



## “Strategies for mitigating corruption in aid interventions”

**Workshop Report**  
**9-10 May, 2009**  
**Venue: Heetal Hotel, Kabul**

Workshop materials:

<http://www.u4.no/training/incountry-open/afghanistan-materials-2009.cfm>

25 August 2009

This specialised workshop on corruption in aid gathered 29 donor representatives over the course of 2 days (annex 3). The workshop was co-organised by the Embassy of Norway, DfID and SIDA, which set up a steering committee for the workshop organisation. The event was a pilot of the new U4 workshop format on corruption in aid, and as such represented a key learning opportunity for U4.

The workshop was explicitly targeted at donor agencies, but participants also included local NGOs as implementing partners. The workshop was co-facilitated by Karen Hussmann and Harald Mathisen from the U4 Anti-Corruption Resource Centre, with Mike Kramer as Lead Trainer. Mr Kramer is a very experienced investigator and teacher with most of his background from the World Bank and other multilateral institutions. Per Ilsaas from the Embassy of Norway, Mette Nielsen from DfID, Nils Taxell from UNDP and provided invaluable substantive and logistical support to the workshop.

The *aim* of the workshop was to give donors and international stakeholders in Afghanistan tools to deal with the issue of corruption affecting donor funds in a high risk environment.

The *specific objectives* and the *topics covered* are detailed in the Program (annex 1).

Host agency and participants were very pleased with the event; as communicated directly to the facilitators. Due to a most unfortunate computer mishap too few electronic feedback forms were collected (Annex 2). The trend is however positive. Interesting feedback is given in the open ended questions which highlight the need to tailor this workshop very precisely to the needs of specific audiences.

Herein lays U4 challenge in taking this course forward to other audiences.

- For representatives for the multilateral institutions the course is already close to perfect.
- The course material can easily be developed to very effectively cover the needs of local institutions such as Anti-Corruption Commissions/Agencies.
- For the core U4 user a certain level of adjustments are needed to better reflect the modus operandi of the bilateral development agencies.

U4 felt that the pilot was positive, and that both content and pedagogically aspects are well covered. With some adjustment U4 would like to take this module forward to other audiences.

#### Annex 1: Program: U4 workshop

Day 1 - Saturday, 9 May		
Strategies for mitigating corruption in aid interventions		
<b>Objectives</b>	<ul style="list-style-type: none"> <li>▪ To equip participants with the critical knowledge, and introduce skills, tools and resources needed to effectively combat fraud and corruption at the project and program level.</li> <li>▪ To foster dialogue and network creation among participants</li> </ul>	
08:30	Registration	
<b>Timings</b>	<b>Topic</b>	<b>Speakers &amp; Moderators</b>
09:00 – 09:30	<p><b>Welcome by:</b></p> <p><b>Opening by:</b></p> <p><b>Presentation of the U4 Anti-corruption Resource Centre, the training team, and the purpose and structure of the workshop</b></p>	Moderator : Harald Mathisen

09:30h – 10h00	<p><b>Session 1: Introduction to corruption and anti-corruption</b></p> <p>Corruption in theory, in fragile states and in Afghanistan</p>	<p>Moderator:: Harald Mathisen</p> <p>Speaker. Karen Hussmann Q&amp;A</p>
10h00 – 10h20	Tea and refreshments with snacks	
10h20 – 12h30	<p><b>Session 2: The nature and extent of corruption and fraud in aid programs</b></p> <p>Practical description of the problem – bigger and different than you think – illustrated with photos and examples of the impact of corruption and fraud from actual cases</p> <p>The problem in a nutshell - corruption leads to:</p> <ul style="list-style-type: none"> <li>• Coercive and collusive behavior;</li> <li>• Bid rigging to exclude other bidders; and finally</li> <li>• Fraud to recover the cost of the bribes and exploit the corrupt relationship</li> </ul> <p>Statistics on the extent of corruption and fraud from the World Bank and elsewhere</p> <p>Definitions of corruption and fraud</p>	<p>Moderator:: Harald Mathisen</p> <p>Trainer: Michael Kramer</p>
12h30 – 13h30	Lunch	

