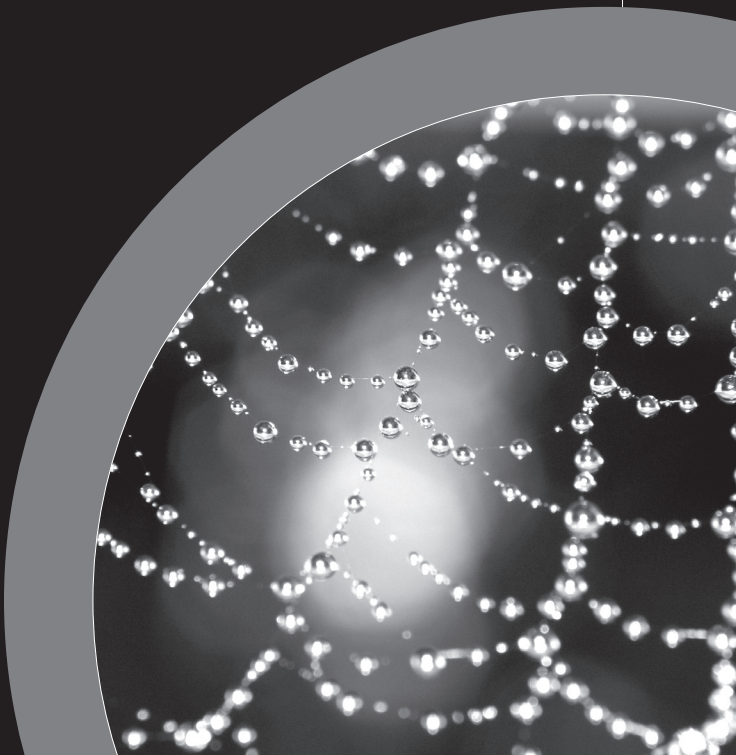
Partnering to *Combat Corruption* in *Infrastructure Services:* A Toolkit

M. Sohail & S. Cavill



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Water, Engineering and Development Centre
Loughborough University
2007

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Sohail, M. and Cavill, S. (2007)
Partnering to Combat Corruption in Infrastructure Services: A Toolkit
WEDC, Loughborough University, UK.

ISBN Paperback 978 1 84380 125 2

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Designed and produced at WEDC

Printed by MWL Print Group Ltd

ACKNOWLEDGEMENTS

The authors gratefully acknowledge the many different people who have willingly contributed their knowledge, opinions and time to the development of this work. More than 50 external reviewers have given their comments on this Toolkit, for which we are most grateful; the following is an indicative, rather than exhaustive, list of organizations and/or people who have provided support:

Bryane Michael, University of Oxford and Oxford Business Knowledge Ltd, UK
Dafina Gercheva, UNDP Bratislava Regional Centre, Solvakia
Danang Widoyoko, Indonesia Corruption Watch, Indonesia
Department for International Development (DfID), UK, and country and regional offices
Deryck Brown, Commonwealth Secretariat, UK
Gary Taylor, I. T. Transport, UK
Glenn Hollands, Mbumba Development Services, South Africa
Ihor Kyrylchuk, Association of Ukrainian Cities and Communities, Ukraine
Janelle Plummer, WSP-Africa
Jayaprakash Narayan, Lok Satta, India
Maryam Sekhniashvili, Georgian Association of Urban Development, Georgia
Md. Shahabuddin, PROSHIKA, Bangladesh
Nadeem Manzoor Hasan, Pakistan

Neill Stansbury, Transparency International, UK
Paul Jowitt, Vice President of the Institute of Civil Engineers, UK
Purusottam Man Shrestha, Nepal
Sarah Ladbury, Independent Consultant, UK
Susan Rose Ackerman, Yale University, USA
Tamara Sulukhia, Urban Development Consultant, Georgia

We are also grateful to Jane Lanigan for proof-reading and editing.

Finally, special thanks go to the people from the low-income settlements in the various case locations who have contributed to the research and have provided their perspectives on the issues. We feel greatly indebted to them.

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ABOUT THIS TOOLKIT AND THE SERIES

This Toolkit has been produced as part of a series of outputs from a research project entitled ***Accountability Arrangements to Combat Corruption*** (initially funded by the Department for International Development (DfID), UK).

The Toolkit is complemented by:

- **A literature review**: This review describes accountability arrangements to combat corruption in the infrastructure sector.
- **Methodological note**: This document presents a combination of qualitative and quantitative research techniques to analyze corruption in the infrastructure sector. The methodology was piloted in South Africa, Nigeria, Pakistan, Bangladesh, Indonesia, Georgia, Ukraine and Nepal in 2005-2006.
- **Country case studies**: These studies document first-hand experience of investigating and resolving corruption-related problems in Ukraine, Georgia, South Africa, Nigeria, Nepal, Bangladesh, Indonesia and Pakistan (please see Appendix 1 for a short description).
- **Case surveys**: Desk-based descriptions of 27 anti-corruption initiatives have been conducted. These surveys describe particular accountability mechanisms/activities that aim to combat corruption in infrastructure services and improve the effectiveness and efficiency of such services,

but also encourage pro-poor service delivery (please see Appendix 1 for a short description).

Readers can refer to Appendix 1 to find details of the case surveys, case studies and other research outputs from the project ***Accountability Arrangements to Combat Corruption***.

For more information, please visit our web page:
http://wedc.Lboro.ac.uk/projects/new_projects3.php?id=191

This Toolkit evolved from the initial outputs of a DfID research project (case studies, a literature review, short case surveys and road shows). The first draft of the Toolkit was posted on the project webpage and comments were invited. The Toolkit was further refined through an anti-corruption training workshop, comments from conference participants, feedback from case study authors and expert reviews (including Susan Rose Ackerman, Deryck Brown, Dafina Gercheva, Paul Jowitt, Sarah Ladbury, Bryane Michael, Janelle Plummer, Neill Stansbury and Gary Taylor,).

About these Tools

Problems with corruption have long been recognized as key constraints to the development of sustainable infrastructure services. The objective of this Toolkit is to propose a framework and tools geared to understanding, exploring and acting on corruption in the delivery of services. The scope of the work covers infrastructure services in urban and rural areas of developed and developing countries.

A number of Toolkits on corruption have been published in recent years; however, to date, these have not been focused on the infrastructure sector or the impacts of corruption on the poor. This Toolkit is intended to fill that gap. The Toolkit is cross-sectoral in its approach, making it of relevance to those working on water supply, sanitation, drainage, roads and paving, transport, solid waste management, street lighting and housing sectors.

This Toolkit brings together, in a systematic way, a variety of individual tools, which support the process of combating corruption in infrastructure services. The tools themselves are synthesized from real world experience; derived from a review of literature, desk-based case surveys and country case studies. These are not academic concepts, but genuinely operational tools.

This Toolkit avoids taking a blueprint or top-down approach, but rather takes the perspective of operators, regulators and service users, especially the poor. By taking these tools, and relating them systematically to various aspects of combating corruption, this Toolkit should fulfil the urgent need expressed by policy makers, professional staff, regulators and consumers.

Each of the individual tools, presented in Section 2, is structured according to the following sub-headings:

- Description (What is it? Why would you use it? How to use it; When would you use it? Who uses it?)
- How has it been used in the infrastructure sector?

- What use is it to the poor?
- Action points
- Related case surveys and case studies
- Further guidance
- Sources of more information

A key feature of this Toolkit is its use of cross-referencing to provide information about source materials for the specific tools (such as case surveys and case studies). This guides those who wish to find out more about a particular tool to sources of further information that they can use.

Who should read this Toolkit and the series?

These tools are targeted at the following groups of people:

- Policy makers (including staff of international development agencies), who need to develop improved anti-corruption strategies;
- Professional staff of utilities, local government (both urban and rural), private sector providers, and non-government organizations (NGOs), who are involved with infrastructure service delivery and concerned about accountability;
- Regulators of infrastructure services;
- Consumers and users of services; and
- Multi-stakeholder dialogues/partnerships on corruption and/or infrastructure.

How these Tools will help you

This Toolkit is not intended as a detailed handbook or instructional manual, or a final version. Instead it is intended that the Toolkit will be a working document and will be revised as new tools come to light and according to readers' comments.

This Toolkit is a set of guiding principles, a collection of tools and helpful resources. The Toolkit assumes pre-existing knowledge on how to use and selectively apply the tools.

These Tools provide guidance in order to:

- Help formulate policy;
- Prepare and implement action plans;
- Monitor and report performance; and
- Assess the status of existing plans.

How to use this Toolkit

The Toolkit is divided into the following sections:

Section 1 provides an introduction and overview of corruption in the infrastructure sector. It is intended to improve the readers' knowledge of both the incentives for corruption and strategies for infrastructure service delivery. In addition, this section explains why the interests of the poor need specific attention in designing anti-corruption initiatives. The focus in this section is on 'what to do' and 'why'. A number of scenarios of corruption are presented in this section in order to bring theoretical definitions of corruption to life. These examples

include a hypothetical example of corruption, a best practice response, and a question for the reader to ponder.

