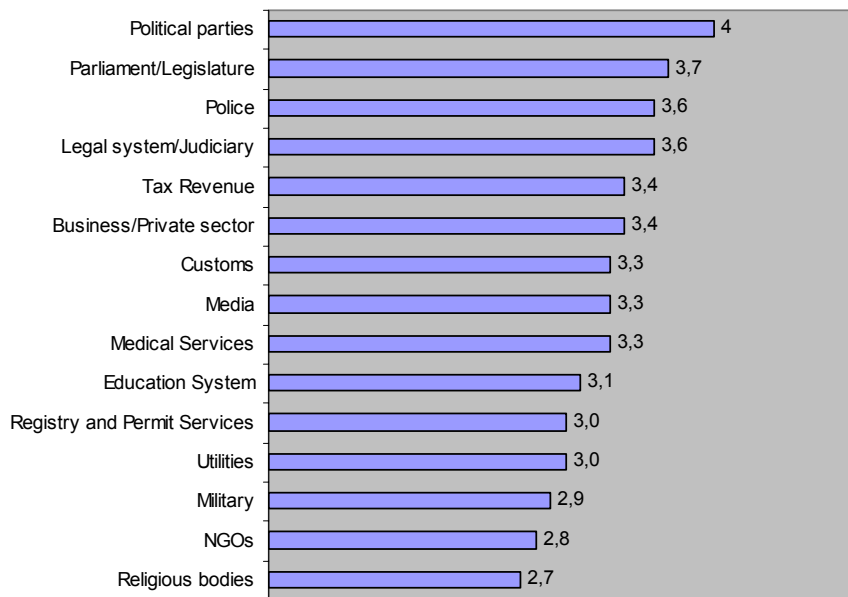
Session 2: Corruption Monitoring Methodologies and Instruments: Comparative Review

14. The session was chaired by Professor Leslie Holmes, University of Melbourne. Speakers were Ms. Robin Hodess, Transparency International (TI), Mr. Nick Duncan, TIRI, and Ms. Anna Alvazzi del Frate, UNODC.

15. Ms. Hodess presented the different types of measuring instruments used by TI both in specific countries and worldwide, including the Corruption Perceptions Index (CPI) and Bribe Payers Index (BPI), the Global Corruption Barometer (GCB), as well as the National Integrity System (NIS) Country Studies and assessments which have been adopted by TI's national chapters in accordance with the specific domestic needs, such as National household surveys (TI Bangladesh, TI Lithuania, TI Madagascar, TI Mexico, TI Morocco, TI Peru, TI Russia), corruption indices for public institutions (TI Kenya, TI Colombia), public sector diagnostics (TI Bangladesh, TI Nicaragua), the monitoring political party financing, (TI Bulgaria, TI Latvia) and private sector assessments (TI Brazil, TI Mexico, TI Madagascar).

16. In addition to the CPI which is well known worldwide, TI has launched the GCB as a new instrument that will complement the CPI. Unlike the CPI the GCB has diagnostic features and enables reliable comparisons over time. Its objective is to assess public opinion on corruption, particularly perception of sectors most affected by corruption, experience of bribery, and expectations of future levels of corruption. The GCB is based on household surveys of more than 50,000 people in 64 countries, run by Gallup International as part of Voice of the People Survey. The instrument provides public feedback on the extent of corruption across key institutions, supplemented by expert views on corruption, and provides feedback on credibility of anti-corruption efforts. One of the CPI's major weaknesses is that it does not allow for comparison over time, since in many cases where the underlying indicators are not collected on an annual basis, it is practice to use the survey results of the prior year(s). As the index has been collected for more than a decade, sufficient data is now available for TI to create a specific index allowing for comparison of time.

GCB 2004: Sectors and institutions most affected by corruption
(1 – not at all corrupt, 5 – extremely corrupt)



GCB 2004 - Experience of bribery

Question – <i>In the past 12 months, have you or has anyone living in your household paid a bribe in any form?</i> Answer – Yes	More than 50%	Cameroon
	41% - 50%	---
	31% - 40%	Kenya, Lithuania, Moldova, Nigeria
	21% - 30%	Albania, Bolivia, Czech Republic, Ecuador, Ghana, Philippines, Romania, Russia, Ukraine
	11% - 20%	Bosnia and Herzegovina, Brazil, Costa Rica, Egypt, Greece, Guatemala, India, Indonesia, Kosovo, Latvia, Mexico, Pakistan, Peru
	5% - 10%	Argentina, Bulgaria, Croatia, Estonia, Georgia, South Korea, Macedonia (FYR), Poland, Turkey, Uruguay, Venezuela
	Less than 5%	Austria, Canada, Denmark, Finland, France, Germany, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Malaysia, Netherlands, Norway, Portugal, Singapore, South Africa, Spain, Switzerland, Taiwan, UK, USA

17. Moreover, TI through its national chapters carries out National Integrity System Surveys based on a standard methodology with the objective to: develop a baseline through factual assessments of national integrity systems; provide a qualitative assessment of anti-corruption programmes; and facilitate cross-country comparisons, and comparisons over time. The methodology of these assessments is based on the National Integrity System approach. The research is conducted by national consultants, based on desk research, interviews and focus group discussions. The NIS surveys enable diagnosis of the overall state of the integrity system, pointing to weaker/stronger pillars and are aimed at providing anti-corruption stakeholders with points of entry for further efforts. These assessments are mainly qualitative in nature, however, TI is working on the development of a methodology, allowing for quantifying some of the collected information.

