



# DFID's Anti-Corruption Strategy for Rwanda

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 Rwanda 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 Rwanda

4. Surveys and analysis suggest that corruption has fallen sharply in Rwanda in recent years – at a faster rate than other low income countries around the world. Rwanda's score in Transparency International's Corruption Perception Index<sup>1</sup> increased from 3.1 (83rd place) in 2005 to 5.0 (49th place) in 2011, and in the World Bank Control of Corruption indicator<sup>2</sup> Rwanda has progressed from the 39th percentile in 2002 to 70th percentile in 2011.

<sup>1</sup> Transparency International Corruption perception Index 2011 <http://cpi.transparency.org/cpi2011/results/>

<sup>2</sup> Worldwide Governance Indicators <http://info.worldbank.org/governance/wgi>

5. DFID Rwanda's budget is £250 million for the three year period 2012/2013 to 2014/2015. A variety of funding channels are utilised, including:
- 44% of DFID's funding is currently earmarked for general budget support, financing the Government of Rwanda to deliver on all aspects of its Economic Development and Poverty Reduction Strategy. The actual amount disbursed as general budget support depends on the findings of ongoing assessments of Rwanda's commitment to UK partnership principles.
  - Other government related channels (36%) including service delivery grants to the Education, Agriculture and Health sectors and programme funding to social protection are complemented by support to strengthening public financial management, public audit and parliamentary oversight of public expenditure in Rwanda.
  - Commercial service providers (7%). 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. For example, a service provider has been contracted to manage two funds to stimulate innovation and to develop capacity within the education sector.
  - Non-Governmental Organisations and other non-government channels such as Trade Mark East Africa (13%). Non-governmental organisations supported by DFID work with citizens and communities to engage with and influence government and to challenge corruption. This includes for example, supporting Transparency Rwanda with the establishment of Anti-Corruption and Justice Information Centres, where citizens can seek advice about reporting and challenging corruption.
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 Rwanda, DFID will continue to ensure integrity and value for money through the above, and in areas such as:

- Continuing to carry out fiduciary risk assessments and mitigate risks identified wherever DFID funds are channelled through government systems.
- Making use of tools such as expenditure tracking surveys and procurement reviews to provide additional assurance on how DFID funds have been used, where needed.
- Promoting transparency and citizen / civil society participation in DFID funded programmes (for example through establishing appeals and complaints mechanisms), and more broadly with the Rwandan government.

## Supporting efforts to reduce corruption in Rwanda

7. Over the next three years, DFID will support Rwanda in tackling corruption through:
- Supporting the Government of Rwanda's efforts to strengthen financial accountability through stronger public financial management and audit, and more rigorous parliamentary oversight of public expenditure.

- Continuing to support citizens and civil society to monitor government expenditure and service delivery and influence policy and planning at local and national levels. This includes support to Transparency Rwanda, the principal anti-corruption civil society organisation in the country.
- Expanding support to civil society organisations in Rwanda to strengthen their ability to conduct research and engage constructively with government on a range of issues including fighting corruption.
- Analysis of regional dimensions of corruption including corruption in ports and transport corridors which directly impacts Rwanda and other landlocked countries, and possible corruption related to regional mineral trading.

## More information

On the country programme is available on the DFID website at: [www.dfid.gov.uk/Rwanda](http://www.dfid.gov.uk/Rwanda)

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