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Reassessing donor performance in anti- corruption

Pathways to more effective practice

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About U4

U4 is a team of anti-corruption advisers working to share research and evidence to help international development actors get sustainable results. The work involves dialogue, publications, online training, workshops, helpdesk, and innovation. U4 is a permanent centre at the Chr. Michelsen Institute (CMI) in Norway. CMI is a non-profit, multi-disciplinary research institute with social scientists specialising in development studies.

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Two decades of donor effort in anti-corruption have produced only very limited success. We are still far from confident about ‘what works’. Most analysis has been on WHAT donors have been trying to do. But could part of the answer be in HOW they work?

Main points

- The working methods that donors use are likely to be determining overall outcomes just as much as the technical content of their interventions.
- These methods relate to how donors conceptualise the corruption problem; how they organise themselves in their operations; how they respond to corruption when they encounter it; and how their technical staff are deployed. Each of these considerations is significantly shaping what they do. All of them may be having inhibiting effects on donor performance.
- A significant evidence base has accumulated that demonstrates how current donor approaches fall far short of their ambitions.
- This publication proposes new pathways for donors to follow. These challenge the current orthodoxies of donor thinking, donor organisation, and donor relationships with others, both within their own governments and with the recipients of their assistance.
- These pathways point to a need to break with numerous traditional ways of working, many of which are deeply ingrained within donor agencies. There are many obstacles to making these adjustments. Change is unlikely to be quick or easy. None of the new pathways is a silver bullet on its own.

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Phil Mason OBE was senior anti-corruption adviser in DFID from 2000 until March 2019. He formally retired from the UK public service after 35 years, 31 of which were with ODA/DFID. He continues in the anti-corruption field in an independent capacity.

A continuing struggle for donors

It is clear that the donor contribution to anti-corruption has made limited headway. This study has been commissioned by the U4 donor group to reconsider donor ways of working as a possible route to improving outcomes.

Corruption has a pernicious effect on donors. Its persistence has created challenges to the ‘case for aid’, with donors coming under increasing pressure from sceptical taxpayers. Hence donors find themselves pushed to demonstrate success by concentrating on more visible and more immediate ‘results’ from aid. Perversely for anti-corruption practitioners, retreating to types of activity primarily because they can be more easily measured tends to block off routes that must be travelled if corruption is really to be tackled.

Donors have also been challenged by the changing nature of their relationship with recipients of their assistance. ‘Traditional’ providers of aid no longer have the predominance they once had, which gave them (at least by their own assessment) high leverage with a host government. In recent years, donors have struggled to re-cast their thinking on how to gain influence with authorities when alternative sources of assistance are much more plentiful.

The nature of corruption has evolved too. Globalisation has brought new opportunities for the corrupt to move their illicit gains rapidly between jurisdictions and exploit new technologies. Addressing these new forms of corruption tends to involve activities – such as law enforcement, financial and criminal intelligence, and cross-border legal collaboration – that lie well outside donors’ traditional areas of expertise.

A reminder: change is possible and has happened

Notwithstanding these obstacles, it should be remembered that much has changed in the donor perspective since the start of their efforts 20 years ago. The table below compares attitudes then with the norms donors accept now. In many ways, these reflect dramatic shifts in perspective.

Attitudes before and norms now

Prevailing conditions (2000)	Accepted norm now
Corruption largely a taboo – too ‘political’ for World Bank/International Monetary Fund (IMF); ignored in donor programming.	Corruption seen as central to the governance challenge, a major brake on sustainable development and a central element of development practice.
Debate on what constitutes corruption inhibits collaboration.	UN Convention against Corruption (UNCAC) provides a working definition of ‘corruption’ through its delineation of offences to be criminalised and the preventive actions to be taken.
Debate whether corruption harmful or ‘oils the wheels’ marginalises issue in development practice.	Clear evidence on damaging impact of corruption on sustainable development and social equity (disproportionate impact on poor and marginalised).
Divisive counter-blaming culture between developed and developing countries inhibits starting collaboration.	UNCAC creates a ‘grand bargain’, recognising that both developed and developing countries have responsibilities in tackling corruption.
Corruption viewed primarily as domestic problem for government to deal with locally.	Corruption seen to be fuelled by cross-border linkages, particularly in financial services, that demand global collaboration. Corruption seen as a root cause of conflict, contributing to international instability and threats to security and global prosperity.
Donor focus mainly on protecting own programmes from corruption.	Donor attention to negative impact of corruption on a country’s wider development environment.
Donors initially address corruption through explicit anti-corruption projects, focused on specific anti-corruption interventions.	Increasing, although still limited, recognition of importance of approaching corruption indirectly.
Limited understanding or international practice on mutual cooperation in corruption cases.	Creation of Stolen Asset Recovery Initiative (StAR) and International Centre for Asset Recovery (ICAR) leads to significant increase in technical understanding of requirements and casework in practice. Cases of asset recovery and return multiply.
International business generally condones and participates in corruption as the local way of working. Bribes are tax deductible.	Global standards – UNCAC, the Organisation for Economic Co-operation and Development (OECD) Convention, ISO37001 – recognise bribery to be antithetical to good business practice.

However, while much might have shifted in attitudes, donor *practice* has been remarkably static. It continues to follow largely the same rules, procedures, and methods as at the beginning. It is this dimension that this U4 Issue suggests needs to change.

While attitudes have shifted, donor practice continues to follow largely the same rules, procedures, and methods as before

Can donors find new pathways?

The premise of this study¹ is that donor ways of working themselves may be obstructing progress. It will identify potential changes to practice and the challenges that donors would need to overcome to adopt them. It proposes practical first steps to realising the change. A concluding section attempts to classify the proposals according to their estimated feasibility for adoption.

The U4 Issue examines donor practice through four lenses. Each, it is contended, fundamentally shapes the ways in which programming unfolds. The following four sections look at how donors:

- *conceptualise* the corruption problem (Lens A)
- *organise* themselves in tackling it (Lens B)
- *respond* to it when it confronts them; (Lens C) and
- *skill* their staff (Lens D).

Lens A – thinking: how donors conceptualise the corruption problem

Technocracy rules

Critiques of donor methods for tackling corruption are not new. The earliest and most consistent theme in such critiques has been that their focus on supplying technical solutions to state institutions ignores ‘real world’ conditions, which cannot be reached through such responses.

1. As this review focuses on donor methods, and not on evaluating or advocating discrete interventions, it does not seek to differentiate *in the basic principles of donor behaviour* between approaches for fragile and conflict settings and those for other more stable and benign contexts. And as the work has been commissioned by, and is intended specifically for, bilateral development agencies, the focus of attention centres on such agencies.

Despite increasing rhetoric that ‘politics matters’, the shape of the donor response has been remarkably unchanging. It concentrates on training and ‘capacity development’, activities that centre on the transfer of knowledge and skills to fill a perceived gap. The assumption underpinning this orthodoxy is that the problem with corruption is the lack of know-how to combat it. A review of good practice in donors’ anti-corruption strategies² shows almost all donor anti-corruption strategies to be technocratic in approach.

Corruption, anti-corruption efforts and aid: do donors have the right approach?³ finds that donors ‘*focus on technical reform to formal institutions, paying too little attention to the interests, incentives and informal interactions of implementing parties*’. The classic critique, An upside down view of governance,⁴ contends that donors end up focusing on the wrong target. Their attention to formal institutional reform misses other dimensions crucial to corruption. ‘*Instead of prioritising reform of formal institutions, [donors] should look at the structures, relationships, interests and incentives that underpin them*’. This implies a shift in how donors see their role, ‘*from being experts with responsibility for “delivering” ... to at best being effective facilitators of local political processes*’.