18. Based on TI's experiences in measuring corruption through a variety of instruments and methodologies over the years, Ms. Hodess identified the following needs:

- To improve use of results by various stakeholder groups (civil society, aid agencies and governments) and to convert research into policy recommendations;
- To strengthen the diagnostic indicators applied;
- To support repetition of tools over time, in order to set performance targets and measure anti-corruption efforts;
- To extend measuring corruption tools to countries where not data-research has been conducted so far.

19. Nick Duncan (TIRI) emphasized that in view of the complexity and multi-faceted nature of the phenomenon of corruption, it was necessary to first disaggregate the research object – a series of social practices – into smaller components. These could then be measured effectively based on peoples' experiences with corruption or governance issues. Measurements of this type, unlike perception-based indicators; provide more accurate information about specific sectors and/or institutions. Thus, they allow for the preparation of a cognitive map of corruption in society, which, if measured over time, can provide the basis for establishing the success or failure of anti-corruption measures.

20. Further, he noted that despite the wide use of perception-based measurements of corruption, these are often misinterpreted and/or misused. This raises serious questions as to whether such measures can or should be used in the overall assessment of the levels of corruption in a given country. The evolution in this respect in the last 20-25 years has shown that there is still no measurement system constructed that accurately accounts for the overall level of corruption. All measures are partial, targeted and refer to specific aspects of the phenomenon. There is no measure of corruption that could be reduced to a single figure. Yet, as it is the case with the CPI of TI, such over-simplified measures capture the political imagination of people. However, apparent clarity provided by such rankings can be and is misleading, since it suggests a level of precision which is not supported by the underlying data. At the same time, measurements, which use proven techniques and are well grounded from an academic perspective appear to be highly dispersed and difficult to interpret. In many cases, the issues that come up in a detailed study are irrelevant to and sometimes confusing for policy makers. This shortcoming of many studies could be overcome if the subject of research would have been clearly defined before the conduct of the assessment, and the methodology would have been constructed focusing exclusively on those aspects relevant for policy decisions.

21. Another problem to be solved is the definition of the units in which corruption should be measured. Corrupt transactions are multi-dimensional, which raises the question which of the dimensions must be measured in order to provide the most adequate picture of the extent and impact of corruption, e.g. should measurements focus on the value of the bribe, the economic advantage which the bribe payer was able to obtain through the bribe, or the impact, both financial and other on the "victim" of corruption. Only a well defined practice can be measured. As a rule, direct measures that give a proper interpretation of transactions are highly diversified; on contrary, perceptions, which are highly aggregated, can usually be used only as proxies to corruption and tend to be fairly inaccurate. On the whole, direct measures could be classified into 3 distinct groups: macro, mezzo and micro measures. Higher diversity of direct measures has the advantage of giving a better idea of concrete phenomena; in many cases, they identify better concrete situations and present a better basis designing specific policies and policy measures.

22. In conclusion, Mr. Duncan outlined the lessons based on the argument presented. He stressed the need to:

- design assessment instruments that target outcomes, rather than studying phenomenon in general;
- provide for methodologies which can be adapted to the evolving patterns of corruption;
- combine qualitative and quantitative studies;
- capture both the monetary and non-monetary impacts of corruption; and
- ensure the regularity of studies, in order to measure corruption over time.

23. Anna Alvazzi Del Frate (UNODC) reported on her experiences of measuring corruption through the International Crime Victimization Survey (ICVS) and the International Crime Business Victimization Survey (ICBS), stressing the difficulties involved. In particular, international comparative research had revealed that even changes in the order of the questions put forward, were able to influence the comparability of responses received. Regardless of these weaknesses, she felt that victimization surveys were able to provide a fairly accurate picture of corruption, far superior to merely perception based surveys. In this context, she presented the objectives for a forthcoming UNODC-UNIDO project aimed at studying business/industry corruption. This joint initiative has been triggered by the fact that Corruption severely affects industrial performance and consequently economic growth, by building barriers to investment, hindering free competition and causing additional costs. Among the 4402 businesses interviewed by the ICBS (2000) in 9 Central and East European, including 860 manufacturing companies, approx. 40% saw corruption as a major obstacle to business and 20% indicated the presence of corrupt practices as a barrier to investment. Against this background UNODC and UNIDO agreed to cooperate with a view to exploring further the impact of corruption on industrial development in general, and on small and medium size enterprises in particular.

24. The research component is organized as follows:

- Consultations with key institutions involved in corruption monitoring (June-July 2005)
- Finalization of the survey questionnaire (July-September 2005)
- Pilot surveys in selected countries (October-December 2005)
- Fully-fledged survey implementation (January-December 2006)

25. In terms of content the survey aims to capture the perception and prevalence of crime and corruption among businesses, the cost of crime and corruption, the perceived effectiveness of the criminal justice system, and the efficiency of and the public trust in the bureaucracy. More specifically, the research would explore the extent to which corruption is perceived as an obstacle to business/industry, which public sector institutions are more prone to corruption and sectors of the economy in which businesses/industries are (perceived to be) more likely to involve in corrupt practices. It would further cover the causes and “modus operandi” of corruption, and the preventive measures adopted by companies. The survey is designed to explore the perceived effectiveness of the criminal justice system, as reflected by the readiness of businesses to report crime to the police, and the efficiency of and trust in the bureaucracy in general, including the efficiency of the licensing system, the fairness of taxation and bidding procedures, and the overall perception about the integrity of public institutions.

