

# Joint Evaluation of Support to Anti-Corruption Efforts

Synthesis 2002-2009

**Corruption contributes to world poverty and is a serious hindrance to equitable development. In 2009, the Asian Development Bank (ADB), the Danish International Development Assistance (Danida), the Swedish Agency for Development Evaluation (SADEV), the Swedish International Development Co-operation Agency (Sida), the UK Department for International Development (DFID), and the Norwegian Agency for Development Co-operation (Norad) commissioned a joint evaluation of their anti-corruption (AC) efforts over the 2002-09 period. Its purpose was to obtain knowledge on the relevance and effectiveness of donor support to reduce corruption, both through specific AC efforts and in other programs and draw lessons on what kind of donor support works and what does not. Fieldwork took place in Bangladesh, Nicaragua, Tanzania, Viet Nam and Zambia, leading to a synthesis report in 2011.**

**This evaluation defines corruption as “the abuse of entrusted authority for illicit gain” and uses the United Nations Convention against Corruption (UNCAC) to delineate donor AC efforts. Donor approaches to AC in specific sectors are also looked at. The evaluation also deals with donor behavior and their internal AC policies. This policy brief summarizes key findings, lessons, and recommendations from this evaluation and highlights those of particular relevance to Sida in its commitment to AC.**

## *Support to Anti-Corruption Efforts*

Fighting corruption has moved up the international agenda, as donor and partner countries came to sign and ratify UNCAC - the world's first global AC treaty - from 2005. Donor support has varied from one country to the next, reflecting headquarters priorities, comparative advantages, history of engagement in partner countries and quality of partnership with the incumbent governments. In mapping donor efforts against UNCAC Articles, the evaluation shows that donors have supported a wide range of AC agencies – from dedicated AC agencies in Bangladesh, Zambia, Tanzania, to the Attorney General in Nicaragua and Government Inspectorate in Vietnam - the latter receiving significant support from Sweden (Articles 6 & 36). Donors have also actively supported Public Finance Management reforms and increasingly worked with oversight institutions, starting with national audit offices, parliamentary account committees, and procurement agencies. This includes Sweden's long-standing partnership with Tanzania's Controller and Auditor General Office (Article 9).

Selected non-governmental organizations (NGOs) have received donor funding for AC-related activities. The evaluation finds that beyond financial support, donors have put limited pressure on governments to maintain an environment conducive to the participation of society (Article 13). Sweden has perhaps been bolder, as shown by its concern over the 2009 NGO Act in Zambia and support for the Right to Information and Transparency in Tanzania.

The evaluation finds that donor support to civil service reforms has not sufficiently entailed AC measures specific to public administration - from declaration of assets to disciplinary mechanisms (Article 8). For example, in Zambia, attempts (with Swedish funding) have been largely limited to producing service delivery charters in four ministries with no integrated approach overall. Donors have also paid little attention to strengthening the integrity of the judiciary and police, both perceived as highly corrupt in most countries (Article 11). Equally, they have rarely supported AC prosecution activities by the police and/or judiciary (Article 14-42). In countries like Zambia (with Swedish funding), donor support to private sector reforms has not acknowledge-edged the role that the private sector can play in fuelling corruption and has focused on reducing red tape instead (Article 12). Linkages with global initiatives dealing with transparency and money laundering have also remained weak (Article 14).

There have been exceptions, some receiving Swedish funding: Sweden's human-right based approach to police reforms in Nicaragua has been in line with UNCAC, insofar as actions to improve police behavior adequately address corruption within it. In the later years, the AC fund in Nicaragua earmarked some limited funding for the police economic crime unit and Public Ethics Office. And finally, Zambia's Task Force on Corruption (2002-10) aimed to curb illicit financial flows by equally involving all relevant domestic agencies and promoting international cooperation.

### *Quality of Analysis*

The evaluation finds that the donor analysis of corruption has been irregular and in-complete. Donors have not systematically differentiated the forms and patterns of corruption that pervade in various sectors; information generated by local and national surveys has not sufficiently informed their analysis, and beyond general statements, they have not produced or commissioned studies linking all forms of corruption – grand or petty – with poverty and gender issues. Key drivers of public sector corruption – from collusion between government and private sector to party financing – have also been missing from their diagnostic studies. In some occasions, donors have significantly contributed to evidence gathering: Sweden, for example, funded Vietnam's first corruption survey in 2005. Nonetheless, the evaluation concludes that, in the absence of a comprehensive, regular, and evidence-based analysis of corruption in partner countries, donors have not been able to provide genuine guidance on strategic prioritization and sequencing. For example, national AC plans, drafted and finalized with donor support, have remained broad and generic; the Zambia AC Commission's decision to pilot Integrity Committees in institutions perceived in a national survey as the most corrupt was a rare example of evidence-based prioritization.