The U4’s Theories of change in anti-corruption work⁵ shows how projects ‘*involve a leap of faith that assumes that by building awareness of rights among right [sic] holders, or by strengthening the capacity for responsiveness amongst duty-bearers, there will be an automatic change of behaviour and power relations that will lead the project seamlessly into an improved set of outcomes*’.

This is confirmed by a formal evaluation of donor programmes in 2011. A literature review for this study concludes that donor failure is ‘*largely a result of the mismatch between the technocratic approaches and the political nature of the issue*’. The donor approach ‘*does not take into account the systemic yet specific nature of corruption in partner countries. The assumption is often that corruption happens because of individual choice, weaknesses in the institutional and legal frameworks, or lack of capacity to enforce existing rules and regulations. Consequently, institutional and legal reforms and capacity building are seen as appropriate responses*’.

2. 2010.

3. 2008.

4. 2010.

5. 2009.

This evaluation and a review of donor approaches in Uganda⁶ illustrates how, in choosing their approach, donors are mainly influenced (and constrained) by their own operational culture and the tools they possess: *'Weaknesses of an institutional or legal character are tangible issues that donors can address with familiar reforms and capacity building programmes. Systemic corruption ... is much more difficult to tackle'*. Programming tools to hand reinforce *'the tendency to focus on capacity building interventions, whereas the political dimensions of the corruption problem are being avoided'*.

As a counterpoint, U4's review of how a number of countries reformed in the early 2000s shows that in most, it was citizen-led pressure that pushed the authorities into action. Donors, by contrast, were seen as being complicit in allowing the authorities to adopt superficial responses that did not impact on underlying issues. Khan, in anti-corruption in adverse contexts,⁷ emphasises how this makes donors' efforts not just ineffectual, but often counterproductive.

Thinking beyond the technocratic

The classic study of the 'theatre' of the Malawi budget process, which showed how informal processes subverted the surface formalities, illustrates the problem for donors. A study of informal processes suggests that anti-corruption approaches must be better at both uncovering 'hidden agendas' and tackling the 'habits of corruption'. A manual for donors on social norms approaches for anti-corruption also points in this direction. How a more politically astute approach can work in practice is shown in an Albania case example. This defines steps to find the 'smart space' for action, by looking at distributions of political and economic power. The multifaceted nature of the task is highlighted in a review of innovative donor interventions by ECDPM.⁸

Khan *et al.* in their adverse contexts review and Mungiu-Pippidi in a road map for donors to control corruption both suggest methods that are based on understanding, and using, in the latter's phrase, *'the human agency with a vested interest in changing the status quo'*. This means designing actions around the particular incentives and norms for specific groups. The common thread here is that the foundations of action shift from transferring knowledge and skills to acting on incentives for change.

6. 2006.

7. 2019.

8. 2020.

The foundations of action need to shift from transferring knowledge and skills to acting on incentives for change

A review of ‘success stories’⁹ emphasises that contextual factors tend to be more decisive than the technical quality of controls themselves. A donor discovers this to its cost when it *‘detaches apparently successful controls from the processes that brought them into being and from the enabling conditions, events and trends that engendered those processes (and explains why some controls fail in different circumstances)’*. The success of ‘virtuous circles’ that have built resistance to corruption in society at large comes from factors currently not addressed by the donor toolbox.¹⁰

Whether donors should tackle corruption directly or ‘indirectly’ is a running theme. The IMF cautioned early in *Look before you leap* that *‘because corruption is itself a symptom of fundamental governance failure, the higher the incidence of corruption, the less an anticorruption strategy should include tactics that are narrowly targeted at corrupt behaviour and the more it should focus on the broad underlying features of the governance environment’*. Nevertheless, donors have tended to spend vast amounts precisely focusing on specific corrupt behaviour.¹¹

Recent studies have also placed importance on the mutual reinforcement of influencers, drawing on the theory of the sandwich approach which evolved in civic action in post-Soviet Eastern Europe. An illustration from Guatemala¹² of the combination effect of vertical and horizontal pressures shows how youth mobilisation linked with a key reformist state institution (and aided by the unique internationally-staffed CICIG [International Commission Against Impunity in Guatemala]) led to high-level change. This case has important insights on the power of social media and suggests a role for donors in supporting social mobilisation.

9. 2017.

10. An intriguing insight emerges which runs counter to a donor orthodoxy that is based on trying to create strong institutions in un conducive settings and expecting them to turn the tide. An alternative scenario is possible – that institutions and controls to tackle corruption have worked once society has accepted the evil of the problem and moved to make it contrary to the social norm. Successful institutions *followed*, were reinforced, and created the anti-corruption groundswell. Strong institutions were thus the *effect* of the anti-corruption groundswell, not its cause.

11. The case for the ‘indirect approach’ is most forcefully made by the classic study of how 19th century Sweden transformed itself (2011). Virtually none of the reforms explicitly targeted corruption. The same author has gone on to identify five key areas as ‘reasonably well established empirical indicators’ for reform to bring about anti-corruption indirectly: taxation, meritocracy, universal education, gender equality, and good auditing. All share a common denominator, *‘the principle of impartiality in the relation between states and citizens’*.

12. 2015.

An historical review¹³ of anti-corruption national experiences identifies several lessons for donors, including the importance of efforts to prepare the ground: *‘Just as Louis Pasteur said in matters of scientific observation, “chance favours the prepared mind”’. In fighting corruption, chance is likely to favour the prepared alliance’.*

Pathways to improve

How might donors reposition themselves in light of these findings? To avoid any doubt, we should not conclude that strong institutions do not matter. It is rather the route by which donors have tried to bring about strong institutions that appears to have been misconceived. This is particularly given the unrealistic premise that corrupt regimes are likely to reform willingly. Expecting transformations to occur only through giving training, knowledge, and skills is the issue to be addressed.

That donors are experiencing reduced leverage adds to the challenge. Reluctant authorities can more easily avoid engagement on corruption issues. This makes it necessary for donors to rethink their main target. They need to move beyond *hardware* (equipment and infrastructure) and *software* (knowledge and skills). And they need to think more about *‘wetware’* – the human dimension driving behaviours and motivations. Focusing here opens up new possibilities of intervention, exploiting incentives and other influences for change. By refocusing towards fostering underlying drivers of change, which often lie outside the government itself, these targets are also likely to be a better fit for donors in light of their evolving relationship with their hosts.

This evidence suggests that three shifts of emphasis could improve the donor response:

- From the focus on transferring knowledge and skills to attention to contextual influences.
- From the presumption of ‘partnership’ with government officials to mobilising incentives for those actors to change behaviour.
- From primarily ‘helping governments’ to more attention to helping citizens in their relationship to their government.

13. 2016.

Pathway A1 – Beyond knowledge and skills: factors that influence behaviour

<p>Case for change</p> <p>Overwhelming evidence shows that technocratic approaches are insufficient. They can create the illusion that the problem is being tackled.</p>
<p>End vision</p> <p>A donor approach that contributes to sustained progress regarding corruption, by being more attuned to the factors driving it. This is a long-term shift in direction. It does not jettison technical training. Instead, it gives capacity building strong opportunities to gain traction.</p>
<p>Potential benefits</p> <p>The donor contribution will be seen to be better balanced between the formal needs of state institutions and the realities of underlying factors that impact on the functioning of the formal system.</p>
<p>Likely obstacles and how to overcome them</p> <p>More complex assessments of settings and needs will add to programme preparation. New time perspectives will be essential, looking to change that happens over much longer periods than present norms (three to four years). Commitments for ten years and beyond may be needed, with far more adaptive programming methods.</p> <p>The scope of a 'programme' would become far broader than current technical assistance models, which can be narrowly focused on a specific institution. 'Chain' programmes,* linking relevant elements together, would become more common.</p>
<p>Practical steps to start</p> <p>Identify from a rapid scan of existing anti-corruption interventions those which have the potential to be broadened beyond training and capacity building, to incorporate elements that address underlying factors that may affect the overall chances of success. (These elements would include better understanding of the internal and external influences on the institution being supported, critical connections with other institutions that need to be made, and ways in which performance of formal institutions could be enhanced by marshalling external influences, for example, by civil society.)</p> <p>Drawing on existing vulnerability assessment tools, adapt one to provide a method through which a donor can identify the contextual factors that could be affecting the success of anti-corruption activity.</p>

* Similar to UK Department for International Development (DFID) programmes in Uganda (SUGAR), Tanzania (STACA), and Ghana (STAC). These have connected legal and law enforcement institutions with elements of civil society engagement.