26. In the following discussion, two fundamental concerns were expressed concerning TI's CPI; 1) whose perceptions are being measured, and 2) what is actually measured. CPI delivered a wake up call that corruption is a serious problem. However, this message is received differently in different countries. While it may have had a positive impact in the developed world, where until the early '90 corruption essentially was perceived as a problem of the developing world, in the developing world, where everybody was aware of the prevalence of corruption, it may very well have had a negative impact by undermining the peoples trust in their Governments and

democracy in general, as well as by alienating badly needed investors and developing partners. CPI is a poll of polls, mainly based on perceptions of different sources about different aspects of corruption. This raises serious concerns about the validity of integrating these indicators and establishing an average. Moreover, several participants doubted whether the perceptions of corruption could be used as a proxy for the actual prevalence of corruption in the first place. More in-depth comparisons of experience and perceptions suggest, that the latter are rather dependent on the situation of the respondent than the phenomenon. Thus, it is very difficult to determine what the CPI actually measures by combining various perception based indicators and how accurately it does so. There are good reasons to believe that aggregating the data used by the CPI does not improve accuracy but worsens it. In order to enhance the accuracy and comprehensiveness of existing measurements, it was suggested to include objective data, such as statistical information on investigations, court cases, disciplinary proceedings etc., as they provide information about the level of anticorruption activity in a given country. However, at the same time, participants acknowledged the limitations of objective data, e.g. the number of corruption cases investigated, prosecuted and adjudicated may as much be a reflection of the trends of corruption as of the human and financial capacities of the responsible anti-corruption bodies. Participants concurred that more accurate measures of corruption were needed not only to enable knowledge-based policy making in country, but also to support informed decision making on the disbursement of foreign aid, in particular assessing the effectiveness of governance related development cooperation.

Session 3: Corruption Monitoring Methodologies and Instruments: Public and Political Impact

27. The session was chaired by Mr. Alexander Stoyanov, CSD. Speakers were Ms. Ase Grodeland, Norwegian Institute of Urban and Regional Research (NIBR) , Professor Leslie Holmes, University of Melbourne, Mr. Anwar Shah, World Bank, and Mr. Jan van Dijk, UNICRI.

28. Ms. Grodeland, underscored that in order to understand corruption, there was a need for both qualitative and quantitative research, using a variety of instruments, such as surveys, in-depth interviews, and focus groups. Her organization had conducted corruption-related research for some while with a particular focus on corrupt networks within the public and private sectors, including among elected representatives, judges, political parties, and the business community. In particular, NIBR had conducted two research projects one examining the interaction between the general public and low-level government officials, and the other assessing the use of informal relations, contacts and networks. The first project examined the interaction between the general public and low-level government officials in four countries: the Czech Republic, Slovakia, Bulgaria and Ukraine. It did so by combining focus group discussions, in-depth interviews, nationally representative surveys with the general public (with booster samples in ethnic minority areas), and quota-based surveys with local government officials. The methodology and main findings from that project are presented in William L. Miller, Ase B. Grodeland and Tatyana Y. Koshechkina. *A Culture of Corruption? Coping with Government in Post-communist Europe* (Budapest: Central European University Press, 2001). The second project, which is a collaborative effort between the NIBR, the Centre for Social and Economic Strategies, Charles University/GfK-Prague (Czech Republic), Faculty of Police and Security Studies, University of Maribor/CATI (Slovenia), Vitosha Research (Bulgaria) and the Romanian Academic Society/Gallup (Romania), examines the use of informal relations, contacts and informal networks in party funding, lobbying, public procurement and the judiciary in four countries: the Czech Republic, Slovenia, Bulgaria and Romania. More specifically, the project raises the question of why EU anti-corruption conditionality and Council of Europe's anti-corruption efforts are only having a limited effect. Several reasons are given for this, the most important one

being a culture of informality which appears to be widespread in post-communist countries. In the context of both projects, in-depth interviews have proved helpful in obtaining a comprehensive overview of issues involved and as a basis for the identification of the research topics for the quantitative research, while focus groups helped to illustrate the nature and impact of corruption on the people concerned. Moreover, NIBR has started to use software packages allowing for the analysis of large qualitative datasets as well as the extraction of quantitative data from qualitative datasets. As far as the use of survey instruments is concerned, it has proven beneficial to structure the questionnaires in a way that the most sensitive questions are asked towards the end of the interview. It would also be advisable to avoid the use of terms requiring interpretation or a value judgment by the respondent, but to describe objective behaviors and facts. This helps to avoid that the cultural dimension of corruption and related phenomena overly influences the findings, and make an international comparison impossible.

29. Prof. Holmes highlighted the importance of not losing sight of the ultimate goal of all anti-corruption related work, including the measures of corruption. Corruption assessment instruments and approaches should bear in mind that the prevention and control of corruption were not an end in itself, but part of a larger strategy aimed at poverty reduction, enhancing the effectiveness of service delivery, and improving the impact of development aid. He also stressed that the measuring of corruption would remain incomplete if it did not capture the citizens' perceptions, as they were an indicator for the public's trust in the state and its institutions. At the same time, monitoring the levels of reported on corruption, was only to some extent a reliable indicator for increasing or declining trust. Low levels of reported crime could be equally influenced by the complexity of the reporting procedure or the level of education among the general public. Perceptions, therefore needed to be monitored as closely as experiences, despite their potential negative impact on foreign direct investment and development aid, as well as on the public confidence in democracy. He further stressed that it appeared as if corruption was on the rise in all societies. Thus, research should focus on the specific global causes for this development, such as globalization and a worldwide push towards ever greater liberalism.