### *Effective Links with Anti- Corruption*

Most donor interventions (outside those in the judiciary and to a lesser extent, civil service reforms) have met their main capacity building and system strengthening objectives, even though it has often taken more time and resources than initially envisaged. Very few (none supported by Sweden) have made AC their immediate goals. The evaluation nonetheless identifies a number of emerging good practices linking donor interventions with reduced corruption:

Donor support for evidence gathering can have significant leverage when the evidence is disseminated publicly. For example, Sweden's support for the 2005 Vietnam corruption survey was instrumental in both fuelling the national debate and providing the communist party with a

more informed basis to address corruption. In Tanzania and Zambia, donors have helped national audit offices to produce timely and credible audit reports, which donors and national stakeholders alike have used increasingly to scrutinize governments.

Effective partnership between agencies has been a main reason for success. In all countries except Viet Nam, the partnership between AC agencies and NGOs has helped to address capacity constraints and made activities more credible and sustain-able. Donor support to Zambia's now defunct Task Force on Corruption has provided a unique example in which inter-agency linkages took Centre stage, in effect allowing grand corruption cases to be slowly, yet successfully, investigated, prosecuted and then sanctioned. In Tanzania, donors have contributed to developing a mutually benefiting partnership between the Controller and Auditor General Office and parliamentary oversight committees, and in so doing help them to hold the government to account more effectively. In contrast, mistrust between AC agencies and the judicial system have been commonly identified as a main reason for failure.

Donor support to grass-root monitoring has been relatively effective in promoting corrupt-free service delivery. This has included, with Swedish funding, Haki Elimu (education) in Tanzania and TI Chapter in Bangladesh. Effective grass-root monitoring has shown that working at sector-/service delivery-/provincial- level can work relatively well because it is less dependent on central government goodwill and/or reforms; promoting the participation of end-users not only increases the demand for accountability but also provides a platform for discussion and a source of data; and focusing on positive incentives (increasing accountability) rather than negative incentives (reducing corruption) may work better.

Finally, combining capacity building with integrity measures can help. Police behavior in Nicaragua was said to have improved, thanks to Swedish support. The same principle applies for systems strengthening and computerization. Even if computerized financial systems are fully rolled out, integrity measures will need to be in place through regular training, monitoring, internal auditing and reporting mechanisms to ensure public servants follow the right financial procedures. Twinning arrangements between host country agencies and their counterparts in donor countries can also help: Swedish police and supreme audit institution have played an instrumental role in professionalizing their counterparts in Nicaragua and Tanzania respectively.

### *Donor Coordination and Dialogue*

Recognizing that their financial assistance alone is not sufficient, donors have combined programme support with high-level dialogue in the hope that their advisory support, as well as diplomatic stance against any wrongdoing, may be able to influence the domestic AC agenda. In line with the aid effectiveness agenda, their approach to policy dialogue has also become more coordinated. Sweden has adopted corruption as a key feature of its policy dialogue with governments in most partner countries. Sweden has also played an active role in donor coordination. In Tanzania, Sweden has co-chaired (with the UNDP) the anti-corruption network. Sweden has also contributed to joint donor programming, starting with POCSIS in Vietnam and (for a limited period) the AC Fund in Nicaragua. The evaluation notes, however, that donors could still do more to ensure that their interventions are complementary and mutually reinforcing on the ground and that a shared understanding and approach to AC is still lacking, especially between bilateral and multilateral agencies.

In all five countries, domestic factors have remained the main drivers behind policy changes. At the same time, the evaluation indicates that donor dialogue can act as an effective leverage on policy changes, when the domestic conditions are ripe. As summarized by the Tanzania country report, “the political economy context is largely outside donor influence but, nevertheless, donors can find success through identifying and capitalizing on a conducive environment as and when it emerges”. AC was mainstreamed in the General Budget Support dialogue in Tanzania and Zambia. As lead donor on AC, Sweden has been instrumental in gradually putting AC on the agenda for dialogue between donors and the government of Vietnam. Sweden also facilitated more effective coordination by conducting and regularly updating a map-ping of all donor AC interventions in the country.

### *Response To Aid Misuse*

As part of the aid effectiveness agenda, donors have started to invest more money through national systems. As a result, their programmes have become more vulnerable to financial malpractice in the public sector, with some aid-related corruption scandals, such as the health scandal in Zambia in 2009 (with Swedish funding) recently receiving high publicity. In response, donors have strengthened their internal policy. For example, Sida has started assessing the risk of corruption as part of its fiduciary risk assessment and has introduced independent pre-award and annual audits for all its projects and partners. Donors have been highly responsive to corruption cases that involved the use of aid money. In Tanzania, donors delayed general budget support until the government took steps to address the so-called External Payment Arrears scandal. In Zambia, Sweden and the Netherlands responded to the health corruption scandal by putting their disbursement on hold, providing technical assistance to the national audit office to conduct a forensic audit, and, starting negotiations with the Ministries of Health and Finances.

