

Anti-corruption strategies in development cooperation



Foreword

The objective of the *Methods Development Unit* is to contribute to enhancing and strengthening the quality of Sida's development work. The Unit supports the line organisation in developing and applying approaches and methods, for example

- approaches for capacity development,
- transition from a project approach to a programme approach,
- introduction of a rating system,
- efforts to combat corruption,
- etc.


The Unit's main tasks include ensuring that Sida's handbook, "Sida at Work", is kept up to date and is understood by all members of staff. Thus "Sida at Work" forms the framework of the Unit's activities.

Learning processes and exchanges of experience are essential. This series of "Working Papers" is a contribution to Sida's learning. The Papers are often produced as part of Sida's work on specific methodology issues. The study has been conducted by Joakim Anger.

The views and conclusions of the Working Papers do not necessarily coincide with those of Sida.

The report contains a brief discussion of different perspectives of corruption. It provides information about anti-corruption strategies and analytical tools of various donor and multilateral organisations and it contains a discussion of a number of important issues relating to the work of combating corruption in development cooperation

Hopefully, the Working Papers will stimulate reflection and discussion.


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Executive Summary

Aim and focus of the study

During recent years an increasing number of donors and other organisations working in the international development cooperation sector have drawn up policies and strategies to combat corruption in developing countries. This work has mainly had two motives. On the one hand, it has focused on producing methods to prevent corruption in the project/programme administration of development cooperation funds. On the other hand, combating corruption has been justified on the grounds that it is necessary in order to make economic growth and social development possible, thereby reducing poverty. Hitherto Sida has mainly worked with the former perspective.

The aim of this study is to provide a broad overview of the approaches and methods used by other international donors/organisations in order to combat corruption in developing countries. The assignment includes making a survey of policies, strategies, action plans and different analytical tools, as well as making a comparative analysis of the main content of the different documents. In accordance with the terms of reference for the assignment, the following organisations have been included in the study: World Bank, UNDP, EU, NORAD, DFID, OECD and Transparency International (TI). The assignment was performed by Joakim Anger of the Institute of Public Management during the autumn of 2003.

It is worth noting that the report is in fact a summary of the thoughts and actions of the various organisations when trying to combat corruption. The organisations' approaches and main working methods are summarised in Appendix 1. This part of the report provides some examples of observations and reflections that can be of significance in Sida's future work on the issue.

Corruption stands in the way of development

Corruption exists in all countries, regardless of whether they are developed or not. In all countries there are varying degrees of petty corruption or "greasing the palm", for example additional fees given to doctors nurses and teachers, bribes given to the police and courts, as well as extra fees given to the authorities that issue different types of licences. There are also varying degrees of large-scale corruption or "grand corruption",

for example when politicians and senior civil servants steal funds from the public treasury, rig procurements, and buy votes in connection with general elections.

Several of the organisations that have been studied have emphasised that corruption is one of the most important reasons for the lack of development and for poverty. According to an analysis made by the World Bank, corruption is also considered to be the single most important obstacle to economic growth and social development. Most of the organisations included in the study were of the opinion that combating corruption is an absolutely essential component in the struggle against poverty.

Corruption – a challenge to development cooperation

All donors studied agree that corruption affects all sectors in development cooperation. Therefore corruption has a negative effect on health, education, infrastructure, the business climate, democracy and public institutions. Corruption thus constitutes a challenge to the very foundations of development cooperation. Corruption undermines development cooperation contributions and thereby the possibility of achieving stated goals. In turn, this creates the risk that the preparedness of tax-payers to support development cooperation will be negatively affected.

Given the general trend in development cooperation in which an increasing amount of resources are being channelled to developing countries in the form of sector programme support or budget support, it will be increasingly difficult for individual donors to monitor and follow up what happens to their resources. NORAD, DFID and the World Bank have drawn special attention to this situation and have demanded that partner countries are able to show, in a credible way, that they are working to combat corruption in society, and that this is being done in their Poverty Reduction Strategies, Comprehensive Development Framework.

Rich countries contribute to corruption in developing countries

The large amounts of financial resources that make grand corruption possible in developing countries often come from more highly developed countries. Moreover, it is often possible to find public assets that have been stolen from the poor countries in banks in the more highly developed countries. Some of the organisations studied (particularly OECD, DFID and Transparency International) have chosen to work in different ways to stop the *supply side* of corruption, for example by trying to prevent companies that do business in developing countries from using bribes in connection with procurements.

Explicit interventions to combat corruption have now been in place for more than five years and it is quite obvious that this is a relatively new working field for the donor organisations. The donor community is constantly seeking more effective methods in this field. Policies and strategies that are three or four years old are now on the way to be re-evaluated. However, there are still no specific models for ways in which effective anti-corruption programmes can be implemented. In particular, there are not many evaluations of ways in which development cooperation contributions have affected the level of corruption in developing countries. Nor is there any specific evidence that development cooperation contributions can be a

particularly effective instrument against corruption. Even development cooperation funds that are the subject of strict controls make other financial assets in the economy available (for example domestic tax revenues), and it can be difficult or impossible to monitor and follow up the use of these funds. The donor organisations have still to make a critical analysis of the ways in which they themselves contribute to corruption in developing countries. Corruption in developing countries is just as much a matter that concerns countries that provide support as the countries that receive it. DFID is the organisation that has most clearly chosen a broad approach. It works with the issue at home (for example through British legislation on corruption) and in developing countries.

Practicable methods to combat corruption?

During recent years the donor organisations have emphasised that there are no simple patent solutions that others can copy. Instead strategies to combat corruption should be tailor-made to meet the level of corruption in the country concerned, the symptoms of the corruption, and expectations of ways in which forms of corruption can change in the near future. There are no simple solutions to the problem of corruption but several donor organisations have nonetheless reached agreement that certain conditions must be in place if combating corruption is to be possible at all. There must, for example, be a genuine political determination to combat corruption in the recipient country, a broad anti-corruption strategy that covers most of the public administration, an active civil society, and a free press that can keep a strict watch on the public sector, as well as flexibility in the ways in which interventions to combat corruption should be started (entry points).

During recent years, several organisations have chosen to integrate the corruption perspective in programme and project support in all sectors of development cooperation. Experience gained by NORAD, DFID and the World Bank shows that the organisation must allocate considerable resources to make it possible to integrate the issues in practice. There should, for example, be an autonomous group in the organisation that has the specific mandate and political support to pursue the issues, both inside and outside the donor organisation. The group should have a strategy that covers several years and contains a work plan with specific and measurable goals, as well as its own budget.

Corruption – a global problem that affects everyone

Corruption – and its consequences is one of the critical issues of our time. The issue transcends national borders and can neither be handled within the framework of the nation state nor merely within the framework development cooperation. The causes and consequences of corruption constitute a genuine global problem that affects all countries, regardless of their degree of development. In order to give developing countries a realistic opportunity to combat the causes of corruption, it is also necessary to take action against the countries in the rich world that make corruption possible. An approach of this type necessitates cooperation and coordination of a number of different stakeholders and interested parties in society.

1. Introduction

1.1 The background and aim of the study

During the last five years, an increasing number of organisations working in the international development cooperation sector have drawn up specific policies and strategies to combat corruption in developing countries. In this connection, the donor community has stated that a greater degree of harmonisation and coordination of anti-corruption programmes is necessary. Sida has therefore decided to establish its position in this matter.

As a contribution to this process, Sida has commissioned a comprehensive survey of the approaches and methods used by a number of organisations to combat corruption in developing countries. The aim of the survey is that it should function as a tool in Sida's future work on corruption. The assignment has been performed within the framework of the project "Action against corruption" organised by Sida's Methods Development Unit.

The project "Action against corruption" has mainly worked on producing methods to prevent corruption in connection with the administration of Sida projects, i.e. that development cooperation funds are used for their intended purposes and that they are not misused. In 2003, Sida published a guide on the ways in which Sida's staff should act in cases when they suspect corruption in projects.¹ Also in other development cooperation contexts, where the terms "corruption" or "combating corruption" are used, they are often associated with one of the projects or organisations supported by Sida. This report has a different perspective. The aim of the study is principally to describe the ways in which a number of international organisations work to combat poverty in the partner countries in which they are active.

The assignment included making a survey of policies, strategies, action plans and various analytical tools, and making a comparative analysis of the main content in the various documents.² Given the broad focus of the project and the extensive amount of material on the subject, the consultant has discussed the aim and organisation of the study on three occasions with participants in Sida's group for "Action against Corruption".

¹ See Sida's anti-corruption rules and Sida's "Acting on suspicions of corruption – a guide".

² See Terms of Reference for the assignment

With the aim of making the report as useful as possible, the consultant, in consultation with representatives of the project group, has also chosen to include a brief description of the ways in which different donors have organised their work and a description of a number of strategic issues that are important to take into consideration in Sida's future work.

In accordance with the terms of reference for the project, the following organisations have been included in the study: NORAD, DFID, World Bank, EU, UNDP, OECD/DAC and Transparency International (TI).

The assignment was performed by Joakim Anger of the Institute of Public Management during a period of five weeks in September and October 2003.

1.2 Methods used

The study has mainly been based on information that is available on the Internet.³ In order to ensure the status and validity of the documents, the consultant has had telephone or e-mail contact with programme officers (or equivalent) in the organisations listed in the terms of reference. This has made it possible to obtain up-to-date information on the organisations' latest initiatives and the ways in which they organise their activities today.

Under the terms of reference, the assignment includes making a survey of policies, strategies, action plans and other analytical tools. However, the meaning of these terms or concepts is somewhat unclear and sometimes they overlap each other.⁴ There is also a lack of consensus among the donors on the content of the concepts. This has the effect that some action plans and policies should, in fact, be referred to as strategies, and that some strategies should be called action plans etc.

In the light of this conceptual confusion, the information obtained from the donors has been arranged instead under the following headings:

Points of departure of the strategies

- The main reason why the organisation has chosen to work with the matter
- Views on corruption, development and poverty

The main content of the strategies

- Basic objectives
- Overall description of the different types of projects that are being run, implemented and/or planned in different fields and how they have been motivated.

³ There is a considerable amount of information on the Internet. For example, a search for "Corruption and development cooperation" gave 375 000 hits. The word "corruption" gave 3 million hits. See references for a presentation of the most important websites that have been visited in connection with the implementation of the study.

⁴ Generally speaking the concepts express, with varying degrees of concreteness, what one thinks and wants to do in a particular issue. In the report I have chosen to define the concepts in the following way: position (should one do something in a particular situation and, if so, what?), policy (what one wants to achieve in a particular issue), strategy (how shall the objectives be achieved?), and action plan (what concrete activities shall be implemented and how should the work be organised in order to achieve results?). In addition to this there is the question of which analytical instruments and other tools one should use to implement the strategy.

Methods for implementation

- Principles for making the anti-corruption policy operational
- Types of concrete activities that are proposed in connection with action plans
- Descriptions of instruments and methods that measure the degree of corruption
- Manuals and so-called “toolkits” for the implementation of anti-corruption projects.

Organisation and resources

- Brief description of the ways in which donors have chosen to organise their anti-corruption activities and the resources that are available for these activities.

Information on how donors have chosen to organise their activities can provide an indication and sometimes a fairer picture of the ways in which donor organisations give priority to the matter in practical terms, beyond the ambitions and objectives that are described in policies, strategies and other documents.

It should be pointed out that the organisations are not completely comparable. They can be divided into four groups: *bilateral donor organisations* (NORAD and DFID), *multilateral donor organisations and lending institutions* (EU, World Bank and UNDP), *intergovernmental coordinatory organisations* (OECD/DAC) and an *opinion-shaping international organisation* (Transparency International).⁵

It is hoped that the report will function as reference material and a source of inspiration for Sida’s future work on developing its position on corruption and for a possible policy or strategy to combat corruption.

1.3 Constraints

The report is not a complete survey of what the donor community regards as combating corruption. In the study, extensive and wordy descriptions of policies and strategies have been firmly summarised. Some influential organisations have not been included at all in the study.⁶ Persons who wish to study the issues in detail are recommended to go further to the references, documents and websites mentioned in the text.