Section 2 makes suggestions on how to design an anti-corruption plan. This section describes a number of common scenarios or dilemmas that reflect various aspects of corruption in the infrastructure sector. This section provides a number of the tools for users, operators and regulators to use in the design on anti-corruption strategies. The focus in this section is on 'how to do it'. For example:

i) Identifying corrupt practices in infrastructure services;

ii) Working with and building on the experience of other partners to tackle corrupt practices; and

iii) Strengthening accountability mechanisms more generally.

The authors recommend that readers start by reading through the whole Toolkit. It is envisaged that the reader will then look up specific tools as reference material to assist with specific tasks. Readers may then refer back to the information in Section 1 in order to design a corruption prevention plan. Thus readers should be able to dip in and out of the Toolkit.

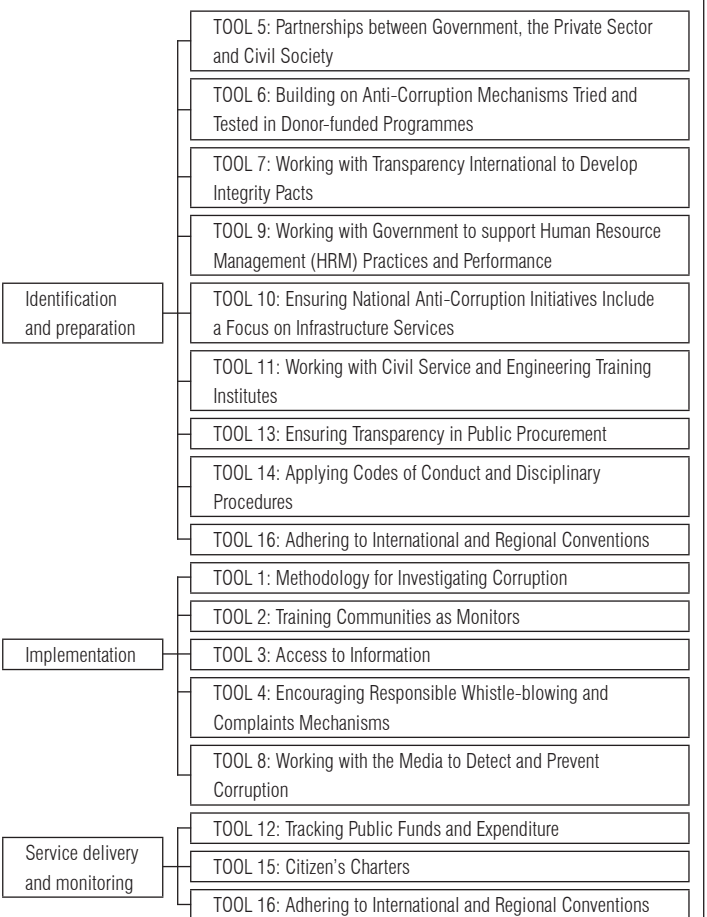
Application of the Toolkit

The ways in which this Toolkit can be locally applied by the users, operators and regulators of infrastructure services will vary significantly, depending not only upon local circumstances but also upon the technical capabilities of the personnel involved, together with the time, funds and technical facilities available. Local application means that the tool and its use can be modified to suit local contexts. Variation can also depend

on expected outcomes – which will necessitate different ways of choosing and applying the particular tools. The Toolkit has application at all stages of the infrastructure project cycle, including monitoring and evaluation and will be a useful source of reference for project managers. For example, see Figure 1.

M. Sohail
Series Editor

Figure 1: How the tools in the Toolkit relate to the infrastructure project cycle



Section 1

UNDERSTANDING CORRUPTION

Infrastructure delivery

The term 'infrastructure' covers a wide variety of activities, but is defined here as those services derived from physical infrastructure networks or installations, including water supplies, sanitation, drainage, access roads and paving, street lighting, solid waste management and community buildings. These services are normally the responsibility of local government. However, over the past decade, private participation (in the form of private companies, non-government organizations (NGOs) or communities themselves) for financing, provision and management of infrastructure has grown significantly in different forms.

Corruption is relatively widespread in the construction and engineering industries in both developed and developing countries. The public sector has long been identified as a cause of corruption[1]. For example, utilities may be obliged to supply political favours in the form of giving contracts to political allies, there may also be excess employment or low tariffs. However, it is rarely acknowledged that corruption is a symptom of poor governance in both the public and private spheres. The literature generally focuses largely on the 'passive' corruption of government officials who accept bribes,

rather than the 'active' corruption of the companies who pay them: the supply and demand side of corruption must both be addressed.

Corruption, infrastructure and the poor

Poverty has many dimensions. Many poor people live in illegal areas or informal settlements, work predominately in the informal economy and have poor access to resources. In addition to low incomes (living on less than $1 a day), illiteracy, ill health, gender inequality and inadequate public services are all aspects of being poor. In 2007, 1.1 billion people lacked access to clean water and 2.6 billion lacked access to basic sanitation[2]. The poor, in particular, are easy targets for extortion, bribery and intimidation and many have less access to justice than other citizens.

The effect of corruption on infrastructure can be gauged both through its direct impact on the poor (for example, restricting poor people's access to such essential services as water and sanitation, increasing the cost of public services or lowering their quality) and its indirect impact (through diverting public resources away from the poor, and by limiting development and poverty reduction).

Nevertheless, the poor can also use corruption to their benefit. For example, the poor may bribe officials to access a service or to improve the quantity/quality of a service, they may be involved in corruption to defraud development projects or else poor people may elect corrupt politicians because of the promise of water supply or some other benefit. However,

when poor households cannot afford to pay a bribe (or lack the contacts to engage in corruption) they are marginalized from access to infrastructure (such as water and electricity). This is the dark side of social capital.

It is important to raise awareness of the need for greater attention to the poor in the development of anti-corruption strategies. Many bilateral and multilateral agencies seek to reduce corruption as a means of achieving the UN's Millennium Development Goals for human development and eliminating poverty (for example, see the DfID White Paper entitled Eliminating world poverty: Making governance work for the poor, the 2006 UNDP Human Development Report (HDR), entitled Beyond Scarcity: Power, Poverty and Global Water Crisis and the 2004 World Development Report entitled Making Services Work for Poor People, in addition the Institute of Civil Engineers Presidential Commission 'Engineers Without Frontiers' covers some of the key issues about the role of the civil engineer in development).

Corruption

Corruption is commonly defined as the misuse of entrusted power for personal gain either at one's own instigation or in response to inducements. Forms of corruption include:

- Bribery (kickbacks, baksheesh, sweeteners and payoffs) – offering someone money in order to persuade him/her to do something; or the act of demanding an extra 'under-the-table' payment or 'gifts' for a return;
- Embezzlement – theft of resources by officials; this is a form of misappropriation of public or private funds;

- Fraud – an economic crime that involves some kind of trickery, swindle or deceit;
- Extortion – using money (or other resources) extracted by the use of coercion, violence or threats to use force;
- Nepotism – appointing family members to prominent positions; and
- Cronyism – granting offices or benefits to friends and relatives, regardless of merit.

Petty corruption is the everyday corruption that takes place where public officials meet the public, for example, administrative procedures and routine public services. Petty corruption includes 'speed' or 'grease payments', which are a small payment made to secure or expedite the performance of a routine, legal or necessary action. Transparency International's South Asia survey 2002[3] (which took place in Bangladesh, India, Nepal, Pakistan and Sri Lanka) found that lower income households spend a larger proportion of their income on bribes for public services and find petty corruption to be a heavy financial burden because of both the high frequency and the amounts paid.

Grand corruption involves politicians, senior officials, policy makers, leading elites and major companies acquiring large amounts of public resources with the principle objective of maintaining their own power, status and wealth. For example, areas vulnerable to grand corruption include government policies, project selection decisions, and procurement.

According to Davis (2004)[4], corruption can be 'collusive' (the willing and planned co-operation of the giver and taker – the poor choose to pay to get a service); 'extortionary' (the poor pay under threat of being cut off from a service); or 'anticipatory' (a poor householder acts as the bribe-giver, bribing officials to obtain water, to speed up the access to that water or the predictability or reliability of the supply).

Table 1: Possible areas of the project cycle that corruption can affect	
Project selection	Corruption encourages the selection of uneconomical projects because of opportunities for financial kickbacks and political patronage. For example, politicians and high-level officials may be bribed to divert resources away from improved supply networks, rural/village water development (for example, boreholes at community level that particularly benefit the poor) and toward bulk (primary) supply, urban areas or defence and major infrastructure projects such as highways. Sector investments that guarantee higher levels of return are favoured over those that do not. Infrastructure projects can also be used as vote winners, rather than on the basis of priority/availability of financial resources.
Design	Corruption in project design might involve sourcing water from surface rather than ground water as water treatment plants present opportunities for recurrent bribery, extortion and fraud. Purchasing officials of a utility, municipality or district office might be bribed to tailor specifications (or the timing of the project) to suit favourite suppliers, consultants, contractors, and other private parties. Over-designed and overpriced projects increase potential corrupt earnings during implementation. Corruption in project design may also occur as a result of either the '*revolving door syndrome*' (whereby senior employees of a government public works department award several valuable contracts to a particular firm, and then later go to work for that firm) or where private firms owned or operated by politicians or public officers (or their families) have an unfair advantage if they use confidential information which is accessible to staff in the organization, but not to the general public.