Pathway A2 – From partnership to challenge

<p>Case for change</p> <p>Very often those in charge in government are themselves active generators and beneficiaries of corruption. The genuineness of their engagement with ‘assistance’ to change will often be questionable. When the host government constitutes a forceful obstacle to progress against corruption, an approach that continues to be built on assumptions of collaborative partnership risks being seen as naïve.</p>
<p>End vision</p> <p>Instead of an anti-corruption programme that relies on a presumption of shared ends, donors operate with greater political ‘savviness’ to help foster change. This is by them changing the incentives for being corrupt and contributing to shifting overall social attitudes and pressures. Donors are not reticent in expressing disquiet, ideally collectively, at government actions/inaction. They are prepared to take their own action to incentivise behaviour change from those in authority.</p>
<p>Potential benefits</p> <p>Real change could be achieved instead of the ‘shadow play’ that is often seen, that is, a show of anti-corruption activity with little apparent shift in actual conditions. Donors could shift from their current approach which is overwhelmingly based on governments professing their commitment to reform. Shaping incentives could lead to self-sustaining virtuous circles.</p>
<p>Likely obstacles and how to overcome them</p> <p>Donor anti-corruption objectives will very often clash with other objectives of their own governments, such as maintaining state-to-state relations, preserving trade, and, in some cases, the need for mutual diplomatic support in global affairs. This means trying to create a ‘critical friend’ posture, with equal emphasis being put on articulating the incentives to behaviour change as on criticism voiced.</p>
<p>Practical steps to start</p> <p>Identify mechanisms within donor governments where potentially conflicting objectives can be considered and resolved. (For example, in the UK, the National Security Council country strategic plans set government-wide objectives in relation to another state.) Donor agencies should initiate discussions in these bodies on countries they regard as priorities for anti-corruption.</p> <p>In priority countries, an agency could develop a menu of anti-corruption actions that go beyond the training of state officials and which are geared towards shifting the incentives environment. For example, actions could be aimed at improving how ‘demand’ from citizens can be leveraged for better state performance, how the voice of the media and other social influencers can be enhanced, or how political dialogue regarding corruption, such as in parliament, can help (re)shape wider attitudes.</p>

Pathway A3 – From supporting governments to empowering people

<p>Case for change</p> <p>The literature on ‘success stories’ strongly shows the power of civic mobilisation in bringing about transformative change. Donors already recognise this by their widespread support for civic action on anti-corruption. Moreover, corruption episodes have often forced donors to cut ties with formal government systems and turn to civil society channels to disburse aid. Further developing donors’ focus on societal structures and social forces could offer opportunities for change, by working to strengthen the accountability relationship between citizen and state. In doing so, the political system can be helped to work better for citizens’ interests.</p>
<p>End vision</p> <p>Donor support for anti-corruption is focused on understanding local social dynamics and towards supporting the interests that the citizenry collectively expresses. Donor efforts become geared to improving the effectiveness of public systems from a citizen/user’s perspective.</p>
<p>Potential benefits</p> <p>Donors could slowly extricate themselves from current arrangements, which place a disproportionate and often unrealistic reliance on a government’s professed commitments. Strengthening the citizen–state nexus has fewer downsides in comparison to the shortcomings experienced from the present approach.</p>
<p>Likely obstacles and how to overcome them</p> <p>‘Civil society’ is diverse and identifying the most suitable partners may not always be straightforward. Some civil society organisations (CSOs) may emerge from and reflect elite views, or be politically oriented, rather than genuinely represent grassroots civic interests. Donors operating in a country could pool their intelligence on the appropriate groups to support. Good due diligence through local knowledge can help them make good choices.</p> <p>Complete abandonment of engagement with government is unlikely to be feasible, not least for political reasons. This shift therefore is about subtly reorientating the emphasis of donor programmes.</p>
<p>Practical steps to start</p> <p>Ideally as a joint donor exercise, identify a target list of countries where current conditions offer the best scope for boosting civic action on anti-corruption. Develop joint-action, or at the very least complementary, programmes.</p> <p>Build on existing tools (such as monitors of public integrity and country reporting by resident donor staff) to develop a collective capability to monitor the state of civic–state relations. This action can quickly spot windows of opportunity. It could also be supplemented by developing ways in which donors can respond promptly in these conditions, such as those proposed by the Center for International Private Enterprise’s (CIPE) Rapid-Reaction Anti-Corruption Project.</p>

Lens B – organising: how donors operate against corruption

Despite accumulating evidence of ineffectiveness, donor ways of working have not substantially changed. Anti-corruption programmes are designed, structured, and delivered in exactly the same way as other interventions.

Donors' short time perspectives and inflexible standard operating procedures need to be replaced with longer time horizons and more agility on implementation. They need to immerse themselves in the local specifics, and for longer. It is particularly important that they create the ability to respond to unexpected windows of opportunity.

Donors' short time perspectives and inflexible operating procedures need to be replaced with longer time horizons and agility on implementation

Donor methods

Donors currently see that most of their capacity-building projects have barely affected the realities of corruption in a majority of their partner countries. This is despite supplying extraordinary levels of aid for these efforts over decades. While the evidence constantly emphasises the diversity of corruption, donor ways of working have solidified around a narrow set of approaches and instruments – training/capacity building; equipment provision; and guidance manuals – delivered in projectised 'slices'.

The problem created for donors is clearest in how the Logical Framework ('LogFrame') Approach can limit responses through its inherent rigidities. The linear view of change it implies, as well as the requirement to choose indicators in advance (which tend to be selected primarily for their ease of quantification), and, more recently, annual milestones, are all seen to be squeezing out scope for dealing with unexpected events.

A 2002 review criticises this straitjacketing, likening the approach to '*a production engineering model ... grounded in the idea that all inputs must be foreseen [in advance] and that every input should lead to a measurable outcome*'. This approach is ill-suited to development programming, still more so for anti-corruption. A U4 paper on adaptive

approaches¹⁴ notes that the standard donor method *'is not well set up to deal with the surprises and complexities involved in tackling corruption. It is then perhaps to be expected that anti-corruption interventions may be overwhelmed by realities on the ground, undermined by political pushback, or damaged by unintended consequences'*.

In dealing with corruption, risks and uncertainty will always be high. Donors need to find ways to manage uncertainty, not try to design it out.

The LogFrame has, perhaps, a more insidious effect. Its demands have led to a common feature of the donor way of working, across all disciplines, being a disproportionate preoccupation with the design stage of interventions. Since new projects are always being developed, staff focus tends to remain concentrated in planning. Less attention is paid to the implementation of existing activities.

The LogFrame reinforces this effect by becoming a convenient checklist that allows formal obligations for 'monitoring' to be (relatively) easily complied with. The overall effect on donors is to reduce the opportunity or incentive to engage more deeply with activities that are under way. This is likely to mean donors miss potentially valuable insights into how change is actually happening.