The perspective used in the study is not to provide an account of *what* the various donors are doing to combat corruption, but *how* they are doing it. In other words the intention is to give prominence to different aspects of the ways in which a policy or a strategy has been drawn up, i.e. the donor organisations’ points of departure for their policies and strate-

⁵ For Sida all the organisations in the Terms of Reference are important. However, it should be borne in mind that the organisations have different mandates and roles in development cooperation

⁶ These include “Global Programme Against Corruption” (CPAC) which is pursued within the framework of the UN’s “Office on Drugs and Crime” (UNODC). In this programme the UN has produced a UN anti-corruption policy. (see www.unodc.org/unodc/corruption.html). Other important multilateral organisations are the Department of Economic and Social Affairs www.un.org/esa and particularly www.unpan.org/dpepa-gpab-ethics.asp. Further important organisations are IGEC at Interpol www.interpol.org and the Council of Europe /GRECO www.greco.coe.int. Among the bilateral organisations Finland, Germany (GTZ) and the Netherlands, for example, have produced anti-corruption strategies.

gies, how the policy or strategy has been organised, and to analyse the aspects that have been given particular emphasis in the strategy.⁷

The report takes up the policies, strategies and action plans, and analytical tools of each individual donor. Primarily, the report takes up matters that relate to the donor organisations' efforts to combat corruption in developing countries. Most donor organisations have also developed methods to prevent corruption in their projects. In the report these methods are only described if they are included as a component in the broad anti-corruption strategy.⁸ (See chapter 2.7 for various reasons for combating corruption.)

Combating corruption in society covers far more sectors than development cooperation. A number of policies and strategies relating to corruption thus focus on, for example, solving problems relating to organised crime, preventing bribes in international trade, preventing money laundering, the financing of international terrorism, and exposing illegal financial transactions. These policies and conventions overlap and often exert an influence on the strategies that have been developed in international development cooperation.

Several of the organisations studied, for example EU, OECD, Transparency International and DFID, work with the issue in other ways than that traditionally regarded as development cooperation. These organisations regard combating corruption as a "global issue" in which all countries, regardless of their level of development, exert an influence on and are influenced by the causes and consequences of corruption. Therefore, it is not particularly meaningful to make a distinction between anti-corruption work inside and outside the framework of development cooperation. Thus there is no clear borderline of this type in the report.

1.4 Organisation of the report

The report is in three sections. The first section contains a brief discussion of different perspectives of corruption. Thereafter, an account is provided of the policies and strategies, action plans and organisation of the various organisations. This information has been summarised in tabular form, in Appendix 1. The final section contains a discussion of a number of important issues relating to the work of combating corruption in development cooperation.

⁷ It is possible to read about what is actually being done in action plans and project documents.

2. Introductory discussion of corruption

Etymologically the word corruption originates from the Latin “corruptus” which means something that is broken. There is no uniform definition of corruption. One common definition of the concept is “abuse of a position of trust for private gain”. Corruption can also be expressed as a lack of loyalty to the community at large.⁹

Among the organisations studied corruption, is defined in a similar way. The variations mostly consist of the persons who should be covered by the definition. Some of the organisations studied have mainly chosen to include public sector employees in their definitions (World Bank and EU), while other donors have a broader interpretation in which private persons and employees of companies and organisations are also covered by the definition (Transparency International and OECD). NORAD emphasises the interaction between the public and private sectors (see further below).

It is important to make a distinction between corruption from a *legal* perspective and a *socio-economic/moral* perspective. In the first case, corruption is a criminal offence that mainly occurs in connection with bribery. The crime is regulated in the national criminal code. In the second perspective, corruption has a much broader meaning.¹⁰ The meaning is thus less specific but is broadly regarded as a type of behaviour that does not correspond well with general perceptions of good governance, accountability, ethics, integrity, transparency, tradition and the honour of public officials.

In the international debate, among donor organisations and in this report, corruption is not merely considered from the legal perspective. It is also regarded as a social problem with significant negative socio-economic consequences.

2.1 Corruption – a social trap

Corruption is not a new phenomenon in society. Corruption has existed as long as there have been individuals who have chosen to appropriate

⁸ In this field Sida has produced a guide on the actions that should be taken by Sida staff when there are suspicions of corruption. Sida/Metod (2003). It has also drawn up guidelines on Sida's assignment to promote good administrative practices and to counteract corruption. Sida/Policy (1997). Both documents are available in English.

⁹ These definitions correspond in essentials with those used by the UN and other organisations.

¹⁰ The distinction is important since the law must be unambiguous and exact.

advantages for themselves at the expense of the common good. A lack of loyalty to the community at large can be expressed in the form of bribes, thefts of government property, fraud, extortion, giving favours (particularly jobs) to friends etc.

According to social science theory, these expressions of corruption can be regarded as a collective action problem or a *social trap*.¹¹ From the perspective of the individual (both the citizen and the civil servant), it is often rational to give oneself or one's family different types of advantages. However, individual rationality of this type (maximising utility) often involves a *collective irrationality*.¹² The social trap is characterised by a situation in which everyone would gain by cooperating – provided that “everyone else” cooperates. If one cannot rely on the cooperation of others, it can be rational for the individual not to cooperate. If, for example, there is a general feeling that all, or most, civil servants accept bribes, it is utterly meaningless to be the only civil servant who does not do it.

If this way of thinking and acting becomes the norm in society, society is stuck in a social trap, according to the theory of games. When the trap has closed, it can be extremely difficult for a society to extract itself from it. From this perspective, it is not particularly difficult to explain the existence of corruption.¹³ Instead, the central issue (and puzzle) is how it is possible that loyalty to the community at large can actually come into being – in certain societies and in certain situations.

In social science literature, researchers mainly talk of three different ways of escaping from the social trap.

- *strengthening control functions* (for example audit offices, media, effective tax collection, ombudsman institutions, accountability, free and independent press, active civil society, political opposition, regular general elections, efficient legal system, rule of law),
- *changing the incentive structure* (for example fair and qualifications-based public sector appointments, easily accessible information and openness, possibility of living on politicians' and civil servants' pay, capacity of political institutions to provide basic social services/welfare such as health and medical care, education).
- *strengthening the morals and ethics* of politicians, civil servants, representatives of trade and industry and citizens (for example through training in appropriate conduct and civic virtues).

It is, in principle, these three instruments that donors and other organisations work with in different ways when drawing up policies and strategies to combat corruption in developing countries.¹⁴

¹¹ In the literature this is often referred to as a “collective action problem”.

¹² The social trap, which can arise when persons, individually, behave rationally, is in fact a fundamental criticism of the perception that rational individuals, without coordination, can find the way to social situations that are positive for everybody.

¹³ The social trap has also been called the prisoners' dilemma and the tragedy of the commons. According to game theory this situation is an extremely robust state of equilibrium, an inevitable state of affairs unless one tries to influence the situation. For a discussion on individual vis-à-vis collective rationality, see, for example, Mancur Olsen “The logic of collective action” (1965)

¹⁴ The three methods (stick, carrot and sermon) are universal and can be translated into all situations where someone wants to influence others.

If these instruments are to be effective, it is essential that those who “govern” practise (or at least are perceived as practising) what they preach. It is only then that it will be possible for *social capital* to be spread in society, i.e. that persons who do not have a personal relationship with each other can nonetheless feel a certain degree of confidence and trust in each other.¹⁵ A certain degree of trust in society (between citizens, citizens’ trust in politics and institutions, and politicians’ trust in the citizens) is, in fact, essential in order to avoid falling once again into the social trap.

2.2 Corruption and development cooperation – a brief background

Since corruption is both a symptom and a cause of the poor functioning of institutions in society, it was sensitive for a long time to bring the matter up. Corruption was considered to belong to a country’s internal affairs. However, during the last ten years, considerable changes have taken place where knowledge of the causes and effects of corruption is concerned. Today, the question of the ways in which corruption stands in the way of economic, social and political development can be openly discussed and debated. The open social climate has resulted in the emergence of new solutions to the problem.

In the 1970s and 1980s, little was said about corruption in development cooperation, even if there was an awareness that corruption was common in developing countries. There were many different reasons for this. It could, for example, be a case of reluctance on the part of donors to end up in a situation of conflict with recipient countries, or that corruption was more or less regarded as a natural state of affairs that was difficult or impossible to exert an influence on. Furthermore, many argued that, although some of the support ended up in the wrong pockets, it was better to support a country than not. Sometimes, decisions on bilateral support have been based more on ideological and strategic considerations on the part of the donor rather than what could best promote development in the recipient country.

After the end of the Cold war, the ideological motives for providing support have been played down. Instead today, the donor organisations have increasing demands placed on them at home that funds provided for development cooperation purposes should lead to results and be used in an efficient way. This is one of the reasons why the donors increasingly see good governance as a necessary criterion for achieving satisfactory results and effects.

During the last five years, the literature on corruption and combating corruption in development cooperation has expanded almost explosively. One principal reason why donor organisations have chosen to draw up special anti-corruption strategies was an influential report published by the World Bank which attracted a great deal of attention: “Assessing

¹⁵ The question of the origins of social capital is a disputed issue in the research world. In brief the debate is that the most important explanation of the origin of social capital can either be found in people when they participate in civil society and learn to cooperate or in efficient, impartial and objective political institutions. See, for example, Putnam “What makes democracy work” (1991).

Aid”, which was published in 1998. In the report the World Bank stated that different types of corruption have an extremely great effect on the possibilities of combating poverty. The main message in the report was that *increased financial support can only lead to poverty reduction if the recipient country has a genuine determination to promote good governance.*

There are many countries that have tried different methods to master the problems associated with corruption. However, there are few countries that have succeeded in imposing convincing changes in this field.¹⁶ The city-states of Hong Kong and Singapore are sometimes used as examples of states which succeeded in reversing a negative trend in the 1900s. The strategies were based on internal determination and the interventions were financed by city-states’ own funds, without any influence or involvement of donor organisations. It is therefore questionable how comparable and realistic these examples are for the developing countries of today. In other countries, for example Chile, Costa Rica, Botswana and Uganda, developments in recent years have not been entirely unambiguous.¹⁷ Thus, there are no clear models from which definite lessons can be drawn. Nor have particularly many comprehensive evaluations been made of anti-corruption programmes and projects. The donor organisations have therefore not yet been able to draw any definite conclusions in respect of they types of interventions that actually succeed. However, there is a growing degree of consensus that certain basic conditions must be in place if combating corruption is to be possible at all. (These conditions are discussed throughout this report and particularly in Chapter 6.6).

2.3 Some points of departure for donors

Corruption and combating corruption concerns all sectors in development cooperation. Corruption affects all sectors, for example health, education, infrastructure, the business climate, democracy and the public administration. Most donor organisations agree that corruption is one of the most important reasons why development has come to a standstill and why, in some places, poverty is increasing, despite extensive development cooperation programmes. Corruption thus challenges the very foundations of development cooperation.

One important point of departure for several anti-corruption strategies are the eight overall development goals contained in the Millennium Declaration (which was signed by 147 heads of state and government at the Millennium Summit Meeting in September 2000). Within the framework of the eighth goal, to “develop a global partnership for development”, the issue of good governance is taken up in a special section. In line with the Millennium Declaration, most donor organisations now

¹⁶ In the 1700s, Sweden was considered to be one of the most corrupt countries in Europe. Extensive public administration reforms, including the establishment of an audit body and other control institutions, the principle of public access to official records, freedom of the press, and civic virtue are considered to be important contributions to the elimination of corruption. The great difference between states at that time were that they were small and lacked resources, even in relation to the developing countries of today. Put simple there were relatively few common resources to take advantage of in a corrupt way.

¹⁷ See Kaufman et al, World Bank 2002

have poverty reduction as the overall goal for development. Often it is in the light of this overall strategy that donor organisations justify their anti-corruption strategies, i.e. contributions to promote good governance help the poor most of all since they are those who are most seriously affected by (both small-scale and large-scale) corruption.¹⁸

The donor organisations have also been inspired by the organisations working specifically with matters relating to corruption, particularly Transparency International. Moreover, they have been influenced by the initiatives and *international conventions* that have been adopted by the UN, OECD, Council of Europe (GRECO) and the EU, which have the aim of combating corruption. Important documents are, for example, OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions” and the UN Convention against corruption (2003).

2.4 The donors’ different perspectives on policies and strategies

From the donor perspective, there are primarily two points of departure for combating corruption in development cooperation.

1. That corruption is prevented and counteracted in projects financed by the donor

According to this motive, it is primarily the citizens and tax-payers in the donor country who are in focus. Extensive corruption in development cooperation projects results in a low degree of utilisation of tax funds, and there is a risk in the long run that readiness to provide support is negatively affected in the donor country. Measures to prevent corruption and to remedy the situation in development projects consist, for example, of strengthening internal audit functions, routines for reports, monitoring and follow-up, procurement procedures, and evaluation instruments.¹⁹

2. *That corruption is combated in order to make development possible and to reduce poverty in the partner countries.* Under this second point of departure, the people in focus are those who are most severely affected by poverty, by shortcomings in democracy and by weak economic growth. In this case, combating corruption is an explicit point of departure for different types of contributions that have the aim of strengthening good governance, the legal system, open and independent media etc.

