



DFID's Anti-Corruption Strategy for South Sudan

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 South Sudan 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 South Sudan

4. As the world's newest country, the availability of relevant data on corruption trends in South Sudan is limited. However, a perception survey conducted by the South Sudan Anti-Corruption Commission in 2011 concluded that 96% of respondents felt that corruption was common, with 97% seeing it as a 'serious' or 'very serious' problem¹. This represents a slight increase

¹ South Sudan Anti-Corruption Commission Corruption Perception Survey 2011

compared with the survey from 2007. A 2012 Transparency International Report² found that 66% of those surveyed have had contact with and paid a bribe to at least one of the main service providers.

5. DFID South Sudan's Operational Plan budget is £276m over three years (2012/2013 to 2014/2015). DFID South Sudan uses a **variety of channels** and partners. The funding channels chosen are based on thorough analysis of risks and the likelihood of achieving best results. At present, the UK does not provide financial aid to government due to high fiduciary risks. Instead, funding is provided in the following ways:
 - Commercial service providers (40%). DFID South Sudan has contracted service providers to manage large-scale programmes, particularly in security, health and education. These Service Providers have been selected through competitive tendering, with a focus on their proven track record of delivery, specialist expertise and ability to operate effectively in South Sudan. They provide dedicated specialist expertise – regional and international, that would otherwise be unavailable to either the Government of the Republic of South Sudan or DFID.
 - International organisations such as the UN and non-governmental organisations (60%). These organisations deliver large-scale humanitarian programmes, social services programmes, and work with communities to improve livelihoods, manage local resources and improve the awareness of rights and stimulate participation.
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.

In South Sudan, DFID will continue to ensure integrity and value for money through the above, and in areas such as:

- Developing and maintaining regular monitoring and analysis of the corruption situation, and commissioning work where evidence is missing. Additional in-depth analysis of programmes that are considered higher risk, with associated risk mitigation measures.
- Introduction of additional audit requirements for programmes considered vulnerable to fraud and corruption. This will be complemented by increased frequency of independent evaluations and DFID staff field visits to inspect programmes.
- Continued investment in initiatives aimed at increasing citizens' awareness of what they should get from DFID-supported programmes and provide ways for them to report back on what they receive such as use of new technology in select programmes. For example DFID South Sudan is using GPS cameras to record delivery of textbooks to schools and investigating the use of mobile phone technology for citizen reporting on its service delivery programmes in the education and health sectors.

Supporting efforts to reduce corruption in South Sudan

² Transparency International (2012), Daily Lives And Corruption: Public Opinion In East Africa

7. Over the next three years, DFID will support government and citizens in South Sudan in tackling corruption through:

- Support to the Government to strengthen its capacity to tackle corruption and fraud, with an emphasis on improving financial management, increasing transparency of systems and processes and promoting better communications with the public.
- Continued targeted support to strengthen the capacity of key accountability institutions, including the Ministry of Finance and Economic Planning, the National Audit Chamber and the National Legislative Assembly.
- Provision of dedicated technical assistance to strengthen the corruption investigation case management capacity of the South Sudan Anti-Corruption Commission, and to develop a more robust legislative framework for sanctioning of corruption.
- Supporting the strengthening of country systems and establishing the benchmarks necessary for using these systems to deliver aid in line with New Deal for Engagement in Fragile States.
- New initiatives to empower citizens to monitor delivery of the services they receive, including a specific focus on women - to help to establish ways for people to give feedback on mismanagement and corruption in service delivery programmes.
- Driving the coordination of all donors' anti-corruption work in South Sudan. This will include identifying and promoting practical actions by South Sudan and its partners, drawing on the recently approved South Sudan Anti-corruption Strategy 2010-14.
- The backing of global and regional initiatives on corruption, including scoping work to recover money being laundered through the UK and actions to address bribery.

More information

On the country programme is available on the DFID website at: www.dfid.gov.uk/southsudan

Media enquiries: pressoffice@dfid.gov.uk

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DFID South Sudan, British Embassy, European Union Compound, Tong-ping, Juba, Republic of South Sudan

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