Table 1: Possible areas of the project cycle that corruption can affect
... continued

Bid and contract signing stage	There are a number of potentially corrupt practices in the bid and contracting signing stage: ■ *Offsets* (investments in the local economy by the winning firm). These are widely used and make it difficult to judge whether value for money is being obtained. ■ *Tenders are inadequately advertised*: limiting publicity for call for tenders adverts to radio/certain types of print media, for example, regional papers; collusion between newspapers and cartel of contractors; and the 'early edition' phenomenon. ■ *Bid Suppression*: one or more competitors agree to refrain from bidding or withdraw a previously submitted bid so that the designated winning competitor's bid will be accepted. ■ *Divide the pie*: competitors agree in advance who will submit the winning bid on a contract being let through the competitive bidding process. ■ *Complementary bidding*: this occurs when some competitors agree to submit bids that are either too high to be accepted or contain special terms that will not be acceptable to the buyer. Such bids are intended to give the appearance of genuine competitive bidding, whilst concealing secretly inflated prices. ■ *Round robin* (bid rotation schemes): conspirators submit bids, but collude to take turns being the low bidder. ■ *Subcontracting arrangements*: competitors who agree not to bid or to submit a losing bid frequently receive lucrative subcontracts or supply contracts in exchange from the successful low bidder. ■ *Low balling*: this means to underestimate or understate (a cost) deliberately. ■ *Front company*: government officials, the hidden owners, use insider information and opportunities to advance their personal and business interests. ■ *Brokers, commissioners or project advisors*: local agencies or individuals may be paid a consulting fee to facilitate corrupt deals. ■ *Kickbacks for construction and supply contracts*: 10 per cent (for example) paid by recipients of public contracts to the official(s) who gets you the contract – in cash or kind. Alternatively, political parties may levy large rents on international businesses in return for government contracts. ■ *Excessive 'hospitality'* from contractors and benefits in kind.

Table 1: Possible areas of the project cycle that corruption can affect
... continued

Construction	Contractors inflate Bill of Quantities to make sure that they are paid enough to cover the bribes required. Contractors may change design to minimize their costs and maintain profit. For example, contractors substitute lower quality materials (less cement or steel reinforcements, or thinner tarmac) but claim the cost of the higher-level specification. Substandard work is concealed. This results in poor quality of works, thereby reducing the lifespan of the infrastructure. Outright theft of materials or equipment may also be routine, for example when purchasing supplies of sand and gravel engineers inflate the actual material needs on the basis of 'normal construction losses'. Suppliers can inflate either the prices or the quantities listed on the official receipts to generate money for a kickback to project officials. If the government or a parastatal (state-owned company) does not pay its bills on time, contractors may pay a bribe to get the 'sign off' for the final payment – for example, if a bribe of £500 is demanded to facilitate the payment of more than £30,000 most companies will just pay it to get speedy settlement.
Inspection stages	Kickbacks are given to persuade inspectors to turn a blind eye to unfulfilled contract requirements, slow implementation of projects, and other instances of malpractice. Bribes are given to the relevant official to certify that the work was done according to specification, for favourable Environmental Impact Assessments or for planning proposal approvals. Site staff may 'sweeten up' inspectors with lavish and excessive entertainment.

Table 1: Possible areas of the project cycle that corruption can affect
... continued

Service delivery	Many young recruits choose to work in the infrastructure sector in order to make 'easy money' through bribery and extortion. How to buy an appointment is often common knowledge. Superiors in public services may charge 'rents' from their subordinates in exchange for preferential shifts, locations or responsibilities (that might generate a corrupt income). Other forms of corruption include ghost workers that do not exist but are recorded as being on the staff. Officials may charge the user to pay for a service that is supposed to be carried out free, based on the user's ignorance of official charges. This also refers to officers selling or providing their legitimate services to people that do not qualify for service delivery (for example, slum dwellers). However, service users may use contacts/money to get access to a service or better/faster service or else give 'tips' to service providers, an ex-post gesture from service users for a job well done; this might be at the discretion of users, but it can be customary, anticipated or expected.
Maintenance and management stages	Lower standards of construction create the need for expensive repair and maintenance. There may be corruption in the procurement of equipment and spare parts. Money can be extorted for repairs that are meant to be free.
Subscription process	Consumers pay money in order to access a service or speed up the process of acquiring new connections. Though it may appear harmless, the result of such exchange is the improper allocation of time and personnel. Thus, households without such resources are neglected while other households receive disproportionate attention. Officials may also be paid to turn a blind eye to unauthorized connections. Money can also be extorted from consumers – for example, customers in good standing are threatened by utility staff or linemen with disconnection, so that money can be extorted to prevent disconnection; similarly bribes might be paid to reconnect disconnected households.
Billing system	Corruption in the billing system can take a variety of forms including non-billing and under-billing, tampering with or bypassing meters, or supplying a service to the consumer free, collusion between utility staff and the consumer in payment of a bill or correction of a bill, or the non-payment of bills.

Understanding corruption

Corruption is not well understood, even though corruption has been identified as a major development problem. Corruption is commonly defined as the misuse of entrusted power for personal gain either at one's own instigation or in response to inducements. Corruption results from one exerting power over another to change their behaviour or decision-making. This definition can be illustrated in the context of infrastructure through the range of reasons why poor quality services are delivered, why competition priciples are compromised, or why the services provided simply do not work.

As such, corruption can be so institutionalized that it is not solely the responsibility of those that carry it out. For example:

- Contractors may cut corners because their company has underbid in order to get the job and then have to 'make up' through skimping on materials. This isn't just the contractor's fault; it's due to a system that takes the lowest bid even if it's below what is reasonable/the engineer's estimate.
- Orders come from higher up; for example, 'extra' charges for utility connections are passed up to the boss of the section and he/she in turn passes them up again – and no one in able to keep their post unless they do this.

In other words, the best way of addressing corruption is to understand it, not just as a series of one-off actions, but as part of the system where corruption is so institutionalized that it allows for (or even encourages) individuals to be corrupt; that is, corruption is perceived to be the modus operandi. Therefore,

the whole system would be in dire need of institutional reform rather than merely 'catching' and punishing individuals.

The authors' research suggests that there has been no comprehensive strategy for anti-corruption reform in the infrastructure sector. Most reforms have been targeted to specific areas of the project cycle (for example, a procurement-focused approach). When corruption is widespread, uncoordinated reforms targeted at only one specific sector are unlikely to successfully reduce corruption and change public perceptions. For this, a comprehensive anti-corruption strategy is required. In recognizing the institutionalized nature of corruption we must also acknowledge that it is not always possible or feasible to tackle it comprehensively at a local level because it is not necessarily generated there. So if an anti-corruption plan for a sector is to be successful it must rely on actions that are also being taken at a country level. The tools presented in this Toolkit are country-level as well as infrastructure-specific.

The importance of incentives

According to Klitgaard[5], incentives lie at the core of corruption. It is important to investigate the current formal/informal incentive structure for corruption. This requires an analysis of who benefits from the current situation, incentives to review and improve performance and what incentives, if any, are there to modify the behaviours of key players in support of combating corruption.

Incentives for corruption for officials, businesses and the poor citizens include:

- Need: corruption may be a coping strategy (corruption is used to supplement inadequate public sector pay or to access better quality of services/fulfil the gaps left by an inadequate state).
- The ease of corruption: there may be plenty of opportunities for corruption (corruption is an everyday phenomena – everyone else is doing it), you can get away with or else people believe that 'stealing from the state is stealing from no one'. In addition, some perpetrators may enjoy the risk of getting caught.
- Greed and power: corruption is typically a result of a mismatch in the relative bargaining power of briber and bribe recipient. Service providers may view corruption as an extension of their status, or a perk of the job.
- Social pressure – some service providers may be under pressure to be corrupt from their boss, colleagues or families – if they refuse to take bribe they might lose their job or opportunities to benefit their family.

Tackling corruption is not just about catching perpetrators but making sure there are clear incentives for effectively reducing levels of corruption. Engineering and construction companies have traditionally been unwilling to take a public stand against corruption. However, this is changing and incentives have been introduced to curb corruption in the sector. Incentives include:

- **Reducing the opportunities to engage in corruption**: for example, physical auditing of the status of physical capital at both the sectoral and project level; business and customer surveys to uncover and measure corruption; improving collection levels, for example installing meters for all

connections, computerizing the billing system, updating the consumer base, confronting nonpayers; minimizing illegal connections and unaccounted for water; setting up inspection teams to stop illegal connections, penalizing those with illegal connections, giving incentives to the public to report illegal connections, etc.; streamlining the organization's workforce, for example, giving more responsibility to higher management, promoting promising staff, giving higher salary and incentives to staff, fostering teamwork.