At the end of the 1990s and the beginning of the 2000s, several bilateral donor organisations drew up policies and strategies that were motivated by both points of departure. Among the most prominent organisations, mention can be made of Norway/NORAD, Great Britain/DFID, Germany/GTZ, the Netherlands’ ministry for development cooperation, the United States of America/USAID, and Finland/Finnida.²⁰

¹⁸ Good governance has two dimensions; a political dimension and a technical-administrative dimension. The political dimension requires genuine support and acceptance in the top political echelons while the technical-administrative dimension mainly contains issues on the efficiency and control systems of the public administration.

¹⁹ Sida has worked actively with this dimension of combating corruption since 1997.

²⁰ There are also many countries that have chosen not to use the corruption problem explicitly as a point of departure, but nonetheless finance contributions (for example Sida) which by and large are similar to the contributions which in other countries are regarded as anti-corruption measures (for example support to national audit offices and supervisory agencies, support to the media, legal reforms etc.

In this context it should be borne in mind that the bilateral donor organisations have different assignments and mandates, which also necessitates different approaches and methods. The donor organisations are, of course, partly *political organisations* with the assignment of implementing their nation's political agenda, partly *supervisory agencies* with the assignment of ensuring the tax-payers' funds are administered well, and partly *knowledge organisations* with the assignment of transferring know-how to recipient countries and acquiring know-how from recipient countries. These different roles necessitate different types of organisation and management, administrative cultures and staff.

2.5 The effects of corruption on the poor

All organisations included in the study state that corruption is one of the major causes of poverty. Combating corruption is consequently a decisive component in poverty reduction. The causal relationship between corruption and poverty has been well known for a long time, but it was only when the President of the World Bank, in a renowned statement in 1996, claimed that corruption is the main cause of shortcomings in economic and social development, that the causal relationship was adopted by other members of the donor community. Shortly thereafter several other members of the donor community made a similar analysis.²¹

The poor are often directly affected by corruption (petty corruption) since they are often obliged to “grease palms” for social services which, according to the law, are free of charge, for example extra fees to doctors, nurses and teachers, and bribes to the police and courts and to the authorities that issue different types of licences. The poor are also affected indirectly by corruption (grand corruption), for example when politicians and senior civil servants plunder the national treasury, rig procurements, and buy votes in connection with general elections.

The causal relationship between corruption and poverty has also been given a prominent position in the UN's new convention against corruption. When the UN General Assembly adopted the convention in 2003, the General Secretary, Kofi Annan, maintained that:

“Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life, and allows organized crime, terrorism and other threats to human security to flourish. This evil phenomenon is found in all countries – big and small, rich and poor – but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately – by diverting funds intended for development, undermining a government's ability to provide basic services, feeding inequality and injustice, and discouraging foreign aid and investment. Corruption is a key element in economic under-performance, and a major obstacle to poverty alleviation and development”.

²¹ However, the relationship between corruption and strict economic growth and prosperity is not totally unambiguous. It is worth noting, for example, that Italy and Germany have lower rankings than Botswana and Chile on TI's Corruption Perception Index, 2001.

2.6 What is an anti-corruption project?

Even if several donors have defined what they mean by corruption, it is only NORAD that has tried to define what is meant by an anti-corruption project. In general, only a small number of projects have the explicit aim of combating corruption. Most projects that donors regard as anti-corruption projects are different types of public administration support. However, projects of this type often have an efficiency perspective. This means that it is principally this aspect that is studied in connection with follow-ups and evaluations.

Accordingly, at the present time, there is no consensus among donors on the projects that should be defined as anti-corruption projects. This means that it is sometimes impossible to know the amount of resources that have been allocated to anti-corruption projects. Comparisons between countries in respect of the projects in this field are therefore difficult and, at worst, meaningless.

According to a proposal made by a donors' meeting for multilateral organisations, initiatives should be regarded as anti-corruption interventions only if the concept is included as part of the title, or among the overall objectives, of the interventions. A brief review of the donors' project portfolios shows that several projects have been classified as anti-corruption projects, despite the fact that they do not meet the stipulated requirements.²²

At the UN organisations' donors' meeting in 2003, it was decided to break down anti-corruption actions into a number of sub-areas or categories.

1. Raise awareness of the problem among the people and civil servants
2. Support for national anti-corruption programmes and anti-corruption agencies,
3. Support to amend national legislation on corruption,
4. Support for tax authorities and customs.
5. Support for financial management and audit,
6. Training programmes for civil society and the media,
7. Support to strengthen procurement processes at central and local level,
8. Support for election processes,
9. Support for the courts system,
10. Support for the public prosecution and police agencies, and
11. Support for the local government sector and decentralisation.

All the areas mentioned above are assumed to have a direct or indirect effect on corruption in society.

As can be seen from the above, there is no clear dividing line between anti-corruption interventions and support for strengthening good governance. According to one approach, it is the problem that is in the foreground and, according to the other, it is the solution. The difference is mainly that interventions aiming at promoting good governance have other objectives, e.g. to improve efficiency of the public administration or strengthening the democracy in society.

²² CICIP interagency meeting, February 2002

3. Multilateral donors

3.1. The World Bank

Instruments

- Reforming Public Institutions and Strengthening Governance, 2000
- Helping Countries Combat Corruption, 1997

Definition of corruption

The World Bank's definition of corruption is "the abuse of public office for private gain... Corruption is every transaction between actors from the private and public sectors through collective utilities that are illegally transformed into private gains".²³ The definition is broad but focuses primarily on people in the public sector.

The points of departure of the strategy

According to the World Bank's analysis, corruption is the single greatest obstacle to social and economic development. Basically the World Bank regards corruption as a symptom of weakness in economic, political and institutional structures. Since the overriding goal of the World Bank is poverty reduction, combating corruption is consequently regarded as a decisive component in improving the living conditions of poor people. Corruption leads, among other things, to distortion in the allocation of resources and deficiencies in welfare services. Corruption also deters foreign investment and is an obstacle to growth. According to the World Bank, it is poor people who lose most from this state of affairs.²⁴

Since the mid 1980s, issues relating to governance and efficiency in the public administration have focused on reforming the public administration and making it more efficient. Good governance (openness, accountability and the rule of law) has been an important theme in the Bank's projects. Up to the mid 1990s, the World Bank still did not explicitly mention corruption and combating corruption. It was considered to

²³ Helping Countries to Combat Corruption: The role of the World Bank 1997 p 8

²⁴ The following can be read of the World Bank's special anti-corruption website: "the Bank has identified corruption as the single greatest obstacle to economic and social development. It undermines development by distorting the rule of law and weakening the institutional foundation on which economic growth depends. The harmful effects of corruption are especially severe on the poor, who are hardest hit by economic decline, are most reliant on the provision of public services, and are least capable of paying the extra costs associated with bribery, fraud, and the misappropriation of economic privileges". (www1.worldbank.org/publicsector/anticorrupt)

be a political issue and therefore outside the Bank's mandate. But in connection with a speech at the annual meeting of the World Bank in 1996, the Bank's President, James D Wolfensohn, stated explicitly that the World Bank's most important task in the future would be to combat corruption. The statement led to the formulation of a comprehensive strategy for the field: "Helping Countries Combat Corruption: The role of the World Bank" (1997). The strategy essentially changed the ways in which the World Bank regarded and worked with combating corruption.

The World Bank's position in respect of corruption has functioned as a catalyst, both for the work at the Bank and for other organisations in international development cooperation.

The content of the strategy

The strategy of 1997 is divided into four goal areas. Since 1997, a certain development of approaches and methods has taken place but in the main the World Bank policy focuses on the following:

1. Supporting the countries that have sought assistance to combat corruption in society

For the World Bank, corruption is in the first place a symptom of dysfunctional public institutions. The World Bank's broad strategy therefore focuses on reforming the economic policy and policy institutions. The strategy can be divided into five fundamental and mutual reinforcing pillars. The interventions mainly focus of reducing opportunities for corruption, reducing freedom of action in the public administration, changing the incentive structure and strengthening demands for accountability in politics and the public administration:

- Reform of economic policy, for example by simplifying laws and rules, preventing state or private monopolies, reducing the powers of politicians over monetary policy, improving openness and strengthening accountability (*reducing the opportunities for corruption*).
- Reform of the functions of the public administration, for example by raising the status of positions in the public sector and using principles for making appointments that are based on professional qualifications and experience. Political power should be decentralised to allow the acceptance and support of decisions to be moved closer to the citizens. (*changing the incentive structure*).²⁵
- Strengthening confidence in the legal system. Laws shall apply to everyone, including politicians, and the citizens shall be entitled to independent trials (*increasing accountability*).
- Improving the state's financial management and control systems. An efficient and open process for tax collection, a transparent budget process, expenditure control and audit are of decisive importance for state efficiency (*reduce freedom of action*).
- Strengthening the state supervisory agencies and audit bodies as well as the media and civil society (*increasing accountability*).

²⁵ It is important in this context that one is careful and does not believe that decentralisation leads to reducing corruption. On the contrary, there are studies that are of the opinion that there is a great risk that corruption is decentralised and thus becomes even more difficult to deal with. In other words decentralisation reforms require a thorough analysis of the situation and specific instruments to monitor and evaluate activities. See B Baily (2003).

The success of these types of reforms is entirely dependent on there being a specific determination for change and ownership in society. According to the World Bank, representatives of governments must be directly involved and act as a driving force, in cooperation with the legislative power and local trade and industry.

The role of the World Bank is to be a partner in the dialogue. The role can vary depending on the situation in the recipient country. However, it is important that the strategy is sufficiently flexible that it can be adapted to meet the special needs of individual cases. The World Bank particularly underlines the importance of making a correct diagnosis before taking action. Thereafter, the World Bank has drawn up a number of different instruments to measure and analyse the extent of corruption in a country (see further below).

2. Allowing aspects relating to corruption to permeate country analyses and loan decisions

According to the strategy the Bank shall take up the corruption issue in its lending programmes, i.e. take up the issue explicitly in country analyses and country strategies. This is particularly important for two reasons: the Bank has the task of investing money where it can provide the greatest benefit, and the funds shall only be used where they can promote economic growth and poverty reduction.

In the World Bank's country strategies it is now compulsory to make an analysis of the level of corruption in the country. Also within the framework of the Poverty Reduction Strategy Papers (PRS) there is an analytical tool for shedding light on the causal relationships between deficiencies in governance and poverty.²⁶

3. Supporting international and regional initiatives for combating poverty

With the point of departure that corruption is both a national and an international problem, the World Bank is trying to strengthen international and regional initiatives to combat corruption. According to the strategy, the World Bank will, for example:

- participate in working groups and seminars that are arranged by the regional development banks,
- actively support the follow-up of OECD's anti-corruption conventions,
- draw up anti-corruption programmes in partnership with UNDP, IMF and other multilateral organisations,
- consult national NGOs that can provide up-to-date, first-hand information on the situation in the country before the World Bank implements a project. The World Bank has a special form of cooperation with Transparency International's 70 local offices in developing countries.

²⁶ In 2000, the World Bank worked in 95 countries that had sought assistance for broad reforms in the public sector.

4. The World Bank shall prevent corruption in the programmes and projects it finances

The World Bank has the explicit goal that the funds it lends shall be used for the right purposes. The World Bank is working to build in control stations in order to reveal corruption in the project assessment process, in connection with procurements, budgeting and accounting, and in loan disbursements.

In 2001 the World Bank established a special department – the Department of Institutional Integrity, INT – which has the aim of investigating accusations of frauds and corruption.²⁷ INT reports directly to World Bank management.

Under the internal rules, World Bank staff are obliged to report suspected problems in procurement procedures and project implementation, for example rigged tender procedures, falsifications and deliberate errors in tenders, offering and accepting bribes, unjustifiable use of the Bank's resources, and theft and embezzlement. INT has the mandate to investigate both suspicions of World Bank staff as well as other parties that are involved in project activities in one way or another. INT has established a telephone line that is open 24 hours a day for those who want to notify a suspected offence against the Bank's rules. INT also provides training for the Bank's staff in identifying risk areas and signals of various types of unacceptable conditions.

INT also makes visits. Special investigators working at INT make assessments of where the monetary flows are largest and where the controls are weakest. Where the risks of leakages in the system are greatest, so-called fraud audits are made at regular intervals.²⁸ The main difference between a fraud audit and a normal audit is that it is not only weaknesses in internal control systems that are examined, active searches are also made for typical signs and indicators of corruption.

INT's investigations can have a number of different consequences which, in turn, can be handled in different ways depending on the seriousness of the offence. The consequences can, for example, lead to administrative and personnel measures being taken, civil law actions, or trials in criminal courts.