13h30 – 15h10	<p><b><i>Session 3: Schemes and indicators</i></b></p> <p>Corruption</p> <ul style="list-style-type: none"> <li>• Bribery and kickbacks</li> <li>• Conflicts of interests (e.g., officials own contractors)</li> </ul> <p>Collusive bidding by contractors</p> <p>Bid rigging between contractors and project officials</p> <ul style="list-style-type: none"> <li>• Unbalanced bidding</li> <li>• Rigged specifications,</li> <li>• Leaking of bidding information, etc.</li> </ul> <p>Fraud</p> <ul style="list-style-type: none"> <li>• Failure to meet contract specifications</li> <li>• Product substitution</li> <li>• Fictitious contractors etc.</li> </ul> <p>Description of how each of the above schemes operate and their red flags</p>	<p>Moderator: Karen Hussmann</p> <p>Trainer: Michael Kramer</p>
15h10 – 15h30	Tea and refreshments with snacks	
15h30 – 17h00	<p><b><i>Session 4: Detection</i></b></p> <p>Basic detection methods for each schemes</p> <p>Plus: Complaint handling mechanisms:</p> <ul style="list-style-type: none"> <li>• Hotlines and other confidential reporting systems</li> <li>• How to evaluate and respond to complaints – what to do with complaints</li> <li>• How to evaluate and respond to red flags</li> <li>• “Proactive,” automated fraud detection programs to detect bid rigging, etc.</li> </ul>	<p>Moderator:: Harald Mathisen</p> <p>Trainer: Michael Kramer</p>
<b>Day 2 - Sunday, 10 May</b>		
08h30-09h00	Tea and refreshments	
09h00 – 09h10	<b><i>Learning review Day 1</i></b>	Karen Hussmann

09h10 – 11h30	<p><b><i>Session 1: Proof</i></b></p> <p>Basic introduction to the “who, what and how” of investigating alleged or suspected corruption and fraud in aid projects;</p> <ul style="list-style-type: none"> <li>• The genesis of a corruption investigation (from theory, to planning, to inquiry and beyond);</li> <li>• Evidence and report writing requirements</li> <li>• Jurisdictional difficulties and challenges, including liaison with law enforcement</li> <li>• Strength’s and weaknesses of local anti-corruption agencies</li> <li>• Limitations and outsourcing</li> </ul>	<p>Moderator: Harald Mathisen</p> <p>Trainer: Michael Kramer</p>
11h30 – 11h50	Tea Break and snack	
11h50 – 13h10	<p><b>Session 2: Sanctions</b></p> <p>Sanctions asset recovery, debarments and prosecutions</p>	<p>Facilitator: Harald Mathisen</p> <p>Trainer: Michael Kramer</p>
13h10 – 14h10	Lunch	
14h10 – 15h40	<p><b><i>Session 3: Prevention and deterrence</i></b></p> <p>How can the integrity of donor funds be supported from the outside; the role of local accountability, civil society, media, and national institutions</p> <ul style="list-style-type: none"> <li>• Risk assessments by country and sector</li> <li>• Due diligence steps for firms and individuals involved in aid projects (and NGOs?)</li> <li>• Better supervision methodologies</li> <li>• Anti-corruption and fraud controls</li> </ul> <p><i>Group work/ Swot</i></p>	<p>Speaker: Karen Hussmann</p> <p>Trainer: Michael Kramer</p>

15h40 – 17h00	<p><b>Session 3: Aid and corruption in Afghanistan</b></p> <p>How is aid exposed to corruption in Afghanistan? What is done to address the problem?</p> <ul style="list-style-type: none"> <li>• What about monitoring budget support and related leakages?</li> <li>• What about contracting of personnel, salary top-ups, results monitoring, etc.?</li> <li>• What about the training of contractors and sub-contractors?</li> <li>• What do we do to ensure that contractors apply same standards to sub- and sub-sub- and sub-sub-sub contractors?</li> <li>• What do we do to train NGOs in expected standards, etc.?</li> <li>• What about corruption in aid?</li> </ul> <p>Donor transparency and integrity in Afghanistan: what are the lessons from international experience</p>	<p>Moderator: Harald Mathisen</p> <p>Speaker: Donor representative (tbc)</p> <p>Comments: Karen Hussman, Michael Kramer</p>
17h00 – 17h40	<p><b>Session 4: Plenary debate</b></p> <ul style="list-style-type: none"> <li>• Are donors a part of the problem?</li> <li>• How can we support agents of change and build capacity of Afghan institutions?</li> <li>• What should be the next steps leading from this training – who should do what?</li> </ul>	
17h40 – 18h00	Wrap up: Closing remarks, diploma	