Donor coordination

Lack of coordination among donors is a notorious shortcoming. It has allowed governments to easily play donors off against each other and minimise pressure on themselves. Problems range from prosaic issues such as variable funding cycles and priority differences to the pathological: instinctive bureaucratic competition, between donor agencies themselves and with other agencies of each donor's own administration.

The governance sector suffers worse than any other in this respect, with an analysis of 'aid fragmentation and donor proliferation' showing it to be the most fragmented. In 2009, 'government and civil society' on average received aid from more than 13 donors per country, the highest of all sectors.¹⁵ The effects on efficiency are compounded by evidence that greater donor fragmentation contributes to greater corruption.

Although donors formally acknowledge the importance of coordination in the OECD/DAC Principles for Donor Action in Anti-Corruption, practice continues to fall short of

14. 2020.

15. This analysis relates only to bilateral and multilateral governmental providers. It does not take into account the increasing presence of international non-governmental providers and foundations.

requirements. A review of literature on donor coordination structures¹⁶ shows how limited the examples of coordination are in anti-corruption. Three key elements of better coherence are seen to be: i) common arrangements for planning, managing and delivering aid; ii) simplification of idiosyncratic procedures; and iii) information sharing.

Despite appearing to be well aware of the self-defeating consequences of poor coordination, these costs have evidently not been severe enough to outweigh the other pressures donors face that inhibit closer working (such as the primacy of agency programming cycles). This means that coordination becomes more than just about the mechanics of creating a collaborative structure.

The Uganda Joint Response to Corruption¹⁷ provides important lessons for success: collective focusing on a limited number of issues; ensuring a balanced perspective between short-term corruption episodes and long-term systemic challenges; the value of a common script that delivers consistent messaging and focus; and the escalation of actions in response to the (lack of) responses of the Ugandan government. Those involved recognised this as a culture shift in their way of working. The key lesson to emerge was that it took significant leadership and effort to keep the process going. (Indeed, the initiative lapsed after its originator moved on.)

Also in Uganda, the seven members¹⁸ of the Democratic Governance Facility (DGF) have collaborated since 2011 on a suite of governance issues. A 2016 evaluation¹⁹ concluded it was producing more than the sum of its parts. Several issues here are relevant for donors. On the positive side, there is evidence the model helped attract donors who might not otherwise have contributed. The mechanism also reduced administration costs significantly. However, as a ‘change agent’, the model had little impact. By limiting itself to being a fund manager for projects, it did not seek to become a policy influencer. The evaluation saw this as a lost opportunity.

A review of the nine-donor²⁰ Anti-Corruption Fund (ACF) in Nicaragua from 2002 identifies similar issues, although from an opposite perspective. Whereas the DGF was seen as focusing on helping civil society, with limited connections into government systems, the ACF focused on formal institutions, with classic technical support –

16. 2017.

17. 2009–11.

18. Austria, Denmark, the European Union (EU), Ireland, Netherlands, Norway, and Sweden in the second phase. UK participated in the first phase (2011–16).

19. Provided to the author – no online publication found.

20. Denmark, Finland, Germany, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and the UN Development Programme (UNDP).

capacity building, salary supplementation, and paying for running costs and equipment. No attention was given to ‘demand’ side issues. By 2010, six of the nine donors had left Nicaragua for macro-political reasons. Chief among these was lack of commitment by the government, which perhaps illustrates that the programme’s reliance on working solely with government might have been its ‘Achilles heel’.

The seven-donor²¹ Somalia Stability Fund (SSF) created in 2013 similarly seems to be primarily a vehicle for organising project funding. It appears to have brought benefits in creating a single source of analysis, which helps provide a ‘speaking with one voice’ power for donors. On sensitive issues, this can be a valuable tool, as recognised in the annual review for 2018. This records that *‘the quality of the underlying analysis, scenarios and strategies is very high and is often used as a reference point for donors and in engagement beyond SSF’*.

The problems of holding donors together are exemplified by the Partnership for Governance Reform in Indonesia,²² which eventually fell away as donors lost patience with a collective approach. A review highlighted the lack of incentives donors had for collaboration.

Pooling of resources and administration under multilateral management has been popular, especially in difficult contexts where it helps to reduce the exposure of bilaterals. It is noticeable, however, that such arrangements in anti-corruption have favoured classical technical approaches. The UN Development Programme’s (UNDP) support to Sierra Leone’s National Anti-Corruption Secretariat,²³ the Liberian Anti-Corruption Commission,²⁴ and Iraq’s Anti-Corruption Academy²⁵ were mostly vehicles for channelling funds for orthodox public sector capacity building.

A joint structure can reduce the exposure of individual donors in sensitive areas and lead to actions that they would not be prepared to undertake alone

There are benefits of joint funds, including reduced transaction costs, the creation of donor ‘critical mass’, the smoothing out of the effects of shifts in individual donor

21. Denmark, EU, Germany, Netherlands, Norway, Sweden, and the UK.

22. Early 2000s.

23. 2011.

24. 2010.

25. 2015.

funding levels, and more coherence in activity. The advantages for anti-corruption look especially strong. A joint structure can reduce the exposure of individual donors in sensitive areas and lead to actions that they would not be prepared to undertake alone. The collective pooling of finance for investigations in the Chiluba case in Zambia from 2002, the first example of collective support in a high-profile case, shows these advantages. The fund became a valuable coalescing point for donors and a vehicle for agreeing common positions in rapidly changing conditions.

Donor focus

In programming, donors have largely confined their attention to corruption inside a partner country. This fits with their general aid delivery model. The rise of transnational dimensions, such as illicit financial flows, creates a problem for donors that they have yet to successfully respond to. U4's note on anti-money laundering and illicit financial flows illustrates the many obstacles for donors.

The result has been a sharp divide in a donor's allocation of work. In-country programmes are run by the agency's country office or embassy. Yet efforts on transnational aspects are mostly organised from the agency headquarters (HQ).

Practical action is supported, for example, through technical assistance programmes for anti-money laundering run by the World Bank and IMF, for asset recovery run by the International Centre for Asset Recovery (ICAR) and the Stolen Asset Recovery Initiative (StAR), and for helping financial intelligence units (FIUs) by the Egmont Centre of FIU Excellence and Leadership (ECOFEL). However, these still tend to be based on country-focused efforts. Other than the network of practitioners for asset recovery (CARIN and its regional offshoots), virtually no mechanisms exist that explicitly bring parties together operationally across borders. One exception is the International Anti-Corruption Coordination Centre (IACCC), created in 2017, which focuses on law enforcement collaboration. But it remains extremely narrow in its participants. A significant gap therefore remains in supporting cross-border collaboration.

Pathways to improve

How might donors reposition themselves in light of these findings? Four shifts that could be useful appear to be:

- From tools emphasising short-term vision and rigidity of execution to those able to accommodate more flexible responses and longer-term perspectives.
- From a focus on activity at the country level to structuring interventions that can have impact on a country's vulnerability to transnational dimensions of corruption.
- From individualistic donor methods to a default approach premised on donor collectivism.
- From leaving the donor agency alone to address corruption in other countries to an 'all-of-government' approach that draws on all the influencing tools available to a donor country.