30. Mr. Shah noted that as a prerequisite to any measurement of corruption, there was a need to understand the causes of corruption and to take stock of successful approaches to preventing and controlling corruption and the respective circumstances under which they had proven successful. Moreover, it had to be kept in mind, that Governments mostly are unwilling to reform themselves, which raises the question of how best to support citizens in this endeavor. Since corruption is not monolithic, assessments should aim at capturing all forms of corruption ranging from administrative corruption, to grand corruption, state capture as well as less obviously corrupt behaviors, such as patronage and clientelism. The initial conditions of a country matter greatly for the assessment and they differ significantly across countries. Based on the World Bank's country assessments, these include a weak rule of law, ineffective institutions of accountability, and national leaders who lack the commitment to prevent and control corruption. Significant contributing factors to corruption also include a lack of service orientation in the public sector, a malfunctioning of the democratic institutions, economic protectionisms, colonial heritage, weak bureaucratic controls, and decentralization of government.

31. Research suggests, that a significant decrease in corruption will lead to a 30% or more increase of user satisfaction in public service delivery. More specifically, the World Bank carried out in-depth analysis of its anti-corruption programmes under various conditions of governance with the following results:

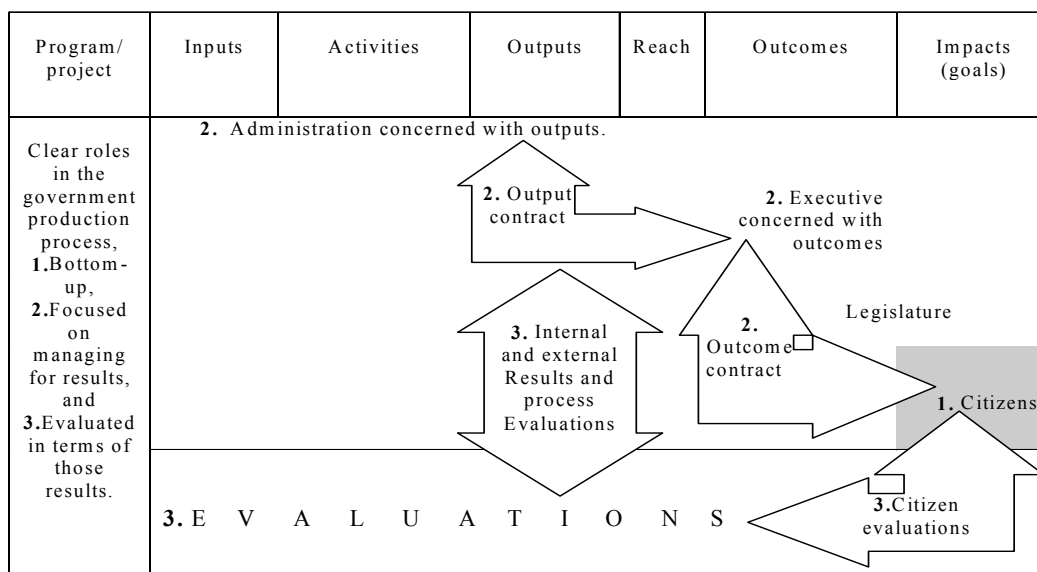
Anti-Corruption Programme	Level of Governance		
	Weak	Fair	Good
Public awareness raising	Not relevant	Low	Medium
Awareness raising of public officials	Not relevant	Low	Medium
Establishment of specialized anti-corruption bodies	Not relevant	Low	Medium
Establishment of an Ethics Office	Not relevant	Low	Medium
Increasing public sector salaries	Negligible	Low	Medium
Reducing wage compression	Negligible	Negligible	Negligible
Public opinion surveys	Low	Medium	High
Enhancing financial accountability	Low	Medium	High
Enhancing parliamentary Oversight	Low	Medium	High
Reducing public employment	Medium	Low	Low
Decentralisation	Medium	Low	Low
Enhancing Client Orientation in the Civil Service and Bureaucratic Culture	Medium	Medium	Low
Economic policy reform	High	Medium	Low
Media and Judicial Independence	High	Medium	Low
Strengthen the Rule of Law	High	Medium	Low

32. These findings suggest a “pecking order” of anti-corruption reforms based on the quality of the existing governance institutions and structures, as well as the prevailing levels of corruption.

Incidences of Corruption	Quality of Governance	Priorities for Anti-Corruption Reforms
High	Poor	Rule of Law, institutions of participation and accountability, limit government intervention, focus on core mandates of government and public sector
Medium	Fair	Decentralisation, economic policy reforms, result oriented management, incentives for competitive service delivery
Low	Good	Specialized anti-corruption bodies, strengthen financial management, raising public awareness, no-bribery pledges

33. Mr. Shah suggested that the quality of governance as well as the impact of anti-corruption reforms should be assessed with the help of “responsiveness tests”(is Government doing the right thing), “responsibility test”(Is Government doing it the right way), and an “accountability governance test” (Who is the boss). From such an assessment a roadmap for citizen centered governance emerges.