- When INT suspects a company or an individual person of fraud or corruption, the company or individual risks being blacklisted for a certain period of time, or permanently. The decision on blacklisting is taken by a special committee and the President of the World Bank. The World Bank publishes the names of the blacklisted companies and individuals on a special website. It is impossible for a blacklisted company or individual to win contracts financed by the World Bank.²⁹

²⁷ Among other things, the department replaced the Oversight Committee on Fraud and Corruption

²⁸ Apart from fraud audits, they are also referred to as fiduciary reviews.

²⁹ www.worldbank.org/html/opr/procure/debarr.html

- INT may also discover that a company or individual is guilty of breaking the law. In such cases the World Bank either passes on its suspicions to the relevant authorities in the member state, or the World Bank pursues the matter in the courts.
- The World Bank can also decide to interrupt or finalise a project where there is suspicion of corruption. The World Bank can also request that funds are paid back to the Bank. There is also naturally the possibility of discharging the persons who have acted wrongly.

Instruments of an informal nature are also important in the struggle against corruption. For example, the President of the World Bank has clearly stated that corruption in the organisation will not be tolerated under any circumstances. Today there is also a special ethics department which arranges training programmes and seminars on matters relating to corruption.

Methods for implementation

During recent years, the World Bank has been a leader in the creation of the Comprehensive Development Framework, CDF. Within the framework of the CDF, and with the support of the World Bank, developing countries have produced Poverty Reduction Strategy Papers (PRSP). The basis of the method is that poor people themselves, in a dialogue with the donor community, develop a poverty reduction strategy based on needs. One important side effect of this is that a dialogue with broad participation of the people concerned strengthens the possibilities of demanding accountability and thereby the will of politicians and civil servants to implement necessary reforms.³⁰

The projects and programmes financed by the World Bank have mainly focused on supporting comprehensive public administration reforms, making investigations and diagnoses, and working to ensure that anti-corruption measures permeate contributions in all the sectors in which the Bank is involved.

In 1998, the World Bank started to implement its present anti-corruption strategy. Since then, annual action plans for combating corruption have helped the World Bank to continuously integrate the strategy into the Bank's internal administrative systems, in country strategies, in the dialogue with the partner countries, and in the project implementation process. Between 1997 and 2000, the Bank provided support for some 600 anti-corruption programmes and projects in 95 countries. In several countries, for example Albania, Bolivia, Georgia, Latvia, Thailand and Uganda, the projects are large and focus on changing the structures in the political and administrative elite.

In accordance with the strategy of 1997, the World Bank decided in 2001 to phase out the special anti-corruption action plans. The idea is that the anti-corruption perspective shall permeate the World Bank's programmes in all sectors. The great challenge in the future will lie in mainstreaming anti-corruption measures not merely in the "governance"

³⁰ This is an important component in the World Bank's World Development Report for 2004. In an evaluation of how PRSPs have been performed it is shown that there are considerable differences in the way anti-corruption issues have been taken up by the countries that have undergone the process. There is therefore a need to standardise the instrument. Implementation report (2003)

sector, but also in the social sectors (for example health and education) and in infrastructure programmes. Today, the World Bank's policy is that anti-corruption measures shall permeate all projects. Therefore, a comprehensive analysis is being made of corruption in the World Bank's country strategies.³¹ In addition, the World Bank has commissioned special risk analyses on ways in which corruption can affect the projects it chooses to finance. The World Bank has also implemented an extensive training programme to facilitate mainstreaming of the anti-corruption perspective. All members of staff have been informed about the Bank's policy and, in certain regions, special working seminars on procurement have been held.

Important elements in the World Bank's work of combating corruption are the various instruments available for making a diagnosis of the causes of corruption, the present situation, and the scope of corruption in a country. These instruments help the World Bank in its work of understanding the constraints and potential of the reforms. Furthermore, the instruments provide a way of raising the awareness of the general public of the effects of corruption.

In the main the Bank uses five instruments before arriving at a decision on a loan.

- *Institutional and Governance Reviews (IGR)*, which have the aim of creating understanding of the determination of politicians to make reforms and of the modus operandi of the public administration. The study focuses on three fields. Firstly, the extent to which the government of the country has the capacity to reform policy bodies so that they work for economic growth that also benefits the poor. Secondly, ways in which reforms can affect efficiency in the service delivery of the public administration, and thirdly, an assessment of the Government's determination and potential to demand accountability from politicians and senior civil servants.
- *Anti-corruption surveys*, surveys made with the aid of questionnaires on how citizens, private companies, and the politicians and civil servants who are responsible for policy development, perceive levels of corruption. The main aim of these surveys is to measure the economic and social costs of corruption. This is often done in connection with the IGRs. Civil society often participates in discussions of the results of the surveys. Knowledge of corruption problems can thereby be deepened among the citizens.
- *Public Expenditure Reviews (PER)* have traditionally been the most common instrument for examining the economic and political situation. The use of the instrument varies from one country to another, but its main aim is to examine the efficiency of the annual budget process. With the aid of PER, it is also possible to study the budget framework and to see the amount of money that actually reaches the institutions/organisations it is intended for.³² This makes it possible to acquire better information on which policies and budgets can be based. More than 50 PERs were made between 1998 and 2000.

³¹ Usually referred to as Country Assistance Strategies (CAS).

³² In the mid-1990s in Uganda it could be shown that only one-third of the development cooperation funds actually reached the health clinics and schools they were intended for. The result had the effect that disbursements were made much more transparent and the flows of payments easier to follow.

- *Country Procurement Assessment Review (CPAR)* is an instrument that is used to describe how the local procurement system functions. An assessment is made, for example, of the legislation, divisions of responsibilities and routines, as well as institutional and organisational capacity.
- *Country Financial Accountability Assessment (CFAA)* is an instrument that has the aim of analysing financial management systems and the audit's status and independence in both the public and private sectors.
- *Developing Governance Operations Progress Indicators (GOPI)*. Even if the relationship between good governance and development has been undisputed for a long time, it has proved difficult to make the diagnosis. In cooperation with OECD/DAC, the World Bank has now, as the only organisation hitherto, developed a method for measuring the degree of good governance.³³ An assessment has been made of 200 countries on the basis of the following six dimensions: 1) possibilities for the citizens to express their will and to demand accountability; 2) political stability and absence of violence in society; 3) efficiency of public sector operations; 4) quality of supervisory authorities; 5) legitimacy and functions of the legal system; and 6) the extent to which the country has control over corruption in society.

Another important instrument for the implementation of the anti-corruption strategy is the “anti-corruption manual”, which was published in 2000. The instrument is directed towards employees of the World Bank. The manual identifies different types of risk zones in which corruption is common. In the manual there is a special analysis of the project design phase, the procurement phase, implementation and the financial follow-up of the project. In the manual there are also a number of examples that concretely describe problems with corruption in connection with, for example, road construction (which primarily benefits an elite) and procurements (which are only announced in newspapers that are difficult to get hold of and are only read by a few persons).³⁴

Organisation

The responsibility for the World Bank's anti-corruption strategy lies with the board for the public sector in the network for Poverty Reduction and Economic Management. The board consists of representatives of the World Bank's six regions, the World Bank Institute (WBI) and the Research Group for Development Issues. It is therefore possible for the board to pursue the issue with a broad approach and it can rest assured that there is cooperation between the regions and other departments at the Bank. However, all members of staff at the head office in Washington and at the field offices are to participate actively in implementing the anti-corruption strategy.

The Anti-corruption Group at the World Bank is one of seven thematic groups in the Public Sector Group. The entire Public Sector Group consists today of some 200 administrators, experts and managers.

³³ For information on Developing Governance Operations Progress Indicators (GOPI), see www1.worldbank.org/publicsector/indicators.htm

³⁴ Preventing fraud and Corruption in World Bank projects: A guide to staff, World Bank (2000)

Around ten persons in the Public Sector Group and the World Bank Institute are experts in anti-corruption activities. Moreover, at the internal audit department, there are more staff who are qualified to investigate suspicions of corruption in the projects financed by the World Bank.

Comment

Ever since the World Bank gave priority to combating corruption, it has invested considerable resources in analysing the causes of corruption and its consequences, and in drawing up high quality methods to deal with the problem. A large part of the research and the production of operational policies that have been pursued in the field of anti-corruption have been performed or commissioned by the World Bank. The World Bank's position and policy in the issue often function as a foundation and a major source of inspiration for the strategies of other donors. Therefore, it is useful to be aware of the fact that the World Bank's basic perspective has a certain bias. Much of the Bank's research and policy development have naturally placed financial matters and institutional efficiency in focus, while matters referring to democracy and other political and social issues have tended to end up in the background. Since the World Bank has had a leading role in policy and strategy development, there are currently no alternative perspectives in respect of the issues that are the relevant issues, and no alternative ideas for possible solutions of the problem. During the last few years, criticism has been directed towards the World Bank's view of the relationship between corruption and development. According to the critics, the main problem is that the Bank's idealistic view of what government should be (i.e. small but strong) affects its analyses of what needs to be done in the partner countries.³⁵

3.2 United Nations Development Programme

Directives

The UN General Assembly's resolution (A/RES/51/59) currently constitutes the basis of the UNDP's mandate to work with combating corruption. The current policy "Fighting Corruption Improves Governance" was published in 1999.

Definition

UNDP use the definition "the misuse of public power, office or authority for private benefit".³⁶ Even if the policy also draw attention to the fact that the private sector is often involved in corruption in one way or another, the definition focuses in the first place on public servants and politicians.

Points of departure of the strategy

UNDP is of the opinion that corruption originates in shortcomings in governance which, in turn, reduce the possibilities of combating poverty. It is those people who have the least resources who are most severely

³⁵ See, for example, Polzer (2001)

³⁶ Fighting corruption and improve governance, 1999, p. 7

affected by corruption. Consequently, the solutions to the problems can be found in the ways in which the public administration is governed and administered.

UNDP advocates a holistic and broad approach to combating corruption. UNDP is an independent multilateral body that has no possibility of making political demands for support. However, its mandate includes creating sustainable conditions for human development. Since corruption exerts a strong influence on these conditions, combating corruption has been given a high position on the UNDP's agenda. Since the organisation's mandate is extremely wide, it is not bound solely to the achievement of financial and political goals. Therefore, depending on the situation, the UNDP can have an overall focus on social issues. According to the UNDP, combating corruption should be system-oriented, i.e. focus on broad institutional reforms rather than on trying to catch individuals.

The idea is that the UNDP should be able to cooperate directly with national governments and, thereby, not be bound by what other donor organisations are doing. The intention is that UNDP and the governments of the some 140 countries in which UNDP is represented in one way or another should be able to develop a common framework for combating corruption. UNDP mainly combats corruption with the aid of capacity development of national and local stakeholders, by improving efficiency and strengthening demands for accountability in the public sector, strengthening the participation of citizens in decision-making processes, and by building coalitions with other stakeholders in government and civil society.

According to UNDP, the principal challenge in the future will be to find systems for the most efficient implementation of reforms and for following up these reforms.

The content of the strategy

The strategy contains activities in three areas.

Building partnerships, facilitating coordination and a policy dialogue
The contributions focus on building up networks and partnerships with stakeholders inside and outside the partner countries. UNDP intends to function as a coordinator and speaking partner vis-à-vis the public sector, representatives of trade and industry, civil society and other international organisations (for example Transparency International). In this way it will be possible to create a broad consensus on the partner countries' objectives of combating corruption.

Strengthen capacity in integrity improvement

Various education and training programmes of both its own staff and the staff in the partner countries' administration in order to strengthen capacity and to define the difference between private and public sectors.

Prevent corruption from taking place in its projects

It is the Office of Audit and Performance Review (OAPR) that has the responsibility for making independent audits of UNDP-financed projects.

Organisation

In the implementation of the strategy it is intended that UNDP's country offices should identify possible "entry points" for contributions, and that the head office in New York should pursue the issues internally in the UNDP, in other parts of the UN system and in other international fora.

There are no specific estimates of the amount the UNDP invests in anti-corruption measures. However, the question is relevant in most of the UNDP's projects. At UNDP's head office in New York, there is a special adviser who handles anti-corruption issues in the UNDP. This person is responsible for the projects that focus explicitly on anti-corruption, for example building up an anti-corruption agency and the production of anti-corruption policies, and for ensuring that the issues are taken up at the various units in the management development and governance division (election systems, strengthening the legislature, decentralisation and local self-government, access to justice and human rights, access to independent information and media, and making the public administration efficient). The adviser also works closely with the field offices that also develop strategies that are adapted to the country or region.