- **Reducing the benefits of corruption**: for example, allocating contractors points for corruption-free projects (no skimping, no asking the community for bribes, completion on time etc.) that give those contractors an advantage in later bidding processes.
- **Increasing the costs of corruption**: In recent years tough sanctions have been enacted against companies that bribe to win international business including black listing from future bidding. For example, in the city of Grenoble in 1996, a former mayor and government minister and a senior executive of a private water company both received prison sentences for receiving and giving bribes to award a water contract to a subsidiary of the company. Companies are encouraged to introduce specific anti-bribery clauses into corporate codes of conduct and ensure that all employees know that these must be observed. In particular, progress has been made in recognizing the problem of corruption by both multilateral development banks (MDBs) and export credit agencies (ECAs).
- **Changing personal values and integrity**.

- **Increasing the voice and client power of poor people** to hold organizations to account that is, institutionalization of surveys, mechanisms to strengthen civil society's role in monitoring, consumer associations, information provision, complaints redressal, participatory planning, budgeting and monitoring and so forth.
- **Limiting the bargaining power of officials**.

Encounters in practice – is it corruption?

In order to bring these definitions of corruption to life, a number of scenarios have been devised which present a hypothetical example of corruption, a best practice response and a question for the reader to ponder.

Examples: Is it corruption?[6]

Scenario 1: *A civil servant is responsible for deciding on the award of a $20,000 contract to a company that can provide consulting services to the civil servant's government agency. The civil servant's old friend (a small time businessman) submits a proposal for the tender and offers the civil servant a cash payment (stuffed in an envelope) to help 'make the right decision.'* ***Is offering the payment corruption on the part of the businessman? Is accepting the payment corruption?***

Response: The OECD Convention on the Bribery of Foreign Officials in International Business Transactions makes offers of this kind of 'speed payment' illegal in the briber's home country. The UN Anti-Bribery Convention has tried to extend this type of law around the globe. So, in countries that have ratified the UN Convention, and in most other countries, the bribe offerer is breaking the law.

As for the civil servant, this request probably violates public procurement and civil service legislation. This scenario represents a 'misuse of entrusted power for personal gain' because the acceptance of the cash is an unauthorized personal gain. The use of state funds in payment of the procured services also means that public resources at stake. Thus, the acceptance of the payment almost certainly represents corruption.

? What would you, the reader, do if you were the official?

Scenario 2: *A businessman has submitted an order for pumps to the state owned and regulated manufacturer of pumps. The order fulfilment office has taken months to process the order. The businessman is told that if he offered the order fulfilment office a 'speed payment', he would get the pumps within 48 hours.* ***Is it corruption to offer the speed payment?***

Response: If the state owned enterprise's staff are legally part of the civil service, then the offer of any speed payment would probably be a corrupt offer. It relies on 'misuse of entrusted power for personal gain' (the gain to the official in charge of

processing orders). This is a case for criminal investigators and any administrative tribunal.

? Would you, as a businessman or woman, pay the speed money or report the matter to the authorities. In a country where the choice is between paying or not getting the goods, what would you do?

Scenario 3: *A local government official has the authority to contract for waste management services. Last month, the waste management provider the local agency used went unexpectedly bankrupt, forcing the civil servant to identify a new one quickly. The local official's brother runs the only other company in town.* ***Is it illegal nepotism for the civil servant to give the contract his brother?***

Response: Keep the definition of corruption in your mind (the misuse of entrusted power for personal gain). If the contract was intended to and succeeded in transferring resources from the public sector to the family, the transaction is clearly corrupt. However, if the civil servant contracted in good faith in an attempt to save the government money and help pursue the objectives of his department, the transaction may not be corrupt. Factors to take into account would be the amount of searching cost and money the civil servant would need to incur to find a replacement company, the quality and value for money of the competitors, and the reversibility of the contract (can the contract help cover a difficult time until a better planned procurement can be designed later?)

? Would you say NO to your brother?

Scenario 4: *A senior official is deciding on the award of a tender to a private company for the contract to operate and maintain a local water facility. The official is invited by the director of one of the largest consultancy firms bidding for the contract to a day at the races and a fancy three-course dinner at the local Sheraton Hotel. He is also offered a gift worth $1000 as a present to the government.* ***Is the acceptance of this hospitality and the gift corruption?***

Response: Many civil service statutes define a minimum acceptable value of gifts that can be received by civil servants. In practice, accepting the invitation may be corrupt. The appointee, however, is exposed to a number of risks. First, accepting these gifts – even if they are legally allowed – may appear to be corruption, and thus hurt the individual and his government. Second, the gifts may create the expectation of reciprocity (the company expects SOME kind of favour). The gift may also belong to the government and so should be presented to either the appropriate person at the relevant ministry or to the relevant official in charge of government property.

? Would you go for a beer with the representative of a potential supplier?

Scenario 5: *Due to unexpected difficulties, a road building project is running behind schedule and a one month delay is anticipated. The foreman and workmen decided to cut a few corners to speed things up. They thought that the specifications stipulated in the contract for the depth of hardcore of a road was too conservative and so did not excavate to the depth stipulated in the contract. The site agent of the main contractor did not measure the depth excavated.* ***Is this corruption?***

Response: Yes, overlooking substandard work (either deliberately, as an oversight or just bad practice) would result in building defects causing the company extra to rectify the problem. Worse still, such hidden faults in construction works would be hazardous to public safety. Allocation of adequate resources to site supervision is crucial to ensuring the quality of works. The role independent internal technical audit should also be strengthened so as to guard against malpractice.

? If you are a construction project supervisor, how easy is it for you to keep an eye on all of the works you are responsible for?

Scenario 6: *A contractor sent a new public official pens and calendars with the company logo; because the gifts weren't expensive the official accepted them with thanks. Later that year the contractor sent a bottle of whisky to the official as a thank you for solving a small problem. Again he thought the gift was small and insignificant and so accepted the bottle. When the official phoned the contractor to thank him, the contractor invited the official out for a drink, put on the spot the official accepted. After this the contractor began requesting small services or favours from the official in return for more gifts. When the official called for tenders on a project, the contractor submitted a bid and sent the officer tickets to the football match prior to the decision in relation to his bid being made.*

Response: Once the public official had accepted the small gifts, he was compromised. As the gifts increased in value, the contractor scaled-up the small services or favours he requested in return.

? Consider the following:

- What would you do if you were offered a gift? Decline the gift or benefit, donate the gift to a charity or else accept the gift and register it?
- What sources of information can you use to assist you in your decision-making?
- Who in your agency can provide you with advice?

Examples: Identifying where corruption is occurring

Scenario 1: *The local Department of Public Works received a budgetary disbursement of roughly $5,000 into its bank account for the purchase of 1,000 metres of water piping. The project manager in charge paid a local company to issue a delivery order (though no pipe was delivered). The company kept half the money and the project manager kept the other half.* ***Would this crime be detectable?***

Response: There may be a number of mechanisms to detect the crime, including:

- Asset declaration might find these funds, although if a civil servant knows he or she must declare his or her assets, they would probably put the funds in an area outside of inspection.
- A public sector audit would probably show that the money was spent on the pipes. Further investigation depends on an assessment of the likelihood of impropriety occurring in the purchase of the pipes.
- An audit of the business would probably fail to detect the bribe as the sum might represent petty-cash for the company, or might be lumped into another account (if the income used to finance the bribe was recorded in the company's books!).
- An internal investigation would rely on a member of the public complaining that the project was not executed.
- Expenditure tracking may increase the probability of detection, though the funds would still be recorded as 'delivered.'

However, the resources the government should spend on detection depend on the *degree of risk* and the *costs-benefits* of pursuing the case. Clearly, spending $20,000 investigating and prosecuting a corruption case worth $5,000 may be a bad use of public funds – particularly if the odds of recovering the funds are low or the civil servant could not pay if the court issued an order against the civil servant for the payment of damages.

? If you were the project manager in this situation, would this practice bother you (bearing in mind that you have pocketed the money)? Would it still bother you if this practice happened on a regular basis and everyone else is doing the same? What would make you stop behaving in this way?

Scenario 2: *You are aware that staff in your Public Works department use vehicles and office equipment for personal purposes.*

Response: Such activities are against any civil service act and codes of conduct, i.e. not to use public property, facilities, services and financial resources for private purposes except when permission is lawfully given. You are most likely obliged to report any evidence or suspicion of breaches to the code of conduct.

? Have you ever made personal phone calls from the office telephones?

Would you pass the red face test – could you explain your behaviour to your family or your boss without feeling embarrassed?

How tackling corruption can benefit the poor

Improving infrastructure services through combating corruption is one way to reduce poverty. It can do so by:

- **Improving social equity**: Corruption leads to wider disparities because those with influence gain more advantages, while those without, lose out. The literature on corruption has shown that poor people and slum residents are the main victims of corruption. Social inequity (in terms of status, power, life chances, education, work, health and quality of life) can be a cause and effect of corruption. For example, corruption in the infrastructure sector can be a key impediment to the empowerment of women.