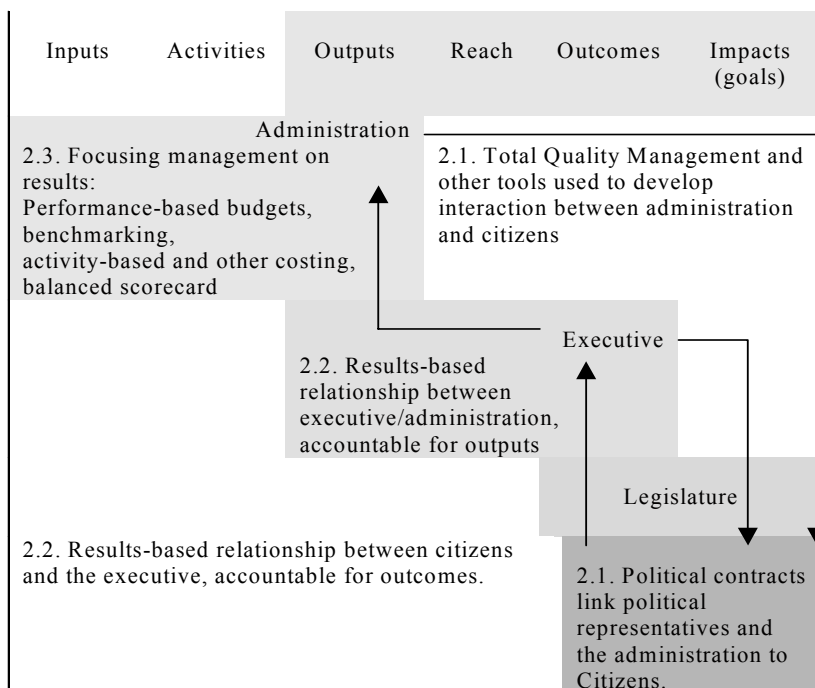
A ROADMAP FOR CITIZEN-CENTERED GOVERNANCE



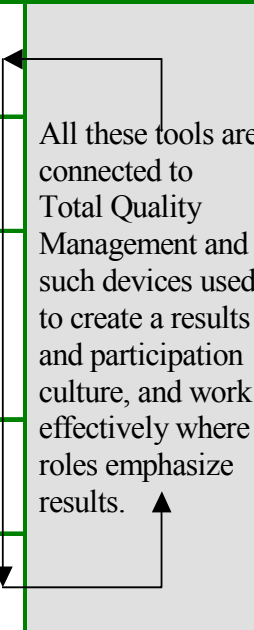
DEMAND-BASED RESULTS ORIENTED MANAGEMENT

Results-Oriented Management focuses on:

- 2.1. Creating social contracts that link political representatives and administrators to citizens,
- 2.2. Creating results-based relationships throughout government, and
- 2.3. Introducing necessary tools to focus management on results.



TOOLS FOR RESULTS ORIENTED MANAGEMENT

Question for results-oriented management	Management tool	The entire process driven by a citizen focus:
Contract information—what is the final product we must produce and what do we receive to produce such product?	Performance-based budget	 <p>All these tools are connected to Total Quality Management and such devices used to create a results and participation culture, and work effectively where roles emphasize results.</p>
How do we know how we are doing in terms of the contract, and in terms of other producers from whom we can learn?	Benchmarking	
How much does it cost to produce such product (the complete cost)? How can we produce the product better so we can be sure of meeting and exceeding our contract obligation and receiving rewards?	Activity-Based Costing (and others)	
How do we report our results?	Full reporting using accrual accounting	
How do we manage the new reporting, production, and contract obligations we have, as well as run a citizen friendly administration?	Balanced Scorecard	

34. In conclusion he listed a series of essential components of the citizen centered governance approach, including the development and dissemination of a citizen charter, the establishment of service standards for the public sector, and the introduction of measures giving citizens a voice and choice. Moreover, there should be strict adherence to the principle of subsidiarity for the delivery of basic services to the public, leaving only those areas of service delivery to the public sector that the private sector would not be in a position to provide more or equally effectively (Normally the term is used differently, so I am not sure whether we interpret Mr. Shah correctly in this context - **Subsidiarity** is the idea that matters should be handled by the lowest competent authority. The [Oxford English Dictionary](#) defines subsidiarity as the idea that a central authority should have a subsidiary function, performing only those tasks which cannot be performed effectively at a more immediate or local level. The concept is applicable in the fields of [government](#), [political science](#), [cybernetics](#), and the [management](#) of large organizations. Subsidiarity is, ideally or in principle, one of the features of [federalism](#)). As far as citizen-oriented output budgeting was concerned, he emphasized the need to determine budgetary allocations by intended outputs and related costs and ensure an effective feed-back mechanism for citizen to evaluate the quality of service delivery, as well as regular benchmarking of performance.

35. Mr. Van Dijk focused on the question of who should be measuring levels, trends, nature and causes of corruption with a view of providing the Conference of States Parties of the UN Convention against Corruption with the necessary data and analysis enabling knowledge-based planning and benchmarking of performance. He noted that the collection of primary data and information through intergovernmental mechanisms at a global level had so far only been established where the respective issue had been recognized as a major global threat, e.g. weapons of mass destruction, terrorism and the like. He found it unlikely that the Conference of States Parties would evaluate corruption in that same way. Thus, primary data collection would more realistically be conducted by independent institutions and eventually provided to the Conference

of States Parties as an input. The immediate impact may be limited since the data would not be integral part of the follow-up mechanism to the UNCAC, however at the same time it would have greater credibility, because of the independent position of the entity collecting and analyzing data.

36. While participants agreed with the assessment of Mr. Van Dijk, that the Conference of State Parties may not decide to engage in primary data collection, it was felt premature to rule out any option before the Conference of State Parties had not been established and had a chance to discuss the issue. Moreover, it was raised that the High Level Panel on Threats, Challenges and Change² and the Secretary General's Report "In larger freedom: towards developments, security and human rights for all"³, both had identified transnational organized crime and corruption as major threats to development, security and the rule of law, which may sign a shift in attitude at the international level towards these phenomena.

Session 4: Emerging Basic Parameters for the Measuring and Monitoring of Corruption and Anti-Corruption

37. The session was chaired by Mr. Oliver Stolpe (UNODC). Speakers were Mr. Alexander Stoyanov, CSD and Mr. Jens Andvig, Norwegian Institute of International Affairs (NUPI).