Pathway B1 – From short-term rigidity to long-term flexibility

<p>Case for change</p> <p>Operational cultures fundamentally shape how donors structure the methods they use to support anti-corruption. These favour shorter timeframes and more rigid pathways than those that are now known to be needed.</p>
<p>End vision</p> <p>Donors develop long-term planning and delivery frameworks that focus on the root causes of corruption problems, not their symptoms. They understand the corruption dynamics in the country concerned. Activities are undertaken against a long-term vision of future change and can be quickly adjusted accordingly to changing events, rather than operating to micro-objectives set in stone in projects. They focus less on ‘capacity’ gaps and more on bringing to the surface the core forces driving motivations, reducing those that fuel corruption, and reinforcing those forces that build resistance to it.</p>
<p>Potential benefits</p> <p>Donors can avoid being bypassed by events and can take advantage of unexpected opportunities. They can increase potential for longer-term influencing, being able to nurture ‘political will’ (rather than await it). The approach increases the scope for giving attention to influencing social norms and to engaging on ‘indirect’ approaches.</p>
<p>Likely obstacles and how to overcome them</p> <p>Being more flexible means donors will appear to be loosening their hold on the future they are trying to create. This runs directly counter to present trends for donors, which emphasise the importance of defining clear outcomes in advance. A better narrative is needed that shifts critical focus away from programming minutiae and towards the long-term negative impacts of corruption and the benefits that accrue from reducing it. Donors’ time being focused on strengthening such messaging could more than outweigh the supposed value that is protected through current overly complex micro-controls.</p> <p>The biggest practical implication of moving to this approach is the need for a stronger donor presence on the ground. This will present difficulties for smaller donors, but this could act as a greater incentive to develop stronger coordination among the donor community.</p>
<p>Practical steps to start</p> <p>Develop a pilot/model long-term planning and delivery framework that demonstrates how a flexible approach could operate. This could be based on the ideas for adaptive approaches referenced earlier in this Issue.</p> <p>Identify barriers to change within the organisation, in particular which operating procedures cannot be changed.</p> <p>Design a new relationship with local academia, think tanks, and other planning organisations to strengthen donor access to local knowledge and trends.</p>

Pathway B2 – From national perspectives to transnational approaches

<p>Case for change</p> <p>Donors at the country level have scarcely begun to equip themselves to help address the vast quantities of financial resources that are lost annually by developing countries. These amounts are often larger than incoming aid flows.</p>
<p>End vision</p> <p>Donors are responsive and capable in addressing corruption that involves cross-jurisdiction issues. They are able to acquire the range of specialist expertise necessary, through new operational relationships with 'non-traditional' sources, such as law enforcement and criminal intelligence. The transnational dimensions of corruption become a normal facet of donor governance adviser thinking.</p>
<p>Potential benefits</p> <p>A stronger donor capability in this sphere could reduce the sense of impunity that elites in developing countries now largely enjoy (when the act of moving funds out of their jurisdiction effectively amounts to a guarantee against further action). Being seen to address elite wrongdoing is an important counterweight to tackling the day-to-day bureaucratic corruption that affects ordinary people, on which donors usually focus.</p>
<p>Likely obstacles and how to overcome them</p> <p>Most donor agencies do not regularly collaborate with law enforcement or criminal intelligence. These organisations can operate with completely different world views, with different priorities and levels of understanding of developing country challenges. Donors must find ways to make operational connections that are mutually reinforcing, such as by using aid funds to support activities of interest to the donor that can also reduce pressures on regular law enforcement.</p> <p>Donor structures based on country office models do not lend themselves to developing strong connections with institutions beyond the border. More fluid staffing methods may be needed, including regional or transnational hubs to foster links, especially with operational multilateral bodies.</p>
<p>Practical steps to start</p> <p>Identify priority developing countries where a stronger transnational dimension to anti-corruption assistance (ideally delivered through a collective donor approach) could make substantial inroads to the country's corruption problem. This could be, for example, by ramping up work by financial intelligence units, more active mutual legal assistance, and specialist investigative and prosecutorial expertise.</p> <p>Agency HQs fund assessments of their own country's likely exposure to incoming illicit flows (as the German development agency, GIZ, has done), as the basis for engagement with relevant domestic institutions (law enforcement, FIUs, prosecutors) and country programmes.</p>

Pathway B3 – From donor individualism to donor collectivism

<p>Case for change</p> <p>Of all development challenges, corruption’s multifarious nature cries out for a coordinated approach from donors. Yet they have rarely moved from their orthodox methods. The aggregate effect of multiple donors undertaking multiple interventions across multiple time horizons has ended up leaving corruption mostly untreated, despite huge activity. Donor coordination groups at the country level tend to limit themselves to information sharing and light coordination. Most do not involve themselves in collective activity at the operational level.</p>
<p>End vision</p> <p>Corruption is treated as a holistic problem of the country as a system, not as a set of individual problems in individual institutions that are treated individually. A model future approach works to a systemic plan, with coordinated contributions from donors. These can still be executed in the form of bilaterally managed interventions, but they are done under the strategic direction of a collective donor hub.</p>
<p>Potential benefits</p> <p>In contrast to current atomised efforts, collective approaches have been shown to be able to create advantages. These range from a critical mass of influence vis-à-vis the host government, to common analytical and planning exercises, reductions in organisation and delivery costs, and the leveraging of donor contributions which might not have otherwise materialised.</p>
<p>Likely obstacles and how to overcome them</p> <p>Despite positive evaluations and theoretical arguments to support the concept, coordination has proved notoriously difficult to achieve in practice. The incentives to coordinate appear insufficient. Donor staff tend to perceive the costs of coordinated action as higher than the cost of uncoordinated action. Shifting this perspective looks crucial, but how to do so is far from clear. Giving staff in-country greater autonomy to manage processes and budgeting time horizons may be a starting point.</p>
<p>Practical steps to start</p> <p>Through the U4 network, conduct a more detailed analysis of examples of mechanisms for operational coordination, especially of those outside corruption, to assess success factors and reasons for failure.</p>

Pathway B4 – From donor agency to all-of-government

<p>Case for change</p> <p>Donor agencies usually find themselves in the lead role against corruption in developing countries. This has probably contributed to the resulting technical response, since this is what donor agencies feel they are good at providing. The consequences are unhelpful, as other influences that could be brought to bear are foregone. Other parts of the donor government that hold levers to such influence simply do not see corruption to be ‘their’ problem.</p>
<p>End vision</p> <p>An ‘all-of-government’ approach addresses corruption using the full array of influences available to a donor government. When brought to bear in a systemic way, their combined effect could shift local incentives and behaviour change.</p>
<p>Potential benefits</p> <p>This would be a step-change to the donor approach to corruption. It offers the prospect of seeing all parts of the problem and using all parts of the armoury the donor has to deploy. Where this kind of approach can be organised by several donor countries, stronger pressure on host authorities could be engineered.</p>
<p>Likely obstacles and how to overcome them</p> <p>DFID’s experience is that the obstacles should not be underestimated. Other departments have different, and usually competing, sets of priorities in their relationship with the other country. Donor agencies are often lower in the pecking order of departments of state than, for example, foreign or trade ministries.</p> <p>Equally, there are examples of success when ambassadors have taken a lead on anti-corruption, such as the UK in Kenya in the early 2000s when the Ambassador struck an unusually impatient tone on behalf of (some) donors.</p> <p>Two routes offer potential solutions. Where corruption in a country is so extensive as to create existential threats to these other interests, such as political stability, corruption can become the cohering issue around which overall policy is set across departments. Joint national strategies can help (as under the UK National Security Council). By contrast, there can also be countries where the level of the donor government’s other interests is relatively limited. Here, a donor can seek to persuade its colleagues that tackling corruption will not damage its other interests.</p>
<p>Practical steps to start</p> <p>Donor agencies initiate cross-departmental consultations in their systems on the ‘all-of-government’ approach. This could identify feasible locations for that donor. It could also tease out barriers to the approach being adopted more generally.</p> <p>Ideally, pilot the approach in locations where multiple donors are on board with it.</p>

Lens C – responding: how donors deal with episodes of corruption

The first two lenses constitute the main determinants of a donor ‘footprint’ on the ground. However, donors also have a further, and often significant, effect locally, from the way in which they respond when a corruption episode occurs. This behaviour has often undermined, rather than reinforced, local actions.