- **Improving service delivery**: Combating corruption can improve service delivery in terms of increased access to services, increased reliability of services, more equitable distribution, and increased influence over those responsible for service delivery – elected representatives and public sector agencies.
- **Strengthening voice and power**: Accountability arrangements can increase disadvantaged groups' control over their lives and their vision and belief in the possibility to change things. Accountability arrangements can increase representation in the formal democratic system, secure rights and increase access to resources (information, social networks, legal rights as well as tools and other physical resources).

Pro-poor anti-corruption mechanisms are either specifically targeted to the poor or else ensure that the benefits of general strategies 'trickle down' to the poor. At the very least pro-poor anti-corruption strategies make sure that the poor are not negatively affected by such strategies[7].

■

Endnotes:

1 As demonstrated by a number of academic theories, such as public choice theory, agency theory, transaction cost analysis, new public management and property rights theory.
2 End Water Poverty (2007) http://www.endwaterpoverty.org
3 Transparency International (2002) Corruption in South Asia: Insights and Benchmarks from Citizen Feedback Surveys in Five Countries.
4 Davis. J. (2004) Corruption in Public Service Delivery: Experience from South Asia's Water and Sanitation sector. *World Development, 32 (1)*, 53-71.
5 Klitgaard, R. (1988) *Controlling Corruption*. University of California Press: Berkeley.
6 Please note that the appropriateness of these responses may depend on the particular country to be addressed. Readers may not under any circumstances rely on these answers for conduct in their country and are strongly advised to discuss the situation with their solicitor or civil service office official if similar situations arise.
7 See Janelle Plummer (2007) *Making Anti-Corruption Approaches Work for the Poor: Issues for Consideration in the Development of Pro-Poor Anti-Corruption Strategies in Water Services and Irrigation*. Swedish Water House.

Section 2

DESIGNING AN ANTI-CORRUPTION APPROACH

Factors that contribute to corruption

So many factors contribute to corruption – inadequate capacity of contractors (financial, technical and plant); rent seeking by political parties/government that turn to the sector for capital (particularly around election times etc.); and so on. Combating corruption necessitates affecting change in the individuals in terms of: knowledge, skills, attitudes (or beliefs) and behaviour (or action).

Examples: Factors that contribute to corruption

Scenario 1: *A state owned industry is being privatized; the prospective new owner of the industry is said to have connections to the minister responsible. No information about sale prices and valuations has been published.*

Response: The media can control corruption by raising public awareness about corruption, investigating and report incidences of corruption, exposing corrupt officials and prompting investigations by official bodies.

? What would you do in this instance – write a letter to national and local papers or contact local MPs, NGOs or other agencies to create interest in monitoring the privatization process?

Scenario 2: *You are overseeing the design of a project for a new sewage works. However, the design has been changed recently, for no apparent reason. You suspect that the changes have been made to benefit particular contractors.*

Response: You are obliged to report suspicion or evidence of corruption committed by colleagues or others.

? What would you do if you don't have sufficient evidence for the case to be investigated – is it worth being labelled as a troublemaker?

Scenario 3: *You are overseeing the implementation of a road building project and need to check the financial documentation, such as invoices and authorizations. However, you cannot find any of such documents and suspect that corruption has occurred.*

Response: Poor administrative procedures can facilitate corruption. Once you have established that the documents are missing, report the incident to your superior in order to start an internal investigation into whether or not corruption has taken place.

? Do you consider such a scenario to be a breach of a code of conduct?

The costs and effects of corruption

Economists and financial analysts have become much better at calculating the costs of corruption. These costs include direct costs (the actual money paid by the company or the project the government agency could have done, but now no longer has the money for). The indirect costs focus mostly on what economists call 'resource distortion.' Some examples include the loss in productivity in a department because relatives are working there instead of highly-skilled experts, the economic costs of delays in obtaining materials and other indirect costs.

Examples: The costs and effects of corruption

Scenario 1: *As the head of a small public agency, you have decided to move toward performance-based management – publishing your agency's consumer satisfaction rates (among other data). Is this a good way to fight corruption in your agency?*

Response: Remember, your goal is to reduce the misuse of entrusted power for personal gain. As a public sector manager, you will want to weigh the benefits in potential reductions from unauthorized personal gain against the resources you are diverting into a programme of monitoring and publication.

? Does corruption always lead to inefficiency and poor performance?

Scenario 2: *You run a small department (either in the government or in a company). You strongly suspect that some of your employees are involved in corruption. You see some employees driving nicer cars than their salaries would probably allow. Will you try to tackle the problem yourself?*

Response: In accordance with the principle of 'zero tolerance', we are obliged to report suspicion or evidence of corruption committed by colleagues or others. As the manager, if you ignore the problem and corruption is discovered in the department and is later prosecuted, the penalties against you could be severe. Knowing that corruption exists certainly suggests the need for a series of department reforms. You will probably choose those areas with the greatest risk first (those where cash is involved). You should seek professional advice before you expose yourself and the agency to possible risks.

? What would you say to those who say 'I would not do that, but it's not my place to report it if someone else does it'?

Whether to invest in detecting corruption

Some questions you should ask when deciding whether or not to investigate a matter include:

- How serious is the allegation – the answer will depend on the type of conduct, the possible risks to the organization, the amounts of money or other benefits involved etc. Is the matter too trivial to justify an investigation?
- Do you have enough reliable information to investigate?
- Do you have sufficient resources to conduct the investigation internally or do you need outside expertise? Would the enquiry be better handled by another agency?

The following scenarios will give you an idea of whether to invest in detecting corruption.

Examples: Whether to invest in detecting corruption

Scenario 1: *You are the department head overseeing a $2 million contract to provide water services. You have heard through a trusted colleague that he believes that a subcontractor you use has been paying bribes to speed up the delivery of a number of business licenses.*

Response: The personal risk and business risk posed by this situation are large. Under the implementing legislation passed by OECD member countries, or under national legislation, you may be personally criminally liable. If this happens, you should seek the advice of a competent lawyer.

? What would you do? Take action or dismiss it as hearsay?

Scenario 2: *You have applied for a job at the Electricity Board, where your cousin works. Your cousin has talked to the boss and persuaded him not to hold interviews, but to give you the job.*

Response: The cousin has misused his official position for private purposes. As a public sector employee he should not have demanded or accepted favours or any other benefit for close relatives. Secondly, he could be accused of misusing his official position for improper advancement of his own interests.

? If, in the future, you run a private company, would you reciprocate the favour to your cousin by appointing his well qualified son or daughter to a key position in your private company?

Scenario 3: *A customer has contacted your office because a worker connecting houses to the mains water supply asked her for an additional fee to connect up her house up in advance of the scheduled date.*

Response:
Complaints (anonymous or otherwise) about a particular person or an institution can be helpful in uncovering corruption within an organization. Inform service users about how to report a case of corruption and what happens to the reports they make. Ask customers to provide:

- an account of what happened, how and why;
- the people involved in the incident; for example, the name and address of the person(s) who is alleged to have asked for a bribe or who is involved in the incident; and
- any witnesses who saw what happened and can say that the incident took place and that the complainant is telling the truth.

Some people may be cautious about making complaints. If a complainant wishes to remain anonymous, this does not mean that his/her complaint is worthless.

? You have been waiting to get water connection for six months. An individual appears at your door and for a fee will connect you to the water main in two days. Would you pay him, report him to the authorities or pay him and then report him to the police?

Scenario 4: *The person responsible for controlling the water supply gate valves is called the 'key-man' or 'line-man'. Staff are prohibited from soliciting or accepting advantages from customers. The key-men in a city in a South Asian country have decided among themselves to charge customers in certain residential neighbourhood 'tea money' for favouring their water supply.*

Response: There is no excuse for corruption by soliciting or accepting 'tea money' for expediting work. Management should supervise staff and make staff clearly aware of the seriousness of any breaches in the code of conduct.

? Would you pay a bribe to secure access to water or a better and more reliable supply?

Scenario 5: *Mr W runs a road construction company, but has been unsuccessful in winning local government contracts. Mr W approached one of the staff in the public works department (Mr K) and offered him a commission (10 per cent of the contract price) in return for Mr K supplying quotation information submitted by other bidders every time there is a quotation exercise. With this information, Mr W could ensure that he submits the lowest bid and is awarded the contract.*

Response: Supplying quotation information submitted by other bidders is an offence. A company should establish a good quotation and tendering system to prevent tender and quotation information from leakage. For example, the opening of the tenders and quotations should be carried out by at least two persons to prevent tampering with the prices submitted.

? As a professional in a large multinational organization working in a country known for corruption, would you consider paying 10 per cent if a contact worth millions of dollars is at stake?

How much to invest in detecting corruption

Policing is not the only answer to institutionalized corruption. Reform programmes in the infrastructure sector should focus on getting 'the system' right rather than removing single corrupt individuals. It is important to remove the root causes of the problem where corruption is systemic. In fact, prevention can be more effective and more economic than investigation and prosecution. The following scenarios will give you an idea of the available remedies for your particular circumstances.