Comment

The UNDP's present policy and strategy emphasise that the organisation's comparative advantage and most important role is to act as a partner in the dialogue with other stakeholders. In other respects the strategy is thin, both in respect of conceptually interesting ideas and concrete proposals for ways in which corruption can be combated.

The UNDP is currently revising the existing strategy. It is planned that the new up-dated strategy will be ready for publication in December 2003. According to information received, the new strategy has a similar approach but will include more examples of conclusions that the organisation has drawn since the present policy was launched. The policy will also contain a stronger focus on strengthening political engagement at all levels. The new policy will also include a toolkit that can be used as a concrete aid in the country offices. The instrument is intended to help to shift the organisation's focus from general rhetoric to concrete ways in which the organisation can proceed in the implementation and follow-up of anti-corruption projects.

3.3 European Union (EU)

Directives

The EU has drawn up a number of different strategies in order to deal with the problem of corruption. Several of the policies and action plans have the main aim of overcoming organised crime within the Union's borders. The directives that are most relevant for development cooperation are

- An overall EU policy against corruption (2003) 317
- The Cotonou agreement (2000)

The European Anti-Fraud Office (OLAF) has a broad mandate for

combating fraud and corruption in all EU institutions (including development cooperation).³⁷

Definition

According to the Commission's policy, the EU's definition of corruption is "abuse of power for private gain", which includes both the public and private sectors.

Points of departure of the strategy

In May 2003 a new overall EU policy against corruption was issued in which international aspects are presented in a special section.

The EU's new policy against corruption states that the Commission shall systematically take up issues relating to corruption and help countries to draw up and implement national strategies to combat corruption.

In the political principles of the Cotonou agreement (2000), it is maintained that the principle of good governance shall form the basis of partnership between the EU and ACP countries and permeate the partners' domestic and foreign policies.³⁸ One important point of departure in the agreement is sustainable development. The strengthening of democratic governance is considered to be essential for development of this type. According to the agreement the building up of capacity to plan and implement measures that have the aim of preventing and combating corruption is particularly important.³⁹

Within the framework of the Phare programme, the Commission proposes that the work is intensified in such a way that combating corruption is an overall objective of the acceding and candidate countries.

Strengthening political institutions is of fundamental importance for the stabilisation and association process in the countries of the Western Balkans. Taking action against corruption is, for example, an important part of the struggle against organised crime via the *Cards* programme.

In most of the current agreements with other countries in the Mediterranean region, the issue of combating corruption has not yet been explicitly expressed. In the light of the EU's new policy, the Commission is now reviewing the framework agreements and the financing agreements with the recipient countries. In the new agreements with Algeria and Lebanon, the parties undertake to take concrete measures against corruption.

The EU has also identified corruption as a threat to common security, particularly in connection with enlargement. The EU intends to review the possibilities of closer cooperation with its new neighbours (Russia, Ukraine, Moldavia, Belarus and the Mediterranean countries) in judicial and police matters.

³⁷ http://europa.eu.int/comm/anti_fraud/index_sv.html

³⁸ The agreement regulates cooperation between the EU and the so-called ACP/AVS countries (some 80 countries in sub-Saharan Africa, in the Caribbean, in the Pacific Ocean and in the Indian Ocean). The agreement is legally binding on both parties.

³⁹ In the agreement the parties agree that only serious cases of corruption shall constitute a violation of the basic principles of the agreement. The agreement applies to both the EU and the recipient countries. However there is some uncertainty as to the definition of serious corruption. See articles 9 and 33 in the Cotonou agreement.

The content of the strategy

According to the Commission, the public administration and the judiciary must have the capacity to work efficiently. Therefore the Commission recommends an extensive input via the Phare programme during the time before accession, according to the EU's general principles⁴⁰ and the special needs in each individual country. The overall aim is to strengthen the capacity of the authorities in the candidate countries (judiciary, police, customs and public procurement).

Democratic governance should be given "systematic attention" within the framework of the Cotonou agreement. According to the agreement support, should focus on, among other things:

- Modernisation reforms of the public administration
- Reforms of the judiciary
- Strengthening of the administration of public finances
- Reforms of public procurement procedures.

Even if anti-corruption is not mentioned explicitly in this part of the agreement, the initiative is in line with the anti-corruption strategies of other donors.

Methods for implementation

The EU has developed ten principles to improve the struggle against corruption, particularly in acceding countries and candidate countries. However, the principles also apply to other countries outside the EU. The principles take up increasing economic, social and political costs of acting corruptly by strengthening control functions, creating various new incentives, and improving ethics in industry and among politicians and public servants. The principles also contain proposals for measures to be taken, for example that public sector employees should undertake to disclose their assets and that countries outside the EU should sign, ratify and implement international anti-corruption instruments.

The Commission has also had a handbook produced. This handbook contains instructions for procurements within the framework of the Community's assistance to third countries. The handbook prescribes, for example, the possibilities of breaking off or recalling financing if corruption in any form should be discovered at any point in time during the tender procedure or the implementation of the contract.

Comment

The EU has had a relatively low profile in anti-corruption matters in development cooperation for a long time. The EU has not, for example, introduced an anti-corruption policy or strategy within the framework of DG Development. In comparison with other donors, issues relating to good governance do not have a prominent position in development cooperation policies.

⁴⁰ The EU's "Ten principles for improving the fight against corruption in acceding, candidate and other third world countries".

However, it is quite clear that a change of course is taking place in the Union's views in this matter. As corruption is increasingly regarded as a global problem that threatens common security, the EU has chosen to give priority to the issue, particularly in connection with the enlargement of the Union.

The issue has also been given higher priority in the EU's relations with developing countries. According to Transparency International, the Cotonou agreement is an excellently formulated agreement that describes, briefly and concisely, the objectives and working methods for combating corruption. There is a general trend to include the question of corruption in new development cooperation agreements with other countries than those in the Cotonou agreement. However, Transparency International points out that hitherto only small amounts have been disbursed for concrete anti-corruption measures.⁴¹

⁴¹ TI's comments on the EC communication on the EU policy against corruption (2003)

4. Bilateral donor organisations

NORAD and DFID, together with the Foreign Ministry of the Netherlands and GTZ are the organisation which have emphasised most explicitly the importance of anti-corruption measures. All these organisations are part of the so-called Utstein group (U4).⁴²

This section presents the policies and strategies of NORAD and DFID.

4.1 NORAD

Directives

NORAD's Good Governance and Anti-corruption Action Plan (2000).

Definition of corruption and corruption projects

NORAD's starting point is the World Bank's definition but emphasises that "corruption is any transaction between private and public sector actors through which collective goods are illegitimately converted into private payoffs".⁴³ NORAD thus emphasises more explicitly than other donors that corruption arises in the relationship between the private and public spheres.

NORAD uses a broad definition of anti-corruption projects. All activities that directly or indirectly contribute to reducing the scope for corruption are included as projects of this type. In these projects anti-corruption is mentioned in project documents or the equivalent.

⁴² In May 2000, the governments of Germany, the Netherlands, Norway and Great Britain decided to cooperate with each other and with other major organisations in order to combat corruption in development cooperation. The Utstein group has drawn up and signed a joint action plan (www.u4.no). Cooperation mainly focuses on spreading information among the organisations. U4 has three full-time posts. The secretariat also has a large network of international experts at universities, research institutes and international organisations such as TI. Apart from the information that is available on the open Internet website, administrators at the donor organisations also have the possibility of posing specific questions to the secretariat's experts who work in CMI, TI and other research institutes. The questions concern, for example, ways in which it is possible to integrate corruption issues in development cooperation projects and to guarantee that there is no corruption in the projects. The cooperation is not so specific in the field, on a number of occasions the U4 organisations work in other constellations.

⁴³ NORAD's Good governance & anti-corruption action plan 2000–2001, p 7.

Points of departure of the strategy

In NORAD's general development cooperation strategy for the years 2000–2005 "Invest in the Future", NORAD wishes to give specific responsibility to the partner countries to solve their own social problems. According to the strategy, NORAD's role in the future will primarily be to support the partner countries in their own priorities and strategies.

In accordance with this, cooperation will increasingly focus on programme and budget support instead of project support. Since this will mean that NORAD will lose some control over the projects, an attempt has been made to compensate for this with measures in three areas:⁴⁴

1. To insist, to a greater extent than before, on adherence to agreements that have been concluded, to carefully monitor the ways in which development cooperation funds are used, and to demand repayment from partners in cooperation of any misused funds. However, NORAD is aware of the fact that there is a borderline there is a risk that rigid and new control stations may have the effect that the administration of programmes of cooperation are made both cumbersome and inefficient.⁴⁵

2. To explicitly raise the issue of corruption in the dialogue with the partner countries and to investigate the genuine intentions in the partner countries to deal with the problem.

3. To provide assistance for administrative reforms that have the aim of eliminating corrupt behaviour and improving the controls exercised by local authorities of the use of public funds.

The content of the strategy

Between the years 2000–2001, NORAD implemented a special project against corruption in development cooperation. Within the framework of the project, which had its own budget and personnel specially allocated for the purpose, NORAD drew up an action plan to promote good governance and combat corruption. ("NORAD's Good Governance and Anti-corruption Action Plan 2000–2001"). The Action Plan still functions as NORAD's policy for combating corruption.

The three overall objectives of the action plan are to:

1. Intensify Norwegian support for good governance and to combat corruption in the partner countries.
2. Increase the awareness and knowledge of the staff working at NORAD and Norwegian embassies of ways of preventing corruption in all Norwegian-funded development cooperation.

⁴⁴ These areas largely coincide with the programme that the Norwegian minister responsible for international development cooperation launched in May 1999. The action plan is a follow-up of this initiative. The points in the programme were: 1) that NORAD should be an international leader in combating corruption; 2) that corruption would be put on the agenda in the dialogue with partner countries; 3) that Norway would support its partners in cooperation mainly in the form of institution development in the public sector; 4) that there would be better coordination and cooperation between donors and other parties involved in anti-corruption work; 5) that civil society should be involved in anti-corruption work to a greater extent; and 6) that a clear and effective sanctions system must be devised for partners in cooperation that do not follow the rules.

⁴⁵ For example a number of control stations have been built into in the EU and UNDP administration of development cooperation projects, which, it is true, have eliminated some corruption but have created an unwieldy and ineffective administration.

3. Establish mechanisms for the collection, analysis and dissemination of experience gained from efforts to prevent and combat corruption.

The Action plan only focuses on those issues that concern bilateral development cooperation. Under each goal in the action plan, NORAD presents a number of different activities and indicators for following up activities. Under objective 1, the activities mostly consist of general activities to strengthen democratic governance such as, for example:

- putting the struggle against corruption on the agenda in the dialogue with the partner countries,
- increasing assistance for good governance,
- increasing assistance for improving the developing countries' budgets and financial management systems
- strengthening civil society,
- improving the access of the general public to information and promoting openness and accountability.

Methods for implementation

Two basic principles have been applied in the implementation of the action plan.

- Active coordination between embassies, NORAD and ministries and units in the Government Offices.
- The principle of investing resources where they do most good, i.e. where there is a genuine determination to implement change among leading politicians.

After the anti-corruption project was finalised, NORAD's strategy has been to allow the anti-corruption perspective to permeate all projects. The challenge mostly consists of keeping a grip on these issues so that they are not lost among all the other issues that also have high priority and which shall also be mainstreamed. Therefore an internal strategy has been produced for preventing mainstreaming from developing into "thin streaming".

Organisation and resources⁴⁶

NORAD's responsibility for matters relating to corruption only concerns bilateral development cooperation. Multilateral cooperation matters (OECD, World Bank, IMF, Council of Europe) are administered by various departments in the Ministry for Foreign Affairs and the Ministry of Justice.⁴⁷

Most of the measures taken against corruption focus on building up civil society, i.e. they are measures that are indirectly intended to reduce corruption. NORAD has the intention of increasing the proportion of projects that have the direct aim of combating corruption.

The anti-corruption project was finalised in April 2002. Today the responsibility for anti-corruption issues has been placed in the sector

⁴⁶ Sida has provided the information that NORAD should function as a so-called lead agency in combating corruption. However, it is unclear what this concept entails. In the material studied by the consultant there is no information that NORAD should have a role of this type.

department for governance. In this department there are currently two officers who have matters relating to corruption as their main working duty. Moreover, special advisers in the legal department are involved in this work.

Disbursements for anti-corruption projects are steadily increasing in the Norwegian development cooperation budget. In 1999 and 2000, some NOK 270 million were disbursed for anti-corruption projects. At the end of 2001 and 2002, NOK 326 million and NOK 372 million respectively had been disbursed. At the end of 2002, contracts worth NOK 1.8 billion had been concluded for measures in the anti-corruption field.

