



# DFID's Anti-Corruption Strategy for Sierra Leone and Liberia

January 2013

## Introduction

1. Corruption can broadly be defined as the abuse of entrusted power for private gain. The word can cover a whole range of abuses. On one level it can refer to the risk of taxpayers' money in DFID programmes being fraudulently spent or stolen. On another level it can refer to corruption within a country and its institutions, with the negative impact that this has on development prospects. DFID sets the highest standards for the manner in which its own money is spent. Through its development programmes, DFID also works to reduce the prevalence of corruption in each of its partner countries.
2. In November 2011, the **Independent Commission on Aid Impact (ICAI)** reviewed DFID's approach to tackling corruption. It found that DFID had a good awareness of the fraud risks and seeks to safeguard UK funds through appropriate choices of funding channels and programme design, and often played a leading role within the donor community on anti-corruption work. It did however recommend that in any country assessed as having a high risk of corruption, DFID should develop an explicit anti-corruption strategy. As part of its response, DFID is producing anti-corruption strategies for each of its main partner countries. This strategy sets out how DFID will (a) safeguard UK taxpayers' money and (b) support efforts in Sierra Leone and Liberia to reduce corruption and its impact on development over the next three years.
3. The UK Government is committed to **transparency, results and value for money**. To make it easier for taxpayers and citizens in its partner countries to 'follow the money', DFID now publishes details of all its new programmes and of all transactions over £500 on the DFID website (<http://www.dfid.gov.uk>).

## Protecting UK Aid funds in Sierra Leone and Liberia

4. Corruption in both Sierra Leone and Liberia<sup>1</sup> takes many different forms. It ranges from the everyday, such as demanding bribes to use basic services, to the larger scale misuse of public goods for private gain by public officials. In Sierra Leone this is a major challenge, with data on the control of corruption showing the country to be well below the sub-Saharan African average. A 2010 survey by the Sierra Leone Anti-Corruption Commission showed that the majority of Sierra Leoneans have experienced some form of corruption, with 94 per cent rating

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<sup>1</sup> The UK has a modest aid programme in Liberia, managed from the DFID office in Sierra Leone. The measures set out in this strategy will be applied in both countries.

it as a problem. Corruption has also been publicly acknowledged by the President of Liberia as a serious issue, and a priority in her second term of office. Data from both the World Bank and Transparency International show that progress has been made in tackling corruption in both countries in recent years, but this has been slow and starting from a very low base as they each recover from brutal and damaging civil wars. In 2012 Sierra Leone ranked 123 out of 176 countries in the Corruption Perceptions Index published by Transparency International, with Liberia ranking 75th. Both countries lie in the bottom 40% of the World Bank's Control of Corruption Index, with Sierra Leone in the bottom 25%.

5. The UK aid programme is providing assistance worth around £220m to Sierra Leone between 2012 and 2015. This is delivering results in health, education, water and sanitation; helping Sierra Leone to better manage and grow its economy, and make the most of its mineral wealth and other natural resources; and strengthening democracy and public accountability. Just under a quarter of the UK's aid is in the form of tightly controlled direct budget support to government. The rest is delivered through UN agencies, international and local NGOs, and private contractors. About 15% of the programme is delivered by commercial service providers. The latter are experts contracted following rigorous and transparent international competitive tendering. They provide dedicated specialist expertise – local and international - that would otherwise be unavailable to either the government or DFID. The UK's Liberia programme is worth about £10m a year, and is split between a donor pooled fund helping the government deliver a package of basic health services, and a donor trust fund managed by the World Bank to build roads and improve solid waste management in the capital Monrovia. New programmes are being developed to improve rural water and sanitation services and strengthen the management of the minerals sector.
6. DFID has a range of standard **controls and measures in place to protect UK aid**. These include rigorous risk assessments and monitoring requirements for all projects and programmes. Regular internal and external audits add a further level of assurance that money is spent on the purposes for which it is intended. DFID is continually strengthening its risk management procedures, and has recently brought in additional measures including: more detailed fraud and corruption risk assessments in programmes; enhanced pre-funding 'due diligence' checks on partners; and specialised training for staff. Where there is suspicion of corruption and fraud DFID will always follow up; and if fraud or corruption is uncovered DFID will always take action and work to recover UK taxpayers' money.
7. In Sierra Leone and Liberia, DFID will continue to ensure integrity and value for money through the above, and in areas such as:
  - Additional mandatory, comprehensive spot checks of selected projects and programmes each year.
  - Strengthening contracts with service providers to introduce tighter spending controls and the commissioning, when appropriate, of forensic audits.
  - Increasing the frequency of field supervision trips.

## Supporting efforts to reduce corruption in Sierra Leone and Liberia

8. The Government of Sierra Leone has made a number of positive steps in tackling corruption. An Anti-Corruption Commission was established in 2001 and a well-developed legal framework put in place to tackle corruption. The Government is also working with DFID and other donors to strengthen public financial management and accountability processes, to make it more difficult for corruption to occur and easier to detect. Efforts are also being made in Liberia to improve transparency, and to tackle key issues around contract enforcement and procurement. Despite these efforts, the level of corruption in both countries remains too high and conviction

rates too low. Over the next three years, DFID will support Sierra Leone in tackling corruption by:

- Supporting the government and public in Sierra Leone in their efforts to tackle fraud and corruption by designing and delivering a revised and extended anti-corruption programme to broaden DFID support beyond the work of the Anti-Corruption Commission, including more work with civil society.
- Implementing new programmes of support to consolidate and build on existing UK support to improving public financial management and revenue collection.
- Providing further technical support to the Audit Service of Sierra Leone to improve the quality, independence, transparency and accountability of public spending and engaging more directly with the Sierra Leone Parliament and Public Accounts Committee to monitor follow up action on annual government audit reports.
- Seeking to ensure that the new National Development Plan (2013-17) contains an enhanced commitment to tackling corruption and that key indicators of progress are included in the results framework of the plan.
- Continuing to strengthen the Sierra Leone Police and the justice system to improve detection and conviction rates for corruption and fraud.
- Supporting greater transparency and more effective management of the minerals sector, including assisting with the setting up of a National Minerals Agency and helping the country achieve accreditation under the Extractive Industries Transparency Initiative (EITI).
- Strengthening engagement with donor partners to promote a more vigorous collective response to corruption and fraud risks, and to share knowledge and good practice.

In Liberia, we will:

- Implement a new programme to support strategic management and greater transparency in the minerals sector.
- Ensure tightened contract management and controls in the UK's support to infrastructure development and health services, and in a new programme to improve rural water and sanitation.
- Work closely with the government and the donor community to monitor and support the implementation of the government's anti-corruption strategy.

## More information

On the country programme is available on the DFID website at: [www.dfid.gov.uk/sierra leone](http://www.dfid.gov.uk/sierra%20leone) ; [www.dfid.gov.uk/liberia](http://www.dfid.gov.uk/liberia)

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