Examples: How much to invest in detecting corruption

Scenario 1: *You work in a public works department and are thinking about the priorities and the actions to undertake fighting corruption.*

Response: There are a number of ways to tackle the problem. Remembering the definition of corruption, you will focus on ways your agency can reduce the misuse of entrusted power for personal gain. Remembering the risk management perspective, you will focus on those areas must vulnerable to corruption.

? What information would you use to develop the priorities and the actions to undertake fighting corruption. Much of the material in this Toolkit will help you answer this question.

Scenario 2: *Last month, a manager of a competitor company was arrested on charges of corruption. It is rumoured this is because a former employee at that company was paying bribes. You decide that your company must be completely corruption free. What plan do you put in place?*

Response: There are a number of ways to tackle the problem. Many tools are presented in this Toolkit, which can provide some of these remedies. Options to consider include:

Surveillance of employees – particularly of those suspected of corruption, or those in jobs with discretionary use of funds and in constant contact with government officials. You will need to ensure you are complying with human rights and the country's employment law and other laws; you should take legal advice before proceeding.

Internal audit/inspection – often the responsibility of an internal office of oversight or the company ombudsman. You may wish to give an office discretion to pursue internal questioning or make regular checks of areas prone to corruption. Make sure clients, suppliers and others have contact information for this office and can report incidences of corruption. While anonymous reports are problematic at a legal level (and may be disallowed from use in a disciplinary or legal action); they nonetheless may help provide pointers to weak areas.

? Based on a real or a reported situation, draft an outline plan.

Designing an anti-corruption plan

An anti-corruption plan should explain the organization's position on corruption, set aims and objectives, set out existing corruption prevention policies and procedures and outline new strategies to minimize corruption risks.

The process of developing anti-corruption plans has a number of common elements, including:

Step 1: Creating a multi-stakeholder team to develop the plan
Step 2: Gathering necessary information
Step 3: Defining objectives
Step 4: Defining inputs, activities and outcomes
Step 5: Drafting the plan
Step 6: Making revisions

Step 7: Adopting the plan
Step 8: Raising staff awareness and commitment
Step 9: Monitoring the plan

It should be kept in mind, however, that the framework describing the decision-making process should not be interpreted as a simple linear sequence of activities. In reality, the process is more disordered, with potential overlaps across phases.

Step 1: Creating a multi-stakeholder team to develop the plan

The plan should be developed by a range of stakeholders in the infrastructure sector in order to reduce the risk that anti-corruption initiatives become expert-driven rather than based on the experiences and struggles of ordinary people. A stakeholder is an individual or group with an interest in the success of an organization in delivering the intended results. Stakeholder analysis is a vital instrument for identifying those groups and organizations that have significant and legitimate interests in specific services.

Your list of stakeholders that would lead the anti-corruption reform effort might include:

- Municipal staff
- The organization's internal audit or fraud prevention units
- Consumers, users and community-based organizations
- Other representatives/leaders of the poor
- Non-government organizations

- Unions
- Local politicians and decision-makers
- Private sector operators and providers
- Interested parties at higher levels of government
- Consultants or facilitators external to the organization

Step 2: Gathering necessary information

Make a list of your organization's existing policies and procedures on corruption prevention and then make a list of the gaps and how these can be tackled. For example, consider:

- Does the organization have a documented corruption prevention plan?
- Have you assessed the effectiveness and impact of the plan?
- Does the organization have an internal reporting system (such as internal and external auditing?
- Has the organization implemented a corruption awareness programme?
- Do you have a procedure for reporting corrupt conduct to external authorities?

General sources of information can be found by:

- Reviewing the documents produced by your organization such as: annual reports, newsletters, policies (on the internal reporting of corruption, whistle-blowing and whistle-blowing protection, procurement, recruitment, code of conduct), procedures and management plans, documents related to any previous investigations into corruption and so forth.

- Consulting other sources of information such as: web-based information, knowledge networks, online discussion forums, conference proceedings, discussion forums, helpdesks, newsletters, case studies, research products, legal advice and so forth.
- Holding discussions or form focus groups with a range of staff – they know better than anyone else what goes on in the organization, and where there are weaknesses in the anti-corruption plan.
- Contacting people in other organizations that have developed effective corruption prevention strategies, they could provide you with some ideas, which you can tailor to meet the needs of your organization.
- Participatory data collecting to gather and systematically capture data that reflects service users views and perceptions especially the poor and less powerful members of the community.

Once you have gathered this information, feed it back to the multiple stakeholders to arrive at a judgment about how to make progress in formulating your anti-corruption plan.

Step 3: Defining objectives

A clear statement of the plan objective is essential for good plan design. The plan objective is the desired state that the plan is expected to achieve or contribute to. It provides the reason for undertaking the plan. In terms of the anti-corruption plan, the main expected outcome is a change of behaviour of the stakeholders. In defining the objective it is necessary to make sure that it specifies:

- Who the target beneficiaries are;
- What problems will have to be addressed by the plan;
- If progress can be verified either quantitatively or qualitatively;
- The scale and nature of the change to be achieved;
- What will be done differently following the plan and/or what will be experienced in terms of improved wellbeing or service delivery;
- The timescales for change; and the improvements in skills or capacities necessary to better serve the poor;
- The improvement in skills or capacity necessary to better serve the poor.

Step 4: Defining inputs, activities and outcomes

Inputs are the goods, services, personnel and other resources required for the purpose of undertaking specific activities, producing outputs and achieving outputs. A clear listing of inputs can help to mitigate some of the commonest problems encountered when implementing anti-corruption plans. The listing should specify:

- Type of input;
- Quantity;
- Duration of use;
- Cost;
- Timing for delivery or commencement; and
- Purpose for which input is provided.

An activity is a function or task that occurs over time and has recognizable results. Activities use up resources to produce products and services. In your plan activities need to be stated in a way that:

- Details the nature of the activity;
- Details whether its implementation can be verified in terms of quantity, time and place; and
- Makes it clear who is responsible for carrying out the activity.

Outputs are the result of activities completed by the project with the use of inputs. They are a pre-condition for the subsequent achievement of objectives. For example, the output of a training activity is trained people; and the outputs of a research activity are the research results. Outputs should be stated so that:

- Their realization can be identified in terms of quantity, quality, time and place;
- A target is specified for the magnitude of the output to be produced and the timescale;
- It is clear if a certain output is a prerequisite for other outputs; and
- All outputs are feasible given the resources available.

Three desired types of outcomes of your plan might include:

- Policy and practice change (at the level of local government, government departments, companies, NGOs) – this could refer to a change in budget allocation, legislation or access to services; such change has tangible outcomes that are relatively easily evaluated.

- Attitude and behaviour changes of certain groups of people (for example employers, the public, employees) – this could refer to persuading officials not to take bribes. However, changing people's attitudes and behaviour is hard to do effectively and even more difficult to evaluate.
- Changes in the social, political, and legal environment so that the general public (and the poor) are better aware of the problem of corruption in the infrastructure sector and have increased opportunities to influence the policies and practices that affect them.

Step 5: Drafting the plan

The draft should be clearly and succinctly written and should include:

- Aims and objectives (short-term, medium-term and long-term objectives);
- Inputs;
- Activities;
- Outputs;
- Outcomes;
- The key stakeholders you will engage;
- The timeline;
- Budgets; and
- Risks and assumptions involved.

Step 6: Making revisions

Any suggestions or comments should be incorporated into the final version of the plan.

Step 7: Adopting the plan

Step 8: Raising staff awareness and commitment

The plan needs to be communicated to all staff. Some important issues that you need to consider are:

- What roles and responsibilities will different staff members have?
- What training will they need? and
- What resources will be needed?

Capacity building is important. Capacity is the ability of individuals, organizations and societies to perform functions, solve problems, and set and achieve goals. It is important to consider the skills (technical skills, managerial skills, existence and quality of data systems, available technology and existing budgetary provision for monitoring and evaluation (M&E)) and resources (money, people, knowledge and reputation) you have and the limitations you face. Capacity development is about specific actions such as learning specific skills, acquiring knowledge, performing specific functions, solving problems, developing social capital, creating enabling environments, and changing personal and societal behaviour.

Effective ways of promoting the organization's commitment to corruption prevention may be through training, best practice guides, awareness raising campaigns, staff newsletters, an induction programme for new staff and awareness raising sessions.

Step 9: Monitoring

Performance monitoring allows the agency to ensure that staff behaviour is consistent with the anti-corruption strategy.

Performance reporting reveals whether planned actions have achieved their objectives, but also identifies problems and allows improvements to be built into the system for the future.

There are a number of options for monitoring the plan:

- A staff member may be made responsible for ensuring that the policy is kept current and will serve as a point of contact for staff requiring further information or clarification;
- A committee of stakeholders may be created[8]; or
- A management team may be made responsible for day-to-day management to implement and co-ordinate ongoing corruption prevention activity at the operational level.

The responsibilities of the monitoring individual/group might include: setting priorities; providing advice when ethical issues arise; co-ordinating corruption prevention strategies and communicating the policy to all levels of management and staff; monitoring and enforcing adherence to strategies; informing consumers about their rights and obligations; serving as an appeals body for consumer complaints of corruption; and advising policy makers as regards policies to combat corruption and improve services.