After the anti-corruption project was finalised, NORAD decided that anti-corruption is still a high priority field. NORAD's board decided that support for anti-corruption projects should increase to such an extent that, in the future, it will constitute at least 10–15 per cent of NORAD's total support to developing countries. NORAD has also specified how the embassies should deal with the issue in connection with local contacts in the field and how they should be made to participate more to combat corruption in development cooperation.

Comment

Norway is one of the bilateral donors that gave prominence to the problem of corruption problem in development cooperation at an early stage. The issue still has high priority at NORAD and it is planned that disbursements in the area will increase in the next few years. Since the anti-corruption project was finalised, the intensity of the debate has declined somewhat but, on the other hand, the issue has achieved a certain degree of maturity in the organisation.

In a speech in the Norwegian Parliament in February 2002, a leading representative of NORAD maintained that one of the foremost challenges to the agency in the future would be to give, with unbroken trust, more responsibility to the recipient organisations and, at the same time, to make controls of Norwegian development cooperation funds more effective.⁴⁸ The statement illustrates the inherent contradiction between, on the one hand, increasing sector and budget support and, on the other hand, looking after the interests of the Norwegian taxpayers. This is without exception the theme for the entire strategy. No other donor organisation has drawn attention so specifically to this contradiction.

4.2 Department for International Development (DFID)

Directives

- Anti-corruption strategy for DFID (1999, 2002),
- Submission to the international development committee of the House of Commons (2000),

⁴⁷ In connection with the impending re-organisation of NORAD, this division of responsibilities will come to an end.

⁴⁸ This was Mette Masst. During the implementation of the anti-corruption project NORAD referred to her as Norway's "anti-corruption hunter". Today she is responsible for the department that deals with these issues.

- The government’s response to the committee’s report on corruption (2001),
- Reducing poverty by fighting corruption – an agenda for action (draft 2003),
- Work plan for the anti-corruption team (2003).

Definition

There is no definition in the documents.

Points of departure of the strategy

In the view of DFID, corruption has a negative effect on investments and economic growth, on politics and the public administration, on the supply of welfare services, and on the personal security of poor people.

DFID is the bilateral donor organisation that has developed the broadest approach in its work of combating corruption. The ambition is to have a holistic approach rather than to break down the issues into small “sub-issues”. The crucial difference in comparison with other bilateral donors is that DFID sees that the problem areas in the countries that give support are just as large and important as in the countries that receive support.⁴⁹

The approach is therefore to combat corruption simultaneously on both fronts. All in all, this means that the possibility of maintaining coherence in policies and strategies is better in Great Britain than in the other countries included in the survey. Most of the other countries have, for example, not integrated multilateral aspects of anti-corruption work. Often these aspects are administered by other parts of the government and the public administration. In Great Britain, however, DFID has the mandate to pursue both bilateral issues relating to development cooperation and issues that are not directly related to development cooperation, for example to promote the issue in OECD’s convention on combating bribery. DFID also takes part in the formulation of British legislation in the field.

One prerequisite for DFID to consider broad sector contributions in a country at all is that the country itself shall have shown very clearly that it intends to combat corruption. Before a contribution can be considered, the country must have drawn up a broad anti-corruption strategy. DFID only supports contributions that are included in a national anti-corruption strategy and where donor contributions are coordinated through a Poverty Reduction Strategy. This approach is part of the work of allowing the recipient country to obtain an overview and to be able to coordinate support from different countries.

The content of the strategy

DFID supports anti-corruption programmes in the government and public administration and in civil society. Other ministries and authorities also participate in combating corruption in both Great Britain and developing countries in line with DFID’s broad approach to these issues.

⁴⁹ In this connection DFID maintains that, since Great Britain has not been able to implement OECD’s convention, it is not possible logically to set up special conditions in respect of corruption for recipients.

DFID's strategy has four main objectives:

1. Support anti-corruption strategies in developing countries committed to effective anti-corruption strategies

The objective shall be achieved primarily with activities in the following areas:

- *Reducing opportunities for corrupt behaviour through administrative and structural reforms*, for example making different types of decision-making processes public. Certain types of liberalisation and privatisation reforms can also have the effect that opportunities for corruption are reduced. The reforms must also be thoroughly prepared and implemented with great care so that the process itself does not lead to corruption and theft.⁵⁰
- *Change the incentive structure by reforming the personnel policy in the government administration*. If civil servants have a salary that is less than what is regarded as the existence minimum, corruption is common. However, it is not certain that raising salaries will solve the problem unless the reform is combined with other reforms. A recruitment procedure that is based primarily on qualifications is also important.
- *Develop obstacles to corruption by reforming the legal system, strengthening supervisory agencies, strengthening the role of the media and openness in society*. If the risk of punishment for corruption is high, the degree of corruption is assumed to decrease. Financial monitoring and follow-up systems, an incorruptible legal system, and efficient supervisory agencies are important components for deterring individuals from corrupt behaviour. Civil society can also play an important role in monitoring and following up developments.

2. Drive out bribery from international trade and business

In the first place, this part of the strategy is based on the fact that DFID will strengthen, in various ways, the OECD's methods for monitoring and exercising controls of the anti-corruption convention on "bribery of foreign public officials".

The challenge consists of convincing other countries, by diplomatic means, to ratify and adapt national legislation based on the convention and to work for strengthening the follow-up system in OECD. In addition, DFID wants to achieve closer cooperation with British industry in order to find means of bringing pressure to bear that prevents bribery in connection with major foreign contracts. One example is to work for a change in attitudes and ethical approaches at companies that do business in developing countries.

3. Deter laundering of funds

The Inter Governmental Financial Action Task Force (FAFT) is a key actor in preventing funds that have been stolen from governments in developing countries from being laundered in banks in the donor coun-

⁵⁰ There are innumerable examples of ways in which the political and economic elite have more or less plundered state-owned companies in connection with privatisation.

tries. DFID is trying to promote the incorporation of FAFT's recommendations for preventing the laundering of funds in national legislation.

4. Protect development assistance from corruption

DFID emphasises the importance of being able to follow up development cooperation funds regardless of whether the project is implemented by a local party or whether the support goes directly to the government budget. Another important field is public procurement. Here, DFID proposes that procurement procedures are harmonised to a greater extent between donor organisations. In addition it wants to see local procurement capacity strengthened. This is particularly important since, in accordance with the partnership concept, the tendency in the donor community is to increase disbursements for broad sector reforms and the direct support given to the government budget.

DFID also runs internal training programmes that have the aim of giving the staff guidance in identifying risk zones in which corruption can occur.

Methods for implementation

The broad approach used by DFID makes it necessary to have resources in a number of specialist areas such as law, procurement etc. Therefore the anti-corruption unit has built up an extensive network of persons who are active in various parts of DFID, other ministries and agencies, and in trade and industry. The anti-corruption team in London has the task of strengthening awareness and spreading knowledge of the corruption problem. The team works in order to:

- Give embassies, programme implementers and other interested parties advice and support in the implementation of anti-corruption initiatives (advice on possibilities and pitfalls, lessons learned etc),
- Influence the British government and public prosecution authorities to make more detailed examinations of British companies that do trade with developing countries,
- Contribute, together with the Ministry of Finance and relevant authorities, to ensuring that the British legislation for combating laundering of funds is made more efficient,
- Ensure that the British government helps developing countries to recover stolen property in European banks, and
- Ensure that DFID strengthens the internal control mechanisms to enable its anti-corruption programmes to serve as a model for other parties in development cooperation.

Even if DFID has the intention of mainstreaming this issue, it has chosen not to use this term since these issues generally have a tendency to disappear among all the other issues that shall also be mainstreamed in projects.

Organisation

Policy development at DFID takes place within a framework of a special policy department that is divided into some 30 teams/sections. Each of these teams has the responsibility for issues that cut across the entire work

of the ministry. One of these teams has the responsibility for combating corruption. This team is led by a project leader who reports to the chairperson of the Standing Committee on Foreign Affairs (previously the project leader reported directly to the minister responsible for development cooperation). The team has a work plan that is to be implemented within a three-year period.⁵¹ During recent years, the team has grown and now has 3–4 full-time posts and an annual budget of approximately SEK 13 million. In line with the general approach in the strategy, the team cooperates with all departments at DFID as well as the authorities concerned, embassies, and NGOs in Great Britain. DFID's anti-corruption team functions as a node in a large network of actors that work in different ways with combating corruption nationally and in developing countries.

Comment

DFID works explicitly with combating corruption in Great Britain and in developing countries. DFID's mandate is very broad and thus extends far beyond what is traditionally regarded as development cooperation. The point of departure of the strategy is that corruption in the poor world also has its origins in bribes and corruption in enterprises in the rich world. Even if other bilateral donor organisations agree that the supply side of corruption is important, today it is only the British who have accepted the organisational consequences and work with the issue simultaneously on both fronts.

The most important lessons that DFID have drawn from working on the basis of the strategy are

- One of the key components for combating corruption is to build and/or create coalitions with those stakeholders that have an interest themselves in combating corruption,
- Making thorough analyses of the political, social and cultural context and understanding that the issue can be extremely sensitive,
- Being strategic and organising the work in such a way that it is possible to make rapid use of the window of opportunities that arises, and
- Arguing in favour of the relationship between corruption and poverty.

⁵¹ Anti-corruption team work plan, June 2003

5 International organisations

5.1 Transparency International (TI)

Directives

- Constitution (2003)
- Guidelines for the Formation of National Chapters (2003)
- TI Source Book (continuously updated)

Definition

TI defines corruption as “the misuse of entrusted power for private gain”. This definition is broad and encompasses corruption in both the private and the public sectors and in civil society.

The organisation’s general points of departure

The main reasons why TI works with combating corruption is that corruption undermines good governance, has a negative effect on public policy and politics, leads to problems in resource allocation that have a negative effect on the private sector and, in particular, have a negative effect on the poor. According to its constitution, the organisation’s main objective is “to take action to control corruption in international business, so as to encourage international fairness and equity.”

In TI’s analysis, every society has a more or less developed form of social protection against corruption. TI calls this social protection “*Integrity System*” and it is supported by important social functions. TI has illustrated this system as a temple that is supported by different pillars that represent the *executive power, the legislative power, the judiciary, the audit body, the ombudsman organisations, supervisory agencies, public social services, trade and industry, the media, civil society and international stakeholders*. The foundation of the entire temple/society is made up of social values and civic virtues.

In order for society to function, each pillar in the system should have its own strength and capacity and a certain degree of independence from the other pillars. However, it is the mutual relationship between the pillars that is of decisive importance for equilibrium and stability in society. If a pillar collapses or is damaged, the pressure increases on the other pillars and this, according to the analysis, increases the risk of an entire social collapse. On the basis of this approach, it is not possible to merely focus efforts on one of the social functions above. Instead, it is

necessary to have a broad perspective and to work with all social functions/pillars of the system simultaneously.⁵²

Overall strategy

TI was a pioneer in its approach of trying to engage and create active participation and cooperation between different types of stakeholders, for example representatives of the government and of the central, regional and local government administration, civil society and trade and industry.

TI's strategy mainly focuses on building national and international coalitions that can:

a) bring about effective national legislation and anti-corruption programmes

b) strengthen the support of the public for anti-corruption measures and improve openness and demands for accountability in connection with international business and public procurements.

TI's activities include the following:

- *Promoting the development of an international framework against corruption.* TI's head office in Berlin and its national chapters carefully follow how the countries that have signed international conventions (OECD, EU, Council of Europe) live up to the agreements. Particular importance is attached to following up OECD's convention on combating bribery of foreign public officials. TI closely follows the implementation of the convention and works actively for the establishment of coherent legislation in the 35 countries that have signed the convention.
- *Increasing awareness of the problems with corruption.* This is done in a number of different ways, for example by making measurements of the size and anatomy of corruption. Each year TI publishes the "Global Corruption Report" which presents trends and research findings in the field. In addition, it publishes two indices of the degree of corruption in countries in the world. One of the indices is the *Bribe Payers Index (BPI)*, which measures the supply side of corruption, i.e. the probability that the companies in a country pay bribes in connection with business. The *Corruption Perception Index (CPI)* makes an annual ranking list of some 100 countries on the basis of how representatives of the country's trade and industry, its academics and risk analysts perceive the degree of corruption in the country.⁵³

⁵² In the National Integrity Source Book, it is explained in concrete terms how reforms can be implemented in different sectors. The book is a comprehensive review of how TI perceives the anatomy of corruption, a broad review of all pillars that support "integrity systems" and how these institutions should function to make combating corruption possible. The book is continuously updated and has been translated into 20 languages. It can be downloaded from www.transparency.org/sourcebook/index.html

⁵³ See www.transparency.org/activities/awareness/a_raising_index for further information.