## Annex 2: Feedback form: U4 workshop

On a scale from 1 (lowest score) to 5 (highest score), please indicate your opinion (tick one box in each line):	
	Avg.
Workshop relevance to your current work	3.8
Extent to which you have acquired new information	3.3
Usefulness of the information acquired	3.3
Extent to which the content matched the announced objectives	3.5
Extent to which the workshop enabled you to identify new useful sources of information	3.5

**On a scale from 1 (completely disagree) to 5 (completely agree), please indicate your opinion (tick one box in each line):**

	<b>Avg.</b>
Time allocated for interaction between participants and presenters was good	<b>3</b>
Interaction among participants was good	<b>3</b>
The length of the workshop was good	<b>3.3</b>
Diversity of participants was good	<b>4</b>
The number of participants was good	<b>3.8</b>
Presentations were useful	<b>4</b>

Do you feel that you learned anything useful during the training course? (If not, why not?)

1. In general most of the workshop contents was very useful and relevant to the context of this country.
2. Was good for networking and for understanding context of corruption in Afghanistan.
3. Yes. Really got a good feel for an approach that is appropriate to Afghanistan. I wish others in our embassy could have received the briefing.

What do you feel are the most useful things that you learned on the course? (Please specify, useful for what?)

1. International experience in identifying and fighting against corruption.
2. That we have to be careful not to raise expectations about the pace at which we can tackle corruption, both with external and internal stakeholders.
3. AC in Afghanistan - Cultural factors that make "standard" approaches fail. This will be useful for developing an approach that takes the institutional situation here better into account.

Have you actually changed your job behavior as a result of what you learned? (If not - Why? If yes - What?)

1. Since I have already gone through several AC courses in UN and my current position, but this course made me to have more investigative approach in interaction with IPs.
2. Yes, I made some good contacts that I am now in touch with as a matter of course.
3. I now advocate lower profile human-to-human level AC rather than broad campaigns.

### **Additional comments**

Please share your thoughts on how we can improve the workshop:

1. It will be a good idea that such training can be conducted to the relevant agencies of the Afghan Government i.e. High Office, and AC units in different government agencies. They are the front liner in fighting corruption in this country.
2. The workshop could have been more tailored and the participants probably required more facilitation to try and agree priorities than was given.
3. Hard to improve. Great setting, great presentations, and I left feeling inspired. Thanks for hosting!!

### Annex 3: Participant List: U4 workshop

Name	Email Address	Institution
Fazal Ahmed Yahel		UNDP
Sayed Ikram Afzali		UNDP
Rashiq Raz		GTZ
Saber Ibrahim		DFID
Mari Skåre		Deputy Head of Mission, Norwegian Embassy
Mette Nielsen		DFID
Albrecht Braun		Office of the NATO Senior Civilian Representative
Kristin Hauge		Embassy of Norway
Fazal Ahmad Rahel		UNDP
Jamshed		IRW
Rashiq Ahmad		GTZ
Saber Ibrahim		DFID
Mohsin Zia Ayoubi		TSCO
Sayed Abdul Mukhtar		SCS-N
Joel Reyes		World Bank
Kim Sundström		Embassy of Sweden
Sirjahuddin Khalid		Embassy of Sweden
Kazuo Tsukada		Embassy of Japan
Abdul Qadir Abid		ANCC
Sayed Aqa		USAID
Deepal Fernando		World Bank
Kebur Azbaha		DFID
Khalid Ludin		DFID
Qaseem Ludin		High Office of Oversight
Mir Zarif Waez		USAID

Farjad Juriel	Marie Stopes International	<a href="mailto:pd@msi-afg.org">pd@msi-afg.org</a>
Per Albert Ilsaas	Embassy of Norway	<a href="mailto:pai@mfa.no">pai@mfa.no</a>
Nilx Taxell	UNDP	<a href="mailto:nils.taxell@undp.org">nils.taxell@undp.org</a>
Joyce Imambaks	Embassy of Netherlands	<a href="mailto:joyce.imambaks@minbuza.nl">joyce.imambaks@minbuza.nl</a>

Speakers who did not participate in the workshop include:

Michael Hartmann – UNODC, [michael.hartmann@unodc.org](mailto:michael.hartmann@unodc.org)

Workshop team from U4:

Harald Mathisen – Senior Coordinator, U4, [Harald.mathisen@cmi.no](mailto:Harald.mathisen@cmi.no)

Karen Hussmann – Senior Researcher, U4, [Karen.hussmann@gmail.com](mailto:Karen.hussmann@gmail.com)

Mike Kramer – Consultant, [wmkramer@msn.com](mailto:wmkramer@msn.com)