



DFID's Anti-Corruption Strategy for Democratic Republic of Congo

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 Democratic Republic of Congo 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 the Democratic Republic of Congo

4. Available data and reports indicate persistent and widespread corruption in the Democratic Republic of Congo (DRC). Transparency International ranked the DRC **160 out of 174 countries** in its Corruption Perception Index in 2012 (with 1 being the least corrupt)¹. The 2010 World Bank Enterprise Survey² showed that more than 65% of firms interviewed expected to make informal payments to "get things done" and 75% to secure a government contract (down from 80% in 2006). As the country emerges from a long period of conflict and instability, data

¹ Transparency International Corruption perception Index 2012 <http://www.transparency.org/cpi2012/results>

² <http://www.enterprisesurveys.org/data/exploreeconomies/2010/congo-dem-rep/>

show a deteriorating situation, with declining scores in the World Bank Governance Indicators – government effectiveness declined from 2.4 in 2005 to 1.4 in 2010 and control of corruption declined from 3.9 in 2005 to 2.9 in 2010. This means that only 1.4% and 2.9% of countries worldwide rate below the DRC in these indicators.

5. DFID DRC's budget is **£460m** between 2012/13 and 2014/15. Whilst DFID DRC works with the Government of DRC as a partner in the implementation of its programmes, given the context of high fiduciary risk, the UK does not channel funds through government systems in DRC. Instead, funding is provided in the following ways:
 - Multilateral Organisations (United Nations and World Bank) currently manage 50% of DFID DRC's programme spend (and 7 programmes). DFID funds these organisations to implement programmes in the humanitarian, roads, mining, water, sanitation and hygiene (WASH) and governance sectors.
 - International non-governmental organisations (NGOs) which represent 38% of DFID DRC's programme spend (and 8 programmes in total), assist DFID in accessing some of the most challenging parts of the DRC in the implementation of humanitarian, health, community development and WASH programmes.
 - Commercial service providers (12%) currently assist DFID in delivering security sector reform, road construction as well as developing the private sector in DRC. These 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.
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 the DRC, DFID will continue to ensure integrity and value for money through the above, and in areas such as:

- Recruiting specialised staff to provide additional assurances on fiduciary risk management in programmes
- Additional systems to ensure early detection of any fraud during implementation, contracting a third party to undertake continuous monitoring of the programme portfolio as a whole, to ensure it is delivering results and remains good value for money.
- Helping Congolese citizens to understand the benefits they are intended to gain from DFID-supported programmes and providing ways for them to report back on what they actually receive, e.g. through more accessible complaints reporting mechanisms that allow beneficiaries to report any instances of fraud or corruption.

Supporting efforts to reduce corruption in the Democratic Republic of Congo

7. Over the next three years, DFID will help tackle corruption in DRC by:

- Supporting better access to information about services for Congolese citizens by, for example, helping local and provincial government representatives to consult communities about their budgets and priorities and helping to establish ways for people to give feedback on performance and value for money.
- Improving public financial management by, for example, supporting local, provincial and central government to strengthen their budgeting, reporting and independent auditing. This is to help prevent the leakage or diversion of funds, from the purpose intended and will enhance external oversight of public spending.
- Supporting the international community's work to agree a coordinated message on tackling corruption in the DRC. This will include setting up a joint donor group on corruption, and collecting the evidence required to support that message.
- On mining and extractive industries, DFID DRC will maintain regular contact with relevant authorities in the UK including the Serious Fraud Office in order to ensure a **coherent UK Government approach** is developed to address the international involvement in driving corruption in the extractives sectors.
- Developing a stronger evidence base on the causes of corruption in Congolese society to allow DFID DRC to better target its response and programming.

More information

The country programme is available on the DFID website at: <http://www.dfid.gov.uk/Where-we-work/Africa-West-Central/Congo-Democratic-Republic/>

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