- In several countries in the world, TI, together with representatives of trade and industry and the government, have produced so-called “*Integrity Pacts*” which have the aim of getting companies that submit tenders to make a legal undertaking not to pay bribes under present or future contracts, and that politicians and civil servants shall refuse to accept bribes. Legal sanctions against persons breaking the pact are decided in advance.⁵⁴

Methods for implementation

A national strategy to combat corruption should be undertaken in the following steps:

1. Make a survey of the national integrity system in the country and how it is perceived.
2. Identify strengths and weaknesses in the system.
3. Make a comprehensive survey with the aid of questionnaires in order to ascertain the location of the problems and the types of problems and the ways in which they express themselves.
4. Develop strategies that focus on solving the weaknesses in the system, preferably by using the inherent strengths of the system.

Important instruments for combating corruption consist for example of the following

- The national chapters work to build coalitions and to strengthen national integrity systems against corruption. In accordance with TI’s broad approach, the national chapters work to promote the following: openness and demands for accountability in connection with procurements and decision-making processes; effective audit bodies and ombudsman institutions; an industrial sector that assumes responsibility; free and independent media; the principle of public access to official documents; independent courts and prosecuting authorities; and an elected legislative assembly with the possibility and the power to demand accountability from the executive power. TI runs a number of projects in these subjects in developing countries.⁵⁵
- *Corruption fighters’ toolkit* is a summary of initiatives and projects that have been implemented by NGOs in different parts of the world. The examples in the book describe how civil society, in various ways, can create and strengthen mechanisms for the examination and control of public institutions, how the population can be made more aware of the problems associated with corruption and participate more in the organisations of civil society. The idea is that the examples in the toolkit can provide ideas and inspiration for concrete actions that it is possible to implement. The examples in the book are updated continuously.

Organisation

TI is led by a board consisting of twelve persons. The board is assisted by an advisory group of experts from international organisations and research institutes. The board is responsible for the recruitment to the international secretariat.

The secretariat in Berlin has some 70 employees. In 2002, EUR 6.5 million was disbursed to the organisation. Sida contributed approximately EUR 158 000.

National TI chapters can be found in more than 100 countries. There are no specific rules for the organisation of the chapters or the ways in which they should work. They can be adapted to the national forms for the work of NGOs.⁵⁶ According to their constitutions, it is intended that the chapters should finance their own organisation and activities. However, in developing countries the national chapters receive contributions from donor organisations for the implementation of projects.

5.2 OECD/DAC

Several departments at the OECD work to prevent and combat corruption in its member states. Where the international economy is concerned, this work naturally also affects developing countries. In 2003, OECD's Development Assistance Committee (DAC) started a process that had the aim of developing guidelines for ways in which the member states could prevent corruption within the framework of their programmes of development cooperation. Since this work has not yet been completed, this presentation will make a brief description of OECD's most important instruments for combating corruption in all countries, regardless of their level of development.

Directives

- The Convention on Combating Bribery of Foreign Public Officials (entered into force in 1999)
- Participatory Development and Good Governance (1995) OECD/DAC

Definition

The Convention defines a bribe as “the offering, promising or giving of something in order to influence a public official in the execution of his/her official duty ... every bribery transaction involves a supply side (the bribe) and a demand side (the public official)”.

Points of departure of the strategy

Since 1989, OECD has played an important role in combating bribery and corruption and particularly after the “*Convention on Combating Bribery of Foreign Public Officials*” entered into force in 1999, which makes the acceptance of bribes by foreign public officials punishable in their own country. The Convention is based on the member states (and the other countries that have signed the Convention) implementing the Convention.

Where combating corruption is concerned, the main task of the OECD is to follow up and check that the states that have signed the Convention also live up to it. Even if its work is not part of development cooperation, it probably has a considerable effect on development in developing countries.

⁵⁴ Today the entire agreement, or parts of it, has been implemented in cities in Argentina, Colombia, Ecuador, Italy, Korea, Pakistan, Nepal and Panama. The 180-page document on how the pacts are intended to work and how they work today can be seen at www.transparency.org/building_coalitions/integrity_pact/i_pact.pdf

One important point of departure of the OECD's anti-corruption strategy is that the organisation sees a specific connection between the parties in the rich world (i.e. the OECD countries) that offer bribes and the level of corruption in developing countries. Therefore OECD, together with DFID, is the organisation that has most explicitly drawn attention to, and worked with, trying to prevent bribes being given in connection with international business.

The main motive for the OECD's anti-corruption policy and strategy is that corruption:

- Undermines the confidence of citizens in political institutions which leads to contempt for the rule of law
- Has a negative effect on resource allocation
- Makes public procurements more expensive
- Undermines free competition
- Has a negative effect on investments, growth and development, and
- Reduces the supply of social utilities, which mostly affects those who are already poor.

Pressure from citizens and trade and industry in the member states have contributed to the OECD giving high priority to this matter.

Methods for implementation

A convention, particularly in a field where there is a great deal of money to be made, must have strong follow-up mechanisms. In order to promote the implementation of the convention, the OECD has developed a follow-up programme. One major element in the follow-up process are the "peer reviews" in which member states allow themselves to be evaluated by each other. The evaluation is made in two phases. In the first phase, a study is made of how national legislation corresponds with OECD's Convention. In phase two, an examination is made of how the legislation is actually applied in the member states.⁵⁷

Organisation

OECD's Development Assistance Committee (DAC) draws up policy guidelines at the request of its members. The overall aim is to draw up guidelines and concrete proposals for ways in which development cooperation can be made more efficient. The guidelines reflect the views and experience of the member states and they are also based on information from international exporters and multilateral organisations. DAC has not drawn up any special anti-corruption guidelines hitherto. The existing guidelines (Participatory Development and Good Governance) of 1995 are being updated and will probably also contain specific anti-corruption initiatives.

⁵⁵ http://www.transparency.org/activities/country_projects/index.html

⁵⁶ General guidelines can be found at http://www.transparency.org/contacting_ti/chapters/guidelines-overview.html

⁵⁷ See www.oecd.org for more information on the content of the convention and how it is followed up.

Linked to DAC's secretariat there are a number of task forces and networks that have the mandate to work with issues that cover several sectors. The network for governance (GOVNET) is one of these.⁵⁸ GOVNET is a forum in which practitioners in bilateral and multilateral organisations meet to exchange experience and draw conclusions on ways in which it is possible to make development cooperation more efficient in this field.

At present there is one person who has the task of coordinating the work in GOVNET. In OECD there are also other departments that work in various ways with matters pertaining to corruption. GOVNET coordinates, for example, its activities with the division that is responsible for the follow-up of OECD's convention against bribery (Anti-Corruption Division), the division that is responsible for ethical matters in public administration (Public Management Service) and the research centre for, among other things, governance issues (OECD Development Centre).⁵⁹

The OECD also supports a special anti-corruption network for the transition economies in Central and Eastern Europe. The network makes it possible for countries to share experience in the field.⁶⁰

Comment

OECD plays a highly significant role in checking the supply side of corruption. However, a discussion has been started in DAC/GOVNET on common guidelines for ways in which donor organisations can work to reduce corruption in developing countries. As a basis for this process there is a consultant's report that summarises the conclusions that can be drawn hitherto from efforts to combat corruption.⁶¹ Since the issue is politically infected in some of DAC's member states, it will await the final result of the UN's general anti-corruption convention. A common framework of this type can facilitate discussions in the future.

⁵⁸ Other networks are gender equality (GENDERNET), the environment (ENVIRONET), poverty (POVNET)

⁵⁹ See www.oecd.org and www.oecd.org/daf/nocorruptionweb

⁶⁰ Anti-corruption network for Transition Economies www.anticorruptionnet.org

⁶¹ Bruce Baily, et al. Synthesis of lessons learned of donor practices in fighting corruption (2003)

6. Strategic issues

On the basis of the conclusions drawn by other donor agencies, there are a number of important issues and external factors that must probably be taken into consideration in Sida's further work on anti-corruption programmes.

6.1 Development cooperation as part of the international economy

In this report the corruption issue has been treated primarily as a problem for international development cooperation, but since international development cooperation is part of the international economy, it is also affected by bribery and other improprieties. Therefore, it is impossible, and probably wrong, to draw a line between development cooperation and other sectors in society. As can be seen from the above, a number of organisations have increasingly drawn attention to parties in the rich world that make corruption possible, i.e. the supply side of corruption.⁶² In order to pursue the anti-corruption issue in developing countries in a credible way, it is therefore of importance that the donor community takes strong measures to prevent companies and other organisations from offering bribes in connection with international business in developing countries. Moreover, it is often the case that large parts of the bribes return to the banks in the rich world in so-called "safe havens".

When both the donor country and the recipient country contribute to spreading corruption in society, a holistic view and broad approach are needed when drawing up policies and strategies in this field. The programmes should be directed towards developing countries and more highly developed countries. Even internal relations between the countries should be given attention. Therefore it is important that the donor organisations do not give an impression that corruption is only a problem in developing countries but that corruption is also to be found in the donor countries and that the problems are intricately interrelated.

⁶² "There is always somebody who pays, and international business is generally the main source of corruption" (George Soros) from Financial Times 8 Dec. 1998.

DFID is the bilateral organisation that has been most clearly influenced by the debate of recent years and has drawn up a strategy that focuses its efforts on both the supply and the demand side of corruption.

6.2 The work with the UN's anti-corruption convention

Negotiations were taking place in the autumn of 2003 on the UN's anti-corruption convention. It was expected that a document would have been completed and be ready for signature in December 2003. Some 150 countries are participating in the negotiations. In this way, a common framework will be created for the ways in which the international community regards corruption.⁶³ An important part of the draft document that is already available is the determination to revise existing legislation and to adopt a number of minimum standards that should be applied in the member states. In the latest draft version of the convention, it has been possible to reach agreement on standards referring to international bribes, tax deductions for the payment of bribes, transparency in procurement procedures, money laundering and the repayment of financial assets that have been plundered from another state.

The Convention will probably also affect ways in which donors in international development cooperation regard the issue. Several organisations are eagerly awaiting the final document. DFID, OECD/DAC, UNDP and the World Bank are of the opinion that the convention will define the objectives that should apply in the dialogue and in negotiations with partner countries and in connection with the implementation of programmes and projects. Several donors also see an opportunity to use development cooperation as a means of exerting political pressure in order to get developing countries to sign and ratify the convention.⁶⁴

6.3 How development cooperation exerts an influence on and is influenced by corruption

As in most other sectors of society, corruption can also be found in development cooperation. There are several reasons for this. Both donor countries and recipient countries have a strong interest in ensuring that allocated funds are disbursed. Many of the largest recipients of international support are among the countries that have the weakest capacity for receiving and administering the funds. However, even if there are good controls of the funds, they automatically release other financial assets in the economy (for example local tax revenues that were intended to be used for social purposes). There is therefore a risk that a large flow of support will exacerbate the situation, since more opportunities are provided for corruption.

Efficient administration of development cooperation depends to a great extent on the type of leadership and the type of controls that exist

⁶³ Transparency International pointed out at the end of August 2003 that the definition of the persons who are to be regarded as public officials should also include representatives of the political parties (party officials) and thereby prohibit bribes to political parties. The issue is sensitive and, for example, the USA has hitherto refused to accept that party officials shall be included in the concept of public officials.

⁶⁴ More information on how the work on the convention is proceeding can be found at www.unodc.org/unodc/en/crime/_cipc_documentation.html

in the country. A lack of good governance has the effect that the effectiveness of development cooperation diminishes, for example since

- there is a greater leakage in all parts of the project cycle, the project design process, the procurement process, implementation, and reports and follow-up of the project,
- the implementation of projects is affected negatively since inefficient companies or organisations win consulting contracts, and
- the goals of projects are distorted in connection with their implementation in order to make them suit the private interests of politicians and senior public officials.

Grand corruption threatens the very foundation of international development cooperation in several ways. Corruption undermines development cooperation programmes and thus the possibility of achieving stipulated goals is also undermined. This, in turn, carries the risk of having a negative effect on the readiness of taxpayers to support development cooperation. The donor organisations have not yet made a critical analysis of ways in which they themselves contribute to corruption in developing countries.

6.4 Combating corruption in connection with the provision of increased sector support

In international development cooperation today there is a strong tendency to increase disbursements to sector and budget support. There are considerable risks of corruption in both sector support and project support. However, the risks are different. From the donor perspective, there are advantages and disadvantages with both forms of support. With the aid of project support, the donor can certainly directly exert an influence and control developments in the project, but there is a great risk that the possibilities available to the partner country concerned to coordinate support would be circumscribed by poorly coordinated projects.⁶⁵

Through sector and budget support, development cooperation funds go directly into the government budget and the donor and the recipient country reach agreement on how the funds should be used. This is a great advantage for the possibilities available to the partner country to coordinate development cooperation funds from several donors, while giving donors insight into parts of the government budget. However, it is difficult for donors to know exactly how the funds are used.