The evaluation, however, argues that donor response to aid misuse may not be sufficiently robust. For example, there is no systematic collection of evidence to show that all stolen funds are retrieved. Pressure to resume funding may also have led donors, on some occasions, to soften their demands for genuine reforms. Alternatively, where donor assistance amounts to a significant share of a ministry budget, withdrawing support does not go without consequences for the population, especially in social sectors, like in Zambia. Many useful lessons can in fact be drawn from the health corruption scandal in Zambia, as shown in this policy brief’s final recommendation.

### *Conclusion and Recommendations*

The evaluation concludes that donors – ADB, Danida, Sida, DFID and Norad in particular - have helped to strengthen institutions and systems in support to AC; they have reinforced their own prevention policy and safeguard mechanisms against the risk of aid misuse; and they have raised corruption concerns in their dialogue with partner governments. At the same time, it confirms that these efforts have not translated into reduced national levels of corruption in any of the five countries visited. The evaluation makes a number of key recommendations to strengthen donor AC efforts. Practical steps for Sweden could include:

Further invest in evidence gathering and public dissemination. This is essential to fuel public debate and to inform decision-making. More data is notably required on the forms and drivers of corruption that pervade in social and economic sectors and their links with poverty and gender.

- Develop a comprehensive approach to AC, which is regularly updated on the basis of fresh evidence, and makes the links between in-country interventions, global initiatives, and actions to prevent corruption within Sida explicit.
- Combine capacity building with support for integrity measures. AC prevention, detection, and, sanction mechanisms need to be integrated more fully into Sida-funded interventions in support of public administration and key state institutions.
- Stop working with institutions in isolation and start promoting inter-agency partnerships instead. This could notably include working with “orphan” AC sectors alongside the criminal law enforcement chain, namely police and justice.
- Use Sweden’s experience to promote twinning arrangements between international and national agencies (police, national audit office) as good practice.
- Recognize the private sector as a driver and victim of corruption. Donor-supported business reform packages should be designed in a way that promotes mutual responsibility between government and businesses.
- As lead donor, continue to promote a coordinated approach to AC, by fostering shared analysis amongst bilateral and multilateral agencies; mapping out all donor activities; and, addressing aid-related corruption cases in a coordinated manner.
- Respond to corruption cases in a way that reinforces the host countries’ own AC mechanisms. This includes recognizing that grand corruption scandals may be a sign of improving rather than deteriorating governance; using and supporting domestic accountability processes to investigate and respond to the corruption cases; remaining committed to alignment with country systems while introducing short-term safeguard measures and calling for essential reforms; and, working with a range of state and non-state actors to prevent sudden aid stoppage.
- Adopt a “do no harm” approach to aid by acknowledging the risks that (i) aid money can be misused for rent-seeking purposes; (ii) new programmes may lead to new forms of corruption; and (iii) pressure to remain engaged in a particular sector may have led to some leniency in the past (including with regard to the recovery of stolen funds).

[2012:1 Joint Evaluation of Support to Anti-Corruption Efforts](#)

[Authors: Charlotte Vaillant and Derek Poate](#)

[2012:2 Joint Evaluation of Support to Anti-Corruption Efforts Bangladesh Country Report](#)

[Authors: Derek Poate, Charlotte Vaillant, Imran Ahmed, Deborah Mansfield, Mozammel Hoque, Zarina Rahman Khan](#)

[2012:3 Joint Evaluation of Support to Anti-Corruption Efforts Nicaragua Country Report](#)

[Authors: Derek Poate, Paul Harnett, Imran Ahmed, Mignone Vega, Jose Luis Velasquez](#)

[2012:4 Joint Evaluation of Support to Anti-Corruption Efforts Tanzania Country Report](#)

[Authors: Charlotte Vaillant Imran Ahmed Deborah Mansfield Anne Bartholomew Isaac Kiwango](#)

[2012:5 Joint Evaluation of Support to Anti-Corruption Efforts Vietnam Country Report](#)

[Authors: Derek Poate, Edmund Attridge, Tim McGrath, Dang Ngoc Dung, Nguyen Thi Minh Hai](#)

[2012:6 Joint Evaluation of Support to Anti-Corruption Efforts Zambia Country Report](#)

[Charlotte Vaillant, Imran Ahmed, Paul Harnett, Deborah Mansfield, Gilbert Mudenda, Stephen Tembo](#)

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