38. Mr. Andvig noted that when designing a measuring mechanism as well when using the results of such mechanisms, one should always bear in mind their intrinsic limitations. These could be summarized essentially into three categories: (1) the availability or lack of information concerning the phenomenon to be measured, e.g. lack of accurate information about the extent of corruption as well as the functioning of anti-corruption laws and measures; (2) the interests and incentives of the monitoring agents; (3) the reaction of the corrupt agents to the results of monitoring and follow-up action. The latter evidences an inherent contradiction of monitoring and measuring as a policy feed-back mechanism. He illustrated this aspect focusing on the bribery of foreign public officials and corruption in development cooperation. In the case of the sanctioning of bribery of foreign public officials, countries as well as companies face an information deficit concerning the behaviour of their peers. There is the tendency to believe that the "others" will not comply and continue to allow their companies/ their employees to use corruption as a means of doing business. As a consequence the concerned country or company may decide not to effectively comply with its international obligations or the relevant national laws. This in turn would most certainly impact on the reliability of data provided concerning their compliance. In the case of corruption in the context of development cooperation, it may be the same institutions or entities that are involved in measuring corruption that are also major providers of technical assistance. The same is true for non-governmental agents, since they may rely for their funding directly on countries and institutions that they are supposed to monitor.

39. Moreover, he pointed out some of the weaknesses of existing composite indices, such as those produced by Transparency International and the World Bank. These indices produce a simple ranking, and therefore might be considered useful to evaluate the overall performance of countries in the fight against corruption. If linked to the provision of development assistance, they may provide an additional incentive for governments to improve their performance in the area of anti-corruption. The fact that these indicators are composed of so many sub-indicators, might be considered a bonus, since the country under evaluation will not be able to manipulate the outcome. On the other hand, such over-simplified indicators provide no direct link between the performance of the Government and the corruption situation within the country. Hence, they do not give any guidance on what is needed in order to address the situation. At the same time,

² A/59/565

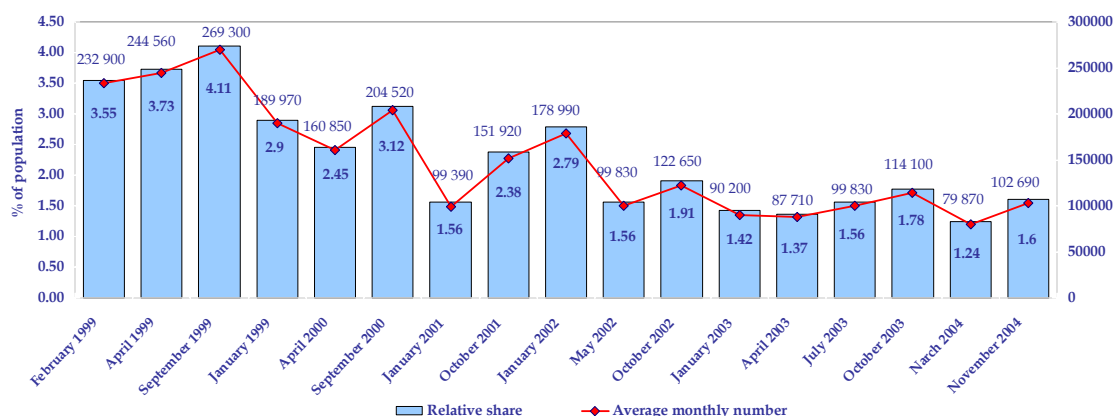
³ A/59/2005

since these indicators are largely based on perceptions, they may easily show worsening corruption regardless of the government's efforts.

40. He also noted that there was a need to disaggregate corruption related data, in order to allow for the identification of possible interactions, e.g. while the controls on domestic corruption become more effective, there may be a shift towards corrupt practices in relation to international development aid. Corruption is an adaptive phenomenon, therefore, any measuring mechanism must take into account that potential offenders will explore new opportunities, as preventive and repressive controls close existing loopholes.

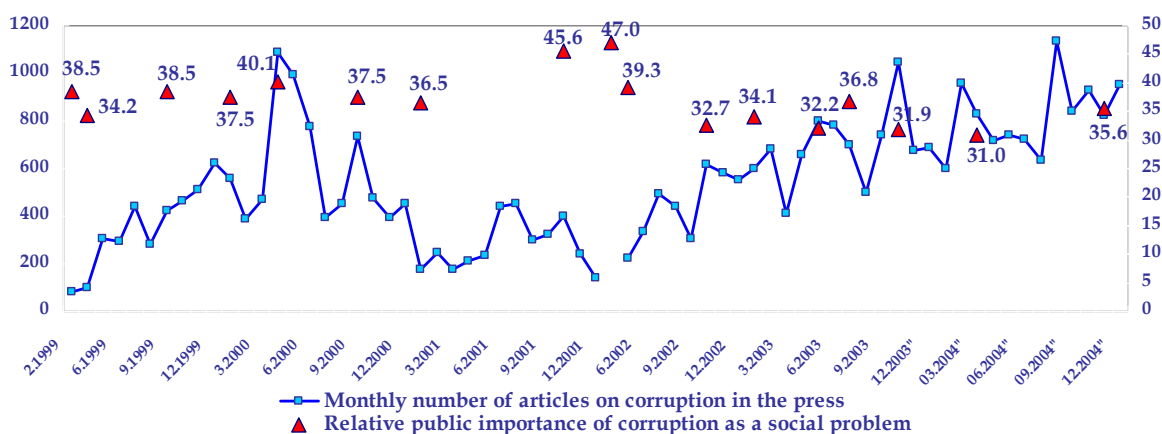
41. Mr. Stoyanov presented the experience of the Center for the Study of Democracy in measuring corruption in Bulgaria and six other countries in the region. In general, over the recent years, low-level public sector corruption involving ordinary citizens has been on the decline, while mid-level corruption mostly occurring at the interface between the public sector and the corporate world has been on the increase.