This lens looks at the issues that arise from how donors react to instances of corruption. Curiously, these episodes always appear to catch donors unawares, despite the environment in which they operate. Responses regularly have a sense of improvisation. Donors need new pathways so that they can avoid unintended negative consequences and turn episodes into opportunities for reinforcing local efforts.

U4’s review of collective donor responses to corruption cases²⁶ identifies several negative tendencies when donors are confronted by a sudden corruption crisis:

1. Slowness to reach a collective position and to agree actions. Donors do not pre-plan, despite the high predictability that episodes will occur (even if specific timing and location is unforeseeable). This means that actions are chosen in an atmosphere of urgency and pressure.
2. There is no practice of using episodes as a leveraging opportunity. The overriding concern tends to be to agree a plan with the authorities that allows donors to return to ‘business as usual’ as quickly as possible.
3. Donors arm themselves with a limited arsenal of responses – usually around suspending aid flows. Almost universally, they think only in terms of their own funds over other considerations, such as opportunities to use the crisis to induce change.
4. Donors usually fail to open up dialogue with other actors, such as non-governmental organisation (NGO) interest groups, who might have influence. They lose opportunities to strengthen domestic accountability processes, which could take centre stage.
5. Donors tend to have the same response regardless of how an episode of corruption comes to light. A case that results from the effective working of a local control mechanism, such as audit, is treated the same as one arising from a donor discovery. Donors do not seem to worry about the message this sends to local auditors-general.

26. 2013.

These problems undermine local systems, as well as losing opportunities for donors to turn these episodes into a spur for remedial action. Adopting different pathways could help turn these occurrences to donors' advantage, rather than be scored as failings.

A follow-up analysis of these examples gives recommendations for new practice,²⁷ based on being better prepared, improving the consistency and predictability of responses, and involving a broader range of interests. This includes, it should be added, how to accommodate indigenous systems that have worked.

Be consistent, and thus predictable

Donors would improve their own prospects by treating predictability as the most important behaviour trait. With too many examples of variable responses, governments are tempted to just ride out each corruption event. Donors adhering to 'fire instructions' would help produce greater commonality in the immediate period after an episode has broken. As everyday fire instructions do, establishing a pre-agreed plan for an unexpected event avoids having to make one up during the crisis itself.

Donors need to connect the immediacy of an episode and its resolution with a longer-term reform path. Currently, there is too much focus on resolving the aid implications of the case (often with the view to resuming disbursement as quickly as possible). This is rather than considering the opportunity the case may have for addressing underlying issues. Donors often see episodes as obstacles in the road to be got around, not holes in the road they have fallen into which require some form of change to repair.

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Widen stakeholders

Corruption in a public service body is a concern for citizens, not just for external donors. Yet donors tend to address episodes behind closed doors. They treat the issue almost exclusively as an aid disbursement problem. They engage with government

²⁷. 2014.

quietly, when much more impetus could be generated by involving other interest groups, such as parliament, CSOs, and the media.

For example, more could be done by working with parliament if this gives opportunities to win broader allies for change. This would particularly be relevant where the episode has come to light from the work of the formal audit system; then the Public Accounts Committee could play a strong follow-up role. Working with civil society to monitor follow-up, or widen scrutiny, can maximise the demonstration effect of an episode and how it is remedied. An event in one location in a country where corruption is widespread is unlikely to be unique, so broader scrutiny could bring other similar problems to light. The media can also play a role in longer-term follow-up.

These small shifts in approach to handling can turn a single corruption episode into a systemic issue and help to continue pressure for change. This is especially so once the immediate dust has settled from the outbreak of a scandal.

Support, not undermine, local systems

Donors' default methods should shift to ones that support, not undermine, local systems. Where these have worked, the donor response should be to recognise that achievement and help to ensure that cases are seen through to their conclusion. The implications of this are that donors need to be flexible, nimble, and innovative in being able to support activity (such as investigation and prosecuting capacity, activities that are often not in the usual donor tool bag).

Pathways to improve

How might donors reposition themselves in light of these findings? Two key shifts in operating norms appear useful:

- From a stance that focuses exclusively on safeguarding donor funds to one that centres on how donor support and influence can help the investigation and resolution of the case.
- From short-term, reaction-based responses to individual episodes to longer-term perspectives that seek to use each episode to strengthen oversight mechanisms.

Pathway C1 – From safeguarding donor interests to supporting action

Case for change

When corruption scandals erupt, donors' main concern tends to be their own interests, reputations, and the perceived risks of their funds being tainted or lost. Their actions focus on what is in the interests of the donor, too often regardless of how this affects others locally. This can actively undermine local systems, with donors ending up doing more harm than good. A more considered posture would take into account how donors' presence could be directed to dealing with the problem, rather than simply 'raising the funding drawbridge'.

End vision

Corruption episodes become launch pads for sustained collaboration between donors and relevant authorities, to ensure investigations are pursued to an appropriate outcome. This includes redirecting aid funds to achieve this.

Potential benefits

Turning corruption episodes from instances of mutual discord to opportunities for high-profile remedial action is in the interests of all parties. It could allow existing support to continue uninterrupted so avoiding a negative impact on ordinary people. Extra safeguards can be deployed in the interim to satisfy donors' fiduciary concerns.

Such an approach will increase the demand for highly specialised investigative, forensic accounting and prosecutorial skills. Donors should be readier than they are now to be willing and able to supply these skills. Doing so could sustain support across the chain of actions required, to move from the initial case to an eventual legal outcome. Each case can also become the starting point to wider efforts to detect whether it represents broader weaknesses across the system. Cases can become catalysts for change and to strengthening preventive measures.

Likely obstacles and how to overcome them

In scandals, donors' biggest challenge is domestic pressures – from ministers, the media, and the public. A new narrative is needed to reassure such concerns. This will be more straightforward if a case has arisen from local control systems working as they should to detect these problems. The narrative here is about supporting control systems to see cases through to a conclusion. In other circumstances, donors can partially assuage domestic anxieties by injecting external safeguards where preserving the delivery of a service is important, or by redirecting funds to support investigative work.

Practical steps to start

Develop a case list of 'unhelpful' past donor practices which have had negative impacts, as part of a new narrative to frame donor choices.

Develop a set of principles embodying these and the responses recommended in U4's past review of collective donor responses to corruption cases.