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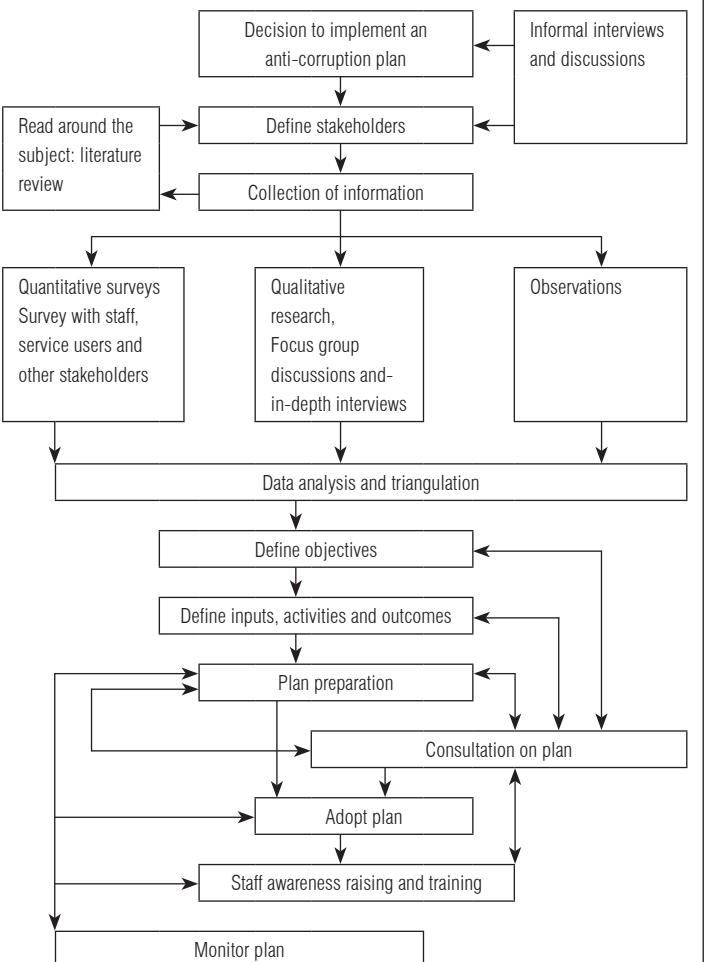
Endnotes:

8 Rather than rely on individual action, it is essential to mobilize groups of poor people to increase their collective power over service providers in order to combat corruption in service delivery.

Figure 2: Designing an anti-corruption plan



THE TOOLS

Recently there has been increased debate about anti-corruption approaches. However, in the infrastructure sector to date, there has been little focus on pro-poor anti-corruption policies and mechanisms for the sector. As corruption disproportionately affects the poor, it is vital that pro-poor anti-corruption strategies are identified. The rest of this section is composed of such the strategies/tools.

The tools have been organized as follows:

i) Tools for identifying corrupt practices in infrastructure services

ii) Tools for working with and building on the experience of other partners to tackle corrupt practices

iii) Tools for strengthening accountability mechanisms more generally

The tools are not presented in any particular order; the selection of tool will be dictated by the reader's context and purpose. The majority of the tools collected here are cross-sectoral in scope. Although the tools have been grouped into three categories, there are obvious interlinkages between the tools. Figure 3 indicates which tools are more amenable/accessible to which stakeholders.

Each of the individual tools is structured according to the following sub-headings:

- Description (What is it? Why would you use it? How to use it. When would you use it? Who uses it?)
- How has it been used in the infrastructure sector?
- What use is it to the poor?
- Action points
- Related case surveys and case studies
- Further guidance
- Sources of more information (internet sites, books, journal papers and organizations)

A key feature of the Toolkit is its use of cross-referencing to provide information about source materials for the specific tools (such as case surveys and case studies). This guides those who wish to find out more about a particular tool to sources of further information they can use. The authors would also like to encourage the reader to look up the references to the other outputs of this research project: i.e. the literature review and methodological note. These will provide the reader with more detailed information about how corruption has been combated in context.

The Toolkit does not pretend to be an authoritative collection; it intended rather to be working document and will be revised as new tools come to light and according to reader's comments.

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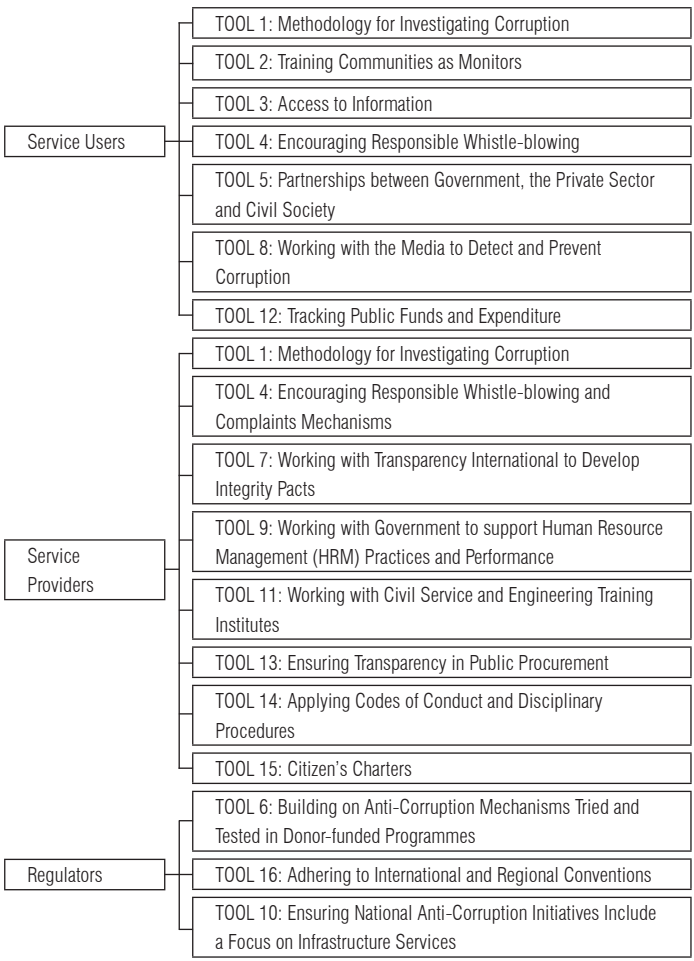
Figure 3: Tools of relevance to service users, providers and regulators



IDENTIFYING CORRUPT PRACTICES IN INFRASTRUCTURE SERVICES

This section on identifying corrupt practices in infrastructures services presents a set of participatory tools that aim to enable stakeholders to monitor the infrastructure sector, to raise public awareness about corruption and to catalyse bottom-up initiatives to combat corruption.

TOOL 1

METHODOLOGY FOR INVESTIGATING CORRUPTION

Description

What is it? The project '*Accountability Arrangements to Combat Corruption*' has developed a methodology to investigate corruption in the infrastructure sector. This methodology facilitates the participation of poor groups and enables an analysis of real life situations based on multiple sources of evidence and a combination of qualitative and quantitative research techniques. The methodology was piloted in South Africa, Nigeria, Kenya, Pakistan, Bangladesh, Indonesia, Georgia, Ukraine and Nepal in 2005-2006. The research was conducted in partnership with local research institutes, universities and NGOs. The methodology for investigating corruption consists of:

- A case study approach: due to the predominant 'how and why' nature of researching corruption.
- A combination of qualitative and quantitative research techniques.
  - Secondary data collection
  - Questionnaires
  - Semi-structured interviews
  - Focus group discussions (guided by checklist)

- Direct observations (guided by a checklist)
- Corruption diary

Why would you use it? The objectives of monitoring/measuring corruption include understanding the patterns and causes of corruption, quantifying the costs of corruption, increasing public awareness of the issues surrounding corruption and providing a basis for actions and reform. An effective anti-corruption policy depends on diagnosis and understanding of the infrastructure sector. There are few methodologies that either measure the extent of corruption in the infrastructure sector or seek poor people's perceptions of corruption.

How to use it: The process of investigating corruption involves a number of steps:

First, secondary data is collected and analyzed (official reports, press articles and research documents) for information.

Second, the strategy for data collection should focus on:

- The kinds of infrastructure the poor use;
- The locations where they live (urban, peri-urban and rural areas that might be illegal and/or geographically isolated); and
- Where corruption is found in formal delivery systems: policy making, financing, production, treatment and service delivery, and billing and payment.

Surveys can be conducted on corruption in general and its incidence in infrastructure service delivery in particular. Interviews can be held with a wide range of stakeholders,

including municipal professionals, private sector contractors, local leaders, elected officials, NGO staff, community organizations, academics and especially low-income residents. In certain instances, it might be possible to interview those who have been convicted and sentenced in cases involving infrastructure-related corruption. Focus group discussions with a range of stakeholders including service users can be held; households and service providers may be asked about their perceptions of corruption in infrastructure services, existing problems and ways to overcome the problems. A transact-walk could also be conducted to collect supportive information through direct observation in the study location. It might be feasible to ask an informant to write an account of their experience of corruption (on either the demand or supply side) in the form of a diary or in the style of a story.