*Levels of Corruption Victimization in Bulgaria
(% of the population and number of cases)*



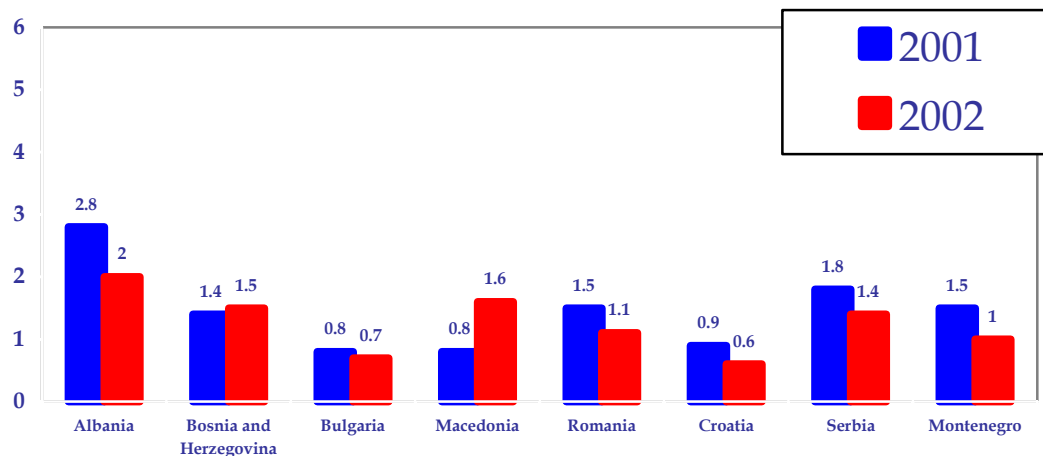
42. One of the most interesting findings of the CSD's measurement is the linkage – or rather the lack of it – between media exposure of corruption and public perception of corruption. Over a five year period, results show no correlation between the number of media reports on corruption and the perception of the public as to its spread.

Media Coverage of Corruption and Perceived Relative Importance of Corruption: Bulgaria



43. Surveys in Bulgaria and the other South Eastern European countries, carried out under the framework of the Southeast European Legal Development Initiative (www.seldi.net) also show little correlation between personal experiences of corruption and perceptions. Over time, the most significant change has been in a decreased acceptance of bribery as an effective tool for achieving personal objectives, and a lower susceptibility of citizens to rent seeking from public officials. This finding points to the particular effectiveness of preventive anti-corruption measures implemented by civil society.

*Level Corruption Victimization (involvement in corruption practices):
Indexes for South East Europe 2001 and 2002*



44. CSD's measurement also shows the importance of local "ownership" of anti-corruption policies. There is little buy-in by citizens if measures are perceived as imposed on the country from outside. Against this background, international corruption measurement and rankings need to consider differences among countries and apply criteria which allow for a more structured approach to corruption rankings. In this context, Mr. Stoyanov invited the participants to contribute to the development of a framework for corruption monitoring and measurement, including assessment instruments and methodologies, as a follow up to the workshop which could inform future decision making by the Conference of States Parties.

45. In the following discussion participants focused in particular on the somewhat surprising phenomenon of the lacking relation between the number of media reports and the public's perception of corruption. It was raised that other research had shown that people normally build their opinions based on essentially two sources, friends and the media. One possible explanation for the lacking correlation, was that the number of media reports could not be dealt with as an absolute, but had to be seen in relation with other events and the respective media coverage during that time.

46. Following the presentation, the Chair highlighted the main points which had emerged from the workshop.

- There was a need to clearly distinguish between the measuring of the extent, nature, causes and costs of corruption through objective and subjective indicators on the one hand, and the monitoring of compliance of countries with international legal instruments on the other hand, the two processes should be viewed as complementing each other.
- Each international legal instrument requires its own monitoring system. Existing monitoring mechanism can only serve as point of reference and provide lessons; this is particularly true for the UN Convention against Corruption.
- Limiting the monitoring to specific thematic areas and organizing the monitoring in phases rather than carrying out an overall review of the status of implementation has

proven a valid approach adopted by both, the GRECO as well as the OECD Working Group. Moreover, on-site visits have proven particularly effective in complementing questionnaire-based surveys, as they provide an opportunity to review the law-in-action.

- As there is an increasing monitoring fatigue, in particular among those States that are party to several international legal instruments in the area of corruption and related phenomena, the monitoring mechanisms need to be coordinated as much as possible.
- Measuring instruments should not be limited to exploring the extent of corruption in general, but should allow for institution and sector specific assessments.
- Rather than attempting to assess the extent of corruption as such, measuring tools should focus on exploring the scope of certain types of corrupt behaviors, as they are described by international legal instruments, including the UN Convention against Corruption.
- While comparability across countries and regions is important, measurement tools need to be flexible to account for local context and domestic needs.
- Comprehensive and accurate measurement requires an appropriate combination of qualitative and quantitative instruments.
- In order to achieve the ultimate goal of reducing corruption, measuring should be combined with concrete technical cooperation programmes for assisting States in the prevention and control of corruption, so as to minimize the incentives for countries to stay away or circumvent the measuring and monitoring mechanisms.