In light of the fact that there is a tendency in the donor community to increase sector support, it is particularly important that the institutions appointed to keep watch over the interests of the people are strengthened. Key institutions in this context are budget departments in Ministries of Finance, audit institutions and other supervisory institutions (for example for public procurement), the legal system (courts, prosecuting authorities and the police) and the customs. The collective strengthening of these institutions is essential to make broad sector programme support approaches possible and defensible.⁶⁶

⁶⁵ From the corruption perspective, project support primarily gives consideration to the tax-payers in the donor countries.

The World Bank, DFID and NORAD have drawn particular attention to the problems and potential that result from an increase in sector support.

6.5. Mainstreaming corruption interventions – an opportunity or a problem?

After the issue of combating corruption has achieved a certain degree of maturity in the organisation, certain donors, including the World Bank and NORAD, have chosen to work actively to ensure that the corruption perspective permeates all types of development cooperation programmes. The reasons for this are primarily:

- That corruption in itself is a major obstacle to development that can have a negative effect on success in most development projects,
- That donor organisations wish to have a greater degree of protection of the support for which they can only exercise limited controls, for example loans and budget support, and
- It makes it possible for donors to achieve greater consensus in different policy areas.

The risk in mainstreaming the corruption perspective is that it tends to disappear among all the other issues that are also important to mainstream into programmes of development cooperation. Experience gained by NORAD, DFID and the World Bank show that organisations must allocate considerable resources in order to make it possible to mainstream these issues in practice. There should be, for example, an autonomous group in the organisation that has the specific mandate and political support to pursue the issue both inside and outside the donor organisation. The group should have a strategy, extending over several years, that contains a work plan with specific and measurable goals, and its own budget.

The mainstreaming of the issue has had the effect that anti-corruption strategies in these organisations have not merely been regarded as part of the support for good governance, but also as an important component in the support provided for other sectors, for example health, education and infrastructure projects. The organisations that have chosen to integrate anti-corruption programmes into their regular work also claim to have better prospects of achieving financially better results.

6.6. Tailor-made strategy for increasing legitimacy and sustainability

In order to be able to develop policies, strategies and action plans, it is essential, as in other contexts, that there is a distinct focus on the real problems and causes of corruption. In order to have the possibility to analyse and structure the issue of combating corruption, it is essential, in turn, to develop a conceptual framework of views on the role of the state in society (what should the state do?) and of the real meaning of “good governance” and corruption. In other words it is basically a question of creating a clear vision of a good society.⁶⁷

⁶⁶ See, for example, Bruce Baily (2003)

⁶⁷ Bruce Baily, 2003.

One precondition for making a strategy operational in a development programme or project is firstly to make a comprehensive survey of the existing situation. For a long time, measuring and analysing the degree of corruption was considered to be more or less impossible. Today however, there are several useful instruments that have been devised by TI and the World Bank (for more information, see the sections on these organisations). In principle, the methods of making measurements have two different types of approaches. They are partly measurements based on how different individuals *perceive* corruption in society, and partly measurements that actually attempt to define the *actual experience* different individuals have of corruption.

The working methods vary a great deal between different surveys. In certain cases the surveys involve a rough estimation of the situation based on a number of indicators, in other cases comprehensive surveys are made with the aid of extensive empirical material.

Several donors have stated that useful strategies and action plans must be based on an analysis of how state and society actually function, and not be based on wishes in respect of the ways in which they should function. This means, for example, that the analysis and the strategy should take into consideration all the factors and stakeholders that try to exert an influence on the political agenda, the public administration and/or politics (such as the mafia and other organised crime, terrorism, the major landowners, the military industry complex, multinational enterprises etc).

Anti-corruption policies and strategies in development cooperation are mainly directed towards the poorest countries in southern Africa, Latin America and Asia and to so-called transition states in eastern and central Europe. The problems in the countries vary considerably and the countries have completely different socio-economic and political possibilities of solving the problems. When policies and strategies are to be made operational, the interventions should be adapted to the specific prevailing conditions in the partner country. Recently, it has been emphasised that strategies for combating corruption must be tailor-made to meet

- the level of corruption in the country,
- the symptoms of corruption, and
- ways in which corruption is expected to change in the near future.

During the last two years, the World Bank has developed a method for analysing and designing programmes and projects based on the partner country's needs and situation. Other donor organisations have also referred to the analysis.⁶⁸ In the analysis a distinction is made between two different forms of corruption: on the one hand "*state capture*", and on the other hand "*administrative corruption*". The term *state capture*, as used by the World Bank, refers to individuals in the public sector or in trade and industry who change laws, rules and policies in various ways to make

⁶⁸ See, for example, UNDP, DFID.

them serve the interests of these individuals. There are many different forms of state capture. Leading persons in trade and industry and in the public sector can both offer and accept bribes, politicians can issue decrees and change laws in other ways that suit them. The term “administrative corruption” means offering and accepting bribes in connection with the implementation of laws and other rules.⁶⁹ The decisive difference is that, with the aid of “state capture”, attempts are made to change the rules in a society while, with the aid of “administrative corruption”, individuals break existing rules or use them for their own benefit.

It is on the basis of this typology that the World Bank currently analyses countries applying for loans, particularly those countries that are in the process of transition from an authoritarian system to a democratic, market economy system. Depending on the degree of corruption in the countries, they face different types of challenges and have different types of priorities. Consequently, the strategy should be drawn up on the basis of the special patterns of corruption that exist in the partner country.

In addition, according to the World Bank’s analysis, there are a number of cross-cutting principles and conditions that are of critical importance for the successful operationalisation of the strategy. According to the Bank, these principles can be give the strategy a greater degree of legitimacy and improve the sustainability of the implementation of anti-corruption interventions.

- Firstly the leaders of the country should have a genuine interest in doing something about the problem (credible leadership). However, it can also be appropriate to support a ministry or committee that has the corruption issue on its agenda, if the point in time is right. The problem is of course that the political leadership is often a part of the problem.
- Given the first principle, it is difficult to find an optimal point of departure for starting the work (entry point). According to the World Bank, the anti-corruption strategy should start by combating problems that are well known to the general public and to trade and industry. Thereby sudden changes of opinion against corruption can function as a form of support in the anti-corruption work.
- A third principle is to make a detailed diagnosis of the problem. Apart from the fact that the strategy must be based on a good picture of reality, a diagnosis can be a really powerful instrument in the hands of politicians and persons working with public opinion who want to pursue the issue. In addition, different parts of society will come into contact with the issue when the survey is made. It can also strengthen public opinion against corruption.
- It is also important to make a thorough examination of the prevailing political culture and the incentive structure in the country. The analysis can, for example, provide answers to the question of the degree of trust that exists between citizens, and between citizens and the institutions in society.

⁶⁹ Examples are policemen who pocket speeding fines, or different types of “palm greasing” such as additional payments for various types of licences, speeding up customs procedures, or offering bribes with the aim of winning procurements.

- A further principle consists of maximising the lever effect after an intervention has been started. Strategies should be designed and formulated in such a way that it is clearly evident that, in the long term, (through increased economic growth) anti-corruption measures also benefit the self-interests of leading stakeholders in society (a number of important politicians and representatives of trade and industry).
- It is also important that the point in time when the interventions are made, and the sequence of the interventions, are right. In certain countries, it can be wise to contribute as early as possible to changes in the leading elite in order to give a clear signal to civil servants and the general public that new winds are blowing. In other countries, a strategy of this type can be unwise and counterproductive. Instead, a start can be made on reforming the public administration and combating administrative corruption. However, in order not to undermine the legitimacy of the strategy, the issue of state capture and demands for accountability on the part of politicians may not disappear from sight.

If these principles are not followed at all or only partly followed, it has proved to be the case that the anti-corruption interventions only have limited prospects of being successful.⁷⁰

6.7 Social capital – a weapon against corruption

Laws, rules and other control mechanisms alone cannot change the behaviour of people. Corruption is not merely a sign of institutional weakness, it is also a question of ethics and morals among politicians and civil servants as well as the population in general.

One main component in the reform programmes in Hong Kong and Singapore was to strengthen altruism and the assumption of responsibility for oneself and for others. Building up and restoring strong social awareness and social responsibility was also the general theme of the latest anti-corruption conference in Seoul in May 2003.⁷¹

If social responsibility and awareness increase, the citizens will gain a clearer picture of the links between corruption and poverty. This can contribute in turn to reducing tolerance of corruption in society. Faced with the risk of being voted out or sacked, politicians and civil servants will have to think more than once before acting in a corrupt manner. In this connection, civil society and the media have an important role where shaping opinion is concerned.⁷²

Questions concerning ethics and morals are often sensitive and difficult to handle in development cooperation. The donor organisations that have been included in this study have hitherto not chosen to give priority to this field.⁷³

⁷⁰ See, for example, *Anticorruption in Transition*, a contribution to the Policy Debate, World Bank (2000)

⁷¹ At the conference it was specifically stressed that corruption is in no way determined by culture. For further information on the topics discussed at the conference "Different cultures common values" see www.11iacc.org

⁷² TI's corruption report emphasises the importance of the media and access to information. The media can both reveal and conceal corruption. Openness and access to information are prerequisites for the media to find information. However the citizens do not only need information, it is also necessary that the media has the ability to sift through the information in a relevant way.

⁷³ However, in order for reforms to have a long-term effect and to avoid a situation in which society is drawn into the social trap, these difficult issues should not be ducked.

7 Concluding remarks

Corruption – and the consequences it involves – is one of the greatest challenges of our time. The issue does not stop at national borders and cannot be dealt with within the framework of the nation state or in development cooperation alone. The causes and consequences of corruption are genuine global issues that affect all countries, regardless of their degree of development. In order to give developing countries realistic prospects of combating the causes of corruption, it is also necessary to take action against those countries in the rich world that make corruption possible. An approach of this type requires cooperation and coordination between a number of stakeholders and other interested parties in society.

It is primarily DFID that has developed an organisation that has the ambition of exerting an influence on corruption both at home and in developing countries. This approach is topical and also lies in line with the Government's bill "*Shared responsibility – Sweden's policy for global development*".

In order to achieve equitable and sustainable global development, the Government is of the opinion that many forces must pull in the same direction. This necessitates the broad participation of different stakeholders in Swedish society, for example different institutions in the public sector, the education system, NGOs, and trade and industry. Together with these stakeholders, Sida can play an important role in combating corruption, both in Sweden and in developing countries.

Appendix 1

Donor	Existing policy or/and a strategy to counteract corruption within development cooperation	Specific Action plan	The definition of corruption includes:	Emphasis of the strategy on:	Mainstreamed aspect	Manuals and toolkits for implementation	Instruments of analysis	Specific definition of an anti-corruption project	Evaluations has been carried out on the impact of the strategies	Staff responsible for anti-corruption issues
The World Bank	Yes (1997)	Yes, valid until 2001	Public officials	Development cooperation	Yes	Yes	Yes	No	No	10 – 12 employees in different departments
UNDP	Yes (1999)	No	Public officials	Development cooperation	Partly, unclear how the field offices operates	In working process	Yes	No	No	One coordinator on part-time
EU	No	No	EU Employees	Development cooperation	No	No	No	No	No	-
Norad	Yes (2000)	2000- 2001	Public officials And private enterprises	Development cooperation	On a pilotphase	No	No	Ja	No, although a follow-up on the action Plan has taken place	Two program officers
DfID	Yes (1999, revised 2003)	Yes	Public officials And private enterprises	Global approach	No	No	No	No	No	Three full-time employees
TI	No	Yes	Public officials And private enterprises	Global approach	Yes	Yes	Yes	-	No	60 employees at HQ in Berlin
OECD/ DAC (Govnet)	No (ongoing)	No	Public officials And private enterprises	Global approach	-	No	Yes	No	No	1 part-time coordinator at Govnet and about 20 full-time employees working in different departments

Appendix 2

Interviews

Inge Amundsen, *Utsteingruppen/CMI*
Monique Bergeron, *OECD/DAC*
Ed Campos, *WB*
Kate Dawson, *DFID*
Viveca Gemne, *NORAD*
Åsa Gustafsson, *Swedish Embassy in Vienna*
Heather Marquette, *University of Birmingham*
Harald Mathisen, *CMI*
Mette Masst, *NORAD*
Sarah Tyler, *Transparency International*
Pauline Temesis, *UNDP*

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Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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