After the data are collected and have been analyzed, the results are shared and interpreted by focus groups comprised of both the households and the service providers.

Finally, the researcher would present the main findings back to stakeholders in workshops to build consensus and find acceptable solutions to service delivery problems. Findings will then be used to reveal the differing perceptions and disproportionate impacts of corruption in the infrastructure sector on the poor.

When would you use it? The methodology for investigating corruption can be applied to key points in the infrastructure project cycle (proposal preparation, release of funds and procurement, implementation) as well as service delivery. The

research would be used for understanding the mechanisms of corruption and the strategies for tackling it.

Who uses it? The methodology can be instituted: by government; regulators or the utility itself (to benchmark service quality, diagnose gaps or identify corrective action); by community-based organizations to collect experience from users and advocate for solutions to widely encountered problems; by stakeholder consortiums of government officials; community representatives, academics, the media and so forth (multi-stakeholder partnerships can use the approach to come to an agreement on an issue, identify priority action and check improvements); or by development agencies to benchmark service quality and monitor improvements from development projects and policy interventions. The costs will vary depending on the sample, questionnaire and the survey method.

How has the methodology been used in the infrastructure sector? Findings from surveys that apply to the infrastructure sector are useful for general policy advice. However, to date, there has been a lack of data on estimates of both grand and petty corruption in infrastructure provision.

The methodology for investigating corruption covers many aspects of service delivery and identifies the multiple reasons for corrupt, inefficient and ineffective service delivery. By obtaining more accurate information on when, why and how much the poor pay for service delivery, including information about the cost, timeliness, coverage and quality of each service, service providers (the state, private sector and NGOs) are

better equipped to make decisions on how to improve service delivery. This information is key to developing a pro-poor anti-corruption strategy.

What use is it to the poor? A pro-poor focus in researching corruption is aimed to assess both how the poor are affected by corruption in the infrastructure sector and how greater accountability in service delivery improves the assets and capabilities of the poor. The findings of the research should enable the voices of the poor to be heard in policy discussions, as well as to ensure that publicly-provided services are specifically targeted to the needs of the poor. For example, the Kenya Urban Bribery Index results indicate that those on low-incomes are more vulnerable to corruption than those with higher income levels. (http://www.tikenya.org/documents/urban_bribery_index.doc)

Surveys can empower the poor to act as active agents able to understand, anticipate and explore their needs and interests, participate in municipal agenda-setting and help administrations solve the city's infrastructure problems; this will help address the lack of knowledge and power that makes the poor so vulnerable to the corrupt practices of others. This is a far cry from the stereotypical image of the poor as anonymous and passive 'consumers of development'.

Through such surveys, the poor have revealed their awareness of and access to the infrastructure services. They have graded service quality and adequacy, including the treatment they've received from providers, voiced their satisfaction or dissatisfaction with the services, have rated fees as affordable

or beyond their means and they have shared their experiences in dealing with public officials. These are all vital inputs for policy formulation. The welfare and opinions of the poor must be monitored regularly, to assess whether public agencies are becoming more (or less) responsive to their clients.

Action points:

- Identify the target audience(s). These might include service providers, civil society organizations, the media, the general population, the poor, government and donors.
- Think about the methods of dissemination: presentations, media conferences, press releases, press kits, seminars, theatre, artwork, songs, puppet shows, films and so on.
- Issue a working paper/brief alongside the publication of the survey results to interpret the data, making the tool easier to use for advocacy purposes.
- Develop a strategy for dealing with the response from the media and the surveyed institutions/sectors.
- Avoid confrontation with the institutions/government agencies that have been rated as the worst performing ones by publicly explaining the methodology and the outcome.
- Emphasize the usefulness of the findings, for example, in policy making.
- Make recommendations to bring about positive change.
- Continue monitoring to measure any changes over time and the pattern of such changes.

Related case surveys

CASE SURVEY: Diagnostic surveys, Uganda.
Public expenditure tracking survey (PETS) and quantitative service delivery surveys (QSDS) are new tools for diagnosing corruption and other problems relating to basic service provision in developing countries.

CASE SURVEY: Urban Bribery Index, Kenya.
The Kenya Urban Bribery Survey is used to assess corrupt practices in urban areas and thereby help inform strategies to increase transparency and accountability at the local level.

CASE SURVEY: Participatory Corruption Appraisal, Indonesia.
In 2000-2001, the Partnership for Governance Reform in Indonesia and the World Bank undertook a Participatory Corruption Assessment to explore how corruption affects the urban poor in Indonesia.

Further guidance

TOOL 3a: Access to Information
TOOL 3b: Using Information Communication Technology
TOOL 5: Partnerships between Government, the Private Sector and Civil Society
TOOL 8: Working with the Media to Detect and Prevent Corruption
TOOL 15: Citizen's Charters

Sources of more information

National Household and Private Sector Survey on Corruption
Transparency Maroc: www.transparencymaroc.org

National Household and Private Sector Survey on Corruption, Forum Civil/TI Senegal: www.forumcivil.sn

Measuring Transparency in Municipal and Central Governments, Freedom of Information Citizen Centre, Japan: www.jkcc.gr.jp

Transparency International-Kenya: www.tikenya.org

Citizens Manual for Monitoring Social Programmes: http://www.transparenciamexicana.org.mx

Reinikka, Ritva, and Jakob Svensson (2002) *Measuring and understanding corruption at the micro level*. World Bank, Development Research Group: Washington D.C. http://www1.worldbank.org/publicsector/anticorrupt/corruptionBielefledl1.doc

Olken, Benjamin A. (2005) *Monitoring Corruption: Evidence from a Field Experiment in Indonesia*. Harvard University and NBER: http://www.bu.edu/econ/ied/seminars/pdf/olken3-13-06.pdf

World Economic Forum's Global Competitiveness Report: http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm

Opacity Index: http://www.opacityindex.com/

TI Corruption Perception Index: http://ww1.transparency.org/surveys/index.html#cpi

World Bank diagnostics webpage.

TI has developed a series of risk assessment discussion documents for the construction industry: http://www.transparency.org.uk/construction.htm

Holloway, Richard, and Stefanie Teggemann (2002) *Participatory Corruption Appraisal: A Methodology for Assessing how Corruption affects the Urban Poor*. The Partnership for Governance Reform: Jakarta.

Klitgaard, Robert, Ronald MacLean-Abaroa and H. Lindsey Parris (2000) *Corrupt Cities: A Practical Guide to Cure and Prevention*. The World Bank, Washington DC.

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TOOL 2

TRAINING COMMUNITIES AS MONITORS

Description

What is it? Training communities to monitor the delivery of infrastructure creates direct accountability to communities. If the users, and particularly the poor, can monitor and discipline poorly performing service providers, this is said to result in better infrastructure services.

Why would you use it? Key to the World Development Report (2004)[9] was the idea that effective government services put poor people at the centre of service provision: enabling them to monitor and discipline service providers, amplifying their voice in policy making, and strengthening the incentives for service providers to serve the poor. The ability to monitor service providers changes behaviour, social norms and institutional quality, even when institutional structure does not change.

How to use it: It is often difficult for people, especially the poor, to access their entitlements because of lack of information about their rights. NGOs such as Parivartan have trained slum dwellers to monitor the execution of public works such as road maintenance and the laying of water and sewage pipes.

So, for instance, slum dwellers obtained copies of a road repair contract through the Right To Information Act in Delhi in order to supervise the work. When people saw that substandard material was being used in road construction, they stopped the work until the substandard material was replaced. NGO workers have also organized people to demand accountability, transparency in the disbursement of funds and access their legal entitlements.

When would you use it? Community-based audits have been conducted to prevent corruption, and where corruption is suspected such audits may take place in the delivery of public works.

Who uses it? Service users are considered best placed to monitor the services upon which they depend, due to greater incentives and information, as well as face-to-face interaction with front-line providers. There is a strong precedent of the poor participating in the water sector; many water projects targeting the poor have adopted participatory principles. Community pressure can also create incentives for zero corruption where front-line service providers are a permanent part of the community. This approach has potential drawbacks as well; for example, monitoring public officials is a public good so there may be a free rider problem.

How has it been used in the infrastructure sector? Citizens have been directly involved in fighting corruption by monitoring their infrastructure delivery. For example:

- In slum areas of Delhi, India, NGOs such as Satark Nagrik Sangathan and Parivartan have provided training and support for communities to access information on infrastructure using the Right To Information (RTI, 2001). Community members have also been trained to monitor construction projects to provide community control over the quality of construction and to act as a safeguard against corruption.
- In Bangalore, India, the Children's Movement for Civic Awareness has surveyed the quality of the city's roads. The children were given checklists in order to monitor the presence of side drains, the evenness of surface of the footpath, obstructions to pedestrians, the number of potholes, number of cracked areas, presence of signs or painted lines to indicate a road hump, and unfilled or uncompacted holes for electrical or telephone cables. The children presented the findings on quality of roads to the Bangalore municipal commissioner at a public hearing and the findings were reported to newspapers.