Pathway C2 – From case to system

<p>Case for change</p> <p>As well as dealing better with a specific case, there are other opportunities to use that case to galvanise wider preventive influences and strengthen oversight mechanisms. These opportunities have largely been missed by donors, who tend to deal with episodes ‘behind closed doors’ and from the perspective of how the problem affects donor business.</p>
<p>End vision</p> <p>Donors actively ‘work’ cases to explore opportunities for other stakeholders to become involved, moving away from narrow donor programme management concerns. Donors actively seek to nurture action by civil society groups, the media, and, where they exist, parliamentary allies.</p>
<p>Potential benefits</p> <p>As with Pathway C1, this shifts the narrative from recrimination to seeing a case as a platform for strengthening elements of the anti-corruption framework. It has the potential to engage new actors, forge new connections between non-governmental groups and formal institutions, and shift the focus of the response to the wider interests that potentially are at stake.</p>
<p>Likely obstacles and how to overcome them</p> <p>As above, donors will need to develop new approaches to shielding themselves from the immediate urgencies of dealing with the optics of an unfolding scandal. The ‘fire instructions’ can be an important tool in the early days of an episode. The ability to hold to a common line is vital, given the inevitability of some donor HQs (or their ministers) pressing for divergent actions.</p> <p>Bridging the gap between the immediacy of responding to the case and the longer-term work needed to pursue follow-up actions will require concerted attention over time. There is a high risk of interest waning. This suggests that one donor should be prepared to take lead responsibility locally for ensuring progress is sustained.</p>
<p>Practical steps to start</p> <p>Identify models of flexible programming that avoid building up internal pressures that prioritise disbursing aid flows over tackling the underlying corruption issue in an episode.</p> <p>Develop a case list of ‘unhelpful’ past donor practices which have had negative impacts, as part of a new narrative to frame donor choices</p> <p>Develop a set of principles embodying these and the responses recommended in U4’s past review of collective donor responses to corruption cases</p>

Lens D – human capital: how donors skill themselves to combat corruption

There is little or no treatment in the literature of the impacts on anti-corruption effectiveness from how donors manage and arrange their human capital. This lens looks at how donors create and deploy the expertise they believe is required. It reveals a number of unintended shortcomings that may be affecting the chances of donor success. These centre on (i) an overly constricted approach to marshalling knowledge, which leads to (ii) a narrowing of programming perspectives, and (iii) a foreshortening of potential horizons.

These limitations have tended to come about not from the intrinsic character of the problem, but as a result of the choices agencies make in deciding how to organise their staff.

Constricted knowledge

For most anti-corruption programmes, a donor's technical lead will be a governance specialist. This reflects the orthodox interpretation of the problem that sees corruption mostly being an issue of the administration and operation of institutions, their resources, and the ways in which decisions relating to public and private interests are reached. Even though corruption takes very different shapes in different sectors, in all donor agencies it has been the lot of the governance cadre to be thrust into the lead to grapple with the problem.

Centring a donor agency's embarkation point on governance is not difficult to understand. However, this has had unhelpful consequences. A common criticism of 'governance' among development practitioners is that it is an abstract and amorphous concept when it comes to identifying practical action. Other sector specialists in disciplines with a far greater sense of practical certainties – for instance, delivering health or education services – can regard governance as an add-on to their core technical questions. A governance adviser's contribution could be viewed as secondary in practical importance. It is rarely seen by sector specialists as fundamental to success.

This, along with other incentives we have already seen that push programmers to value disbursement of funds over most other considerations, makes it difficult for corruption perspectives to achieve traction.

These barriers are further heightened by the way agencies structure themselves to supply technical expertise. The creation of distinct and separately managed cadres for each discipline reinforces compartmentalised thinking and inhibits perspectives that cross these boundaries. Cadres tend to form strong group identities inside agencies, which each group sees as important for maintaining and advancing sector interests in the internal competition for policy attention and resources.

A review of donor approaches to health sector corruption points to the disjuncture between health and governance teams and the need to promote and incentivise closer cooperation between them. Health is not unique. Practitioner experience shows an uphill struggle to get anti-corruption internalised within agencies. Three factors seem important for a discipline to gain prominence within the agency. The precision of the subject matter (in technical terms), the quality of the evidence base (for how success is to be achieved), and how central the discipline is seen to be to the agency's core mission. Anti-corruption is way behind other disciplines on each of these attributes.

A further hindrance to generating a strong corruption policy perspective is the disproportionate attention an agency will almost always give to protecting its own funds from corruption, as distinct from the wider effects of corruption beyond its own programming. When 'anti-corruption' is raised as an issue, sector specialists think mostly about self-protection. Their instinctive perspective on corruption narrows to the stewardship of programme funding. Corruption issues that are broader than this get less attention – they are regarded as wider systemic issues and something for governance advisers, not them, to worry about.

A review of mainstreaming anti-corruption within donor agencies²⁸ reinforces this view. It documents the difficulties programming staff have in linking project design to reducing opportunities for corruption. This is largely because agencies' incentive systems do not encourage staff to do so. It points to the *'resistance and biases of sector specialists who are more focussed on the project's other technical aspects'*.

A 2014 digest of seven lessons from OECD DAC peer reviews on mainstreaming confirms many of these internal barriers. A central finding is that *'a common approach has been to overly rely on the easy changes that do not threaten existing patterns and styles of working, at the expense of the others that are more difficult to implement ... leaders have to go beyond advocacy and technical fixes and develop clear organisational linkages between policy, resources, incentives and accountability systems'*.

28. 2010.

The absence of genuine systems that do this explains the limited success in mainstreaming generally. Donors are judged not to allocate enough financial resources or people to supporting real organisational change. The outcome has tended to be superficial technical fixes – such as screening checklists or mandatory training courses – rather than deeper changes in organisational culture and practice.

Narrowing of programming perspectives

Donor agencies find themselves at the fore among the departments of their government to take responsibility for dealing with corruption in other countries. As has been argued earlier, their technocratic approach has narrowed perspectives for programming into largely transactional interventions, managed by programmatic vehicles that tend to be rigid in terms of objectives and time boundaries. The space for other forms of possible impact – such as the less tangible influencing that diplomatic practice brings – gets designed out. The expertise looked for in advisers is almost all about delivery of projects. This leads not only to deficiencies in *styles* of working but also in the breadth of *content*.

Foreshortened horizons

Donors' well-defined sectoral boxes for structuring and nurturing their human capital make it difficult to inject other issues, such as corruption, that are more amorphous. This has artificially foreshortened opportunities and has been deeply undermining for anti-corruption. The 'shoehorning' of anti-corruption into standard operating procedures has all but neutered donor impact. This has made it extraordinary difficult for agencies to embrace 'non-traditional' perspectives (for example, drawing on the known correlation between high internet coverage and reduced corruption), since these do not fit into a standard sectoral lens. Donors have unwittingly limited their own capacity for creative thinking. The undue focus that projects place on quantitative indicators has also helped to exclude approaches that cannot be as readily measured (for example, those involving difficult-to-gauge behaviour change).

The undue focus that projects place on quantitative indicators has helped to exclude approaches that cannot be as readily measured

New dividends are clearly possible if donors can develop fresh ways of collectively organising their operations, and secure economies of scale from better coordination.

Pathways to improve

How might donors reposition themselves in light of these findings? Three key shifts should be considered:

- From centring an agency's corruption response in the governance cadre as a 'governance' problem to envisioning corruption as an internal issue for all disciplines.
- From a highly segmented sectoral structure for organising skills in an agency to one less compartmentalised and better able to accommodate 'non-traditional' perspectives.
- From nationally structured donor presences in-country to pooled approaches maximising coherence (conceptually and operationally), economies of scale, and impact.