47. Mr. Dimitri Vlassis, UNODC, outlined some of the basic parameters for the measuring and monitoring of corruption and anti-corruption which had emerged from the discussion.

- While, the UNCAC does not contain a **definition of corruption** as such, it describes the phenomenon in its various manifestation, and hereby provides the conceptual framework which should guide the development of future monitoring/measuring mechanism. Adopting the Convention as the basic framework would ensure, that unlike in the past, measuring results would be of direct use for policy development.
- Monitoring should initially remain **moderate and focused in scope and objectives**. One option would be to start with the monitoring and measuring of corruption as described by the mandatory offences contained in the UNCAC.
- Monitoring and measuring mechanisms need to be tailored towards the needs of their respective **constituency**. Depending on its target group – policy makers, general public, etc – monitoring/measuring should bear in mind of the limitations of the mechanism and the eventual impact of these limitations on the respective audience.
- Monitoring and measuring mechanisms need to ensure **objectivity**. The design of the monitoring/measuring should avoid leading questions, value judgments and avoid ambiguity. This is particularly important on global scale where the methodology should be as context neutral as possible.
- Monitoring and measuring mechanism must be **simple** in design and application, so as to allow reliable data collection also in environments with low local capacity, in particular in developing countries.
- Monitoring and measuring mechanism must strike a balance between the need for the reliable **data sources** and the **cost** of data collection. However, related costs should not be allowed to undermine accuracy. .
- **Technical assistance** should be factored into the monitoring/measuring system. Technical assistance is emphasized by both the TOC and UNCAC and its role should also

apply in the field of monitoring. This would reassure governments that the monitoring and measuring exercises is intended to contribute to the development of effective anti-corruption policies and institutions and capacity building rather than evidencing non-compliance with treaty obligations.

- Monitoring and measuring exercises must be conducted **periodically** to allow for determining progress over time, the identification of good practices and the re-adjustment of anti-corruption policies and measures as required.
- For the same reasons, monitoring and measuring instruments must ensure **comparability** of results across time and space.
- Any monitoring/measuring system must have sufficient **legitimacy**, both in political and substantive terms.
- Monitoring and measuring mechanisms must provide for concrete **recommendations** for improvements, including **guidance for their implementation**.
- Monitoring and measuring mechanisms must, to the extent possible, seek to **avoid duplication**, without, at the same time putting at risk the legitimacy of the exercise. E.g. countries who have not been involved in the design, implementation and review of existing monitoring exercises, may not be ready to accept the respective results within the context of the monitoring of the UNCAC.
- Monitoring and measuring mechanisms must be financially and politically **sustainable**.

48. Participants concurred that, as a next step, it would be useful to prepare a collection of monitoring and measuring options, methodologies and related instruments for the information and consideration by the Conference of State Parties. It was also suggested, as a next step to bring together practitioners and those engaged in the measuring of corruption to determine the objectives of monitoring procedures and elaborate concrete suggestions for how the monitoring should be conducted.

Corruption Monitoring Workshop

Sofia, June 17-18, 2005

Agenda

June 17, 2005, Friday

Session 1 ***The Role of Monitoring in International Anti-Corruption Policies***

(16:30-18:30)*

Moderator: Boyko Todorov - CSD

Opening : *Ognian Shentov - CSD*
 Dimitri Vlassis – UNODC

Panelists:

Wolfgang Rau – GRECO, Council of Europe

Patrick Moulette - OECD

Dennis de Jong – MFA, Netherlands

Discussion

- Who should monitor, who should participate
- Existing Monitoring Mechanisms, what they monitor – adoption of laws and procedures, their implementation and impact
- Coordination of new with existing monitoring mechanisms
- Methodologies, Strategies, and Organisation of Monitoring
- Costs and required capacities
- Monitoring and Measuring

June 18, 2005, Saturday

Session 2 (9:30-11:00) ***Corruption Monitoring Methodologies and Instruments: Comparative Review***

Moderator: Professor Leslie Holmes, University of Melbourne

Panelists:

Robin Hodess – Transparency International

Nick Duncan - TIRI

Anna Alvazzi Del Frate – UNODC

Discussion

- What to Measure in general:
 - Corruption, Governance, Integrity
 - Definition of Corruption
 - Frequency, Prevalence, Locations, Severity, Impact, etc.
- How to measure:
 - Direct vs. indirect indicators
 - Subjective vs. objective indicators
 - Experience-based vs. perception based
 - Composite indices in particular
- Cost and Complexity of Measuring Tools
- Ranking and Alternatives – in particular referencing to the level of development

Session 3 (11:30-13:30) ***Corruption Monitoring Methodologies and Instruments: Public and Political Impact***

Moderator: Alexander Stoyanov - CSD

Panelists:

Ase Grodeland - NIBR

Professor Leslie Holmes - University of Melbourne

Anwar Shah – World Bank

Jan Van Dijk – UNICRI

Discussion

- Use of Results
 - Developing strategies
 - Monitoring progress
 - Identifying needs for technical assistance
 - Designing TA programmes
- Awareness Raising vs. the value of bad reputation
- Public Empowerment

Session 4 (14:30-16:30) ***Emerging Basic Parameters for the Measuring and Monitoring of Corruption and Anti-Corruption***

Moderator: Oliver Stolpe - UNODC

Panelists:

Jens Andvig - NUI

Alexander Stoyanov - CSD

Discussion

ANNEX 2

UNODC Corruption Monitoring Workshop

June 17-18, 2005

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