Pathway D1 – From governance drivers to corruption drivers

<p>Case for change</p> <p>When corruption is depicted as a ‘governance’ problem, and seemingly ‘owned’ by one out of many sectoral tribes which comprise a donor agency, unnecessary barriers and misperceptions arise. Other sectors are tempted to see corruption as an imported problem. Solutions can be regarded as add-ons.</p>
<p>End vision</p> <p>Corruption is ‘owned’ equally by each specialist, regardless of technical discipline. The problem is seen to be intrinsic to every operation and is analysed from the specific sectoral perspective. The corruption ‘problem’ gets defined ‘from the inside out’ rather than looking (and hoping) for a solution to be provided by ‘governance experts’ from outside the sector.</p>
<p>Potential benefits</p> <p>Taking corruption out of the governance box can promote a more holistic foundation for developing responses. Technical sectoral skills are augmented with situational skills, giving practitioners broader insights to how technical responses are to be moulded to be successful in the prevailing context.</p>
<p>Likely obstacles and how to overcome them</p> <p>Existing internal incentive structures are the biggest obstacle. Anti-corruption can be seen as hindering the broader ‘mission’ of the sector (or the wider agency), which is to roll out projects and disburse funding. Adapting financial management rules to remove threats to allocations from taking on the corruption implications of interventions – for example, by allowing flexible spending patterns without penalties – could reduce the negativities associated with dealing with corruption threats. But this requires an agency-level decision, as well as negotiation with the national treasury.</p> <p>Enhancing technical specialists’ skills and understanding to incorporate corruption dimensions will require an agency-wide knowledge programme. Ideally, this should be developed jointly by cadres, rather than being seen as an imposition from the governance cadre.</p>
<p>Practical steps to start</p> <p>Scan agencies for good practices on inter-cadre collaboration, identifying barriers to, and factors for, success. This should include examples unrelated to corruption mainstreaming.</p> <p>Through U4 channels, develop a full suite of technical briefs on the impact of corruption at the sector level, building on current materials.</p>

Pathway D2 – From rigid sectors to fluid solutions

<p>Case for change</p> <p>The orthodox division of donor agencies into distinct sectors has many merits. It helps to compartmentalise requirements for staff recruitment, allocate priorities and budgets, and organise knowledge. The structure does well when the problem to be solved is clear-cut (and technical). The less clear-cut or more multivariant the problem, the larger barriers such a system will tend to create. The history of donor responses to HIV/AIDS is illustrative. When initially addressed solely as a health problem, other ramifications were ignored.</p>
<p>End vision</p> <p>Agencies have more inter-connections between their sectoral departments. They become crucibles for creative and innovative thinking. This involves new relationships with partners from outside government, particularly academia and the private sector. Experimentation and risk-taking are encouraged and rewarded.</p>
<p>Potential benefits</p> <p>Breaking down sectoral barriers could foster creative linkages with ‘non-sector’ actors, such as IT, behaviourism, and social norms. These can draw on a wider range of dynamics to bring about change than the present pre-planned ‘engineering project’ model. A different generation of specialist skills could be brought into play.</p>
<p>Likely obstacles and how to overcome them</p> <p>Existing sectoral disciplines are well-defined and ingrained in agency structures. A starting point may need to be the creation of a ‘learning and innovation’ unit that is distinct, but non-challenging to the status of existing structures. Structural change should take place over time, and in response to experience, rather than being at the start of the process.</p> <p>Donors will need to develop better feedback loops between learning and operations than they currently possess. Research and evaluation need to be more agile and mechanisms will be needed to feed innovation into delivery far quicker than tends to happen now.</p>
<p>Practical steps to start</p> <p>Scan agencies for good practice on ‘organising for innovation’, including from outside development agencies, identifying barriers to, and factors for, success.</p> <p>Compile a digest of potential novel approaches to corruption that are currently absent from the donor repertoire. Identify what changes within agencies would be required for them to be taken up.</p> <p>Explore potential organisational models for innovative partnerships that might be run outside agencies, where such an approach offers fewer barriers to progress.</p>

Pathway D3 – From national individuality to collective coherence

<p>Case for change</p> <p>There is overwhelming evidence of the inefficiencies and dysfunctionalities created by multiple national donors operating in the same local context on the same problem and with the same interlocutors. The benefits of stronger coordination and coherence are self-evident. Examples do exist of the resulting advantages, even if attempts to secure such approaches as a common practice remain elusive.</p> <p>The particular skills required for anti-corruption raise additional problems. The multiplicity of specialisms needed makes it very unlikely that any single donor can assemble the full complement on its own.</p>
<p>End vision</p> <p>Donors collectively pool their talent (ideally in multi-donor hubs) to tackle corruption in-country. Donors are willing to put their financial resources under the management of such hubs, and follow coordinated planning, prioritisation, and programming.</p>
<p>Potential benefits</p> <p>Currently, several similarly equipped anti-corruption advisers from a variety of donors comprise the donor 'face'. A more collective mechanism could enable the same number of staff to span a far wider range of anti-corruption specialisms, at no additional cost and without any increase in the scale of deployment. The collective weight of the donor 'footprint' is increased, leading to stronger leverage vis-à-vis the host government.</p>
<p>Likely obstacles and how to overcome them</p> <p>Ingrained institutional inertia will be the most serious barrier. Getting senior management to give the change impetus will be a critical step. Ambivalence at this level is likely to lead to efforts getting bogged down by process-minded obstacles. Managing competing donor priorities, perspectives, and risk appetite (including willingness to be prominent on anti-corruption) have proved to be the biggest obstacles to collective approaches. A lead donor will likely be required to take on responsibility for managing inter-donor relations.</p>
<p>Practical steps to start</p> <p>Synthesise the success factors for collective donor approaches from past examples of joint cooperation mechanisms, including from beyond governance and anti-corruption.</p> <p>Identify potential pilot opportunities in upcoming programmes for testing.</p>

Prospects for change

The extent of deviation from standard operating procedures that many of these shifts represent is not to be underestimated. Some shifts can be made within the governance/anti-corruption discipline and applied specifically for anti-corruption, while not affecting the rest of the agency. But many others will require an overhaul of thinking and practice across a wider spectrum.

Anti-corruption practitioners need to be much better equipped, and inclined, to demonstrate how central a part corruption plays in undermining their agency's core objectives

One way of promoting this wider change is for anti-corruption practitioners to be much better equipped, and inclined, to demonstrate how central a part corruption plays in undermining their agency's core objectives.

Fashioning an argument for giving greater attention to corruption that can gain support from other technical disciplines within the agency could enlarge the body of opinion within the agency willing to consider these shifts. It would need to avoid creating concerns that doing so will disrupt programming. Such a larger weight of view would have greater prospects for persuading those in the agency in charge of processes and systems to be more amenable to changing procedures.

The table that follows attempts to assess the ease by which these shifts could be introduced, as well as the potential significance of the change in helping to transform dynamics in the recipient country. Needless to say, many of these shifts overlap. Most rely on one or more of the others. None by itself is a silver bullet.

Note

Scores for feasibility are allocated on a five-point scale:

1. Very weak
2. Weak
3. Medium
4. Strong
5. Very strong

Colour codes:

Green: 10-15

Amber: 5-9

Red: below 5

Scores for transformational importance are allocated on a ten-point scale for greater differentiation.

Colour codes:

Green: 8 and above

Amber: 4-7

Red: below 4

Change and effect

Change lies within governance/anti-corruption cadre's own control	Ease of overcoming opposition	Limited complexity involved	Total – degree of likely feasibility	Change offers transform. effect
Thinking				
Pathway A1 – Beyond knowledge and skills: factors that influence behaviour				
4	4	2	10	8
Pathway A2 – From partnership to challenge				
3	2	2	7	9
Pathway A3 – From supporting governments to empowering people				
4	5	4	13	7
Organising				
Pathway B1 – From short-term rigidity to long-term flexibility				
1	1	3	5	7
Pathway B2 – From national perspectives to transnational approaches				
4	4	4	12	7
Pathway B3 – From donor individualism to donor collectivism				
3	2	1	6	8
Pathway B4 – From donor agency to all-of-government				
1	1	1	3	7
Responding				
Pathway C1 – From safeguarding donor interests to supporting action				
3	4	3	10	8
Pathway C2 – From case to system				
4	4	3	11	8
Skilling				
Pathway D1 – From governance drivers to corruption drivers				
1	1	2	4	5
Pathway D2 – From rigid sectors to fluid solutions				
1	3	2	6	7
Pathway D3 – From national individuality to collective coherence				
2	2	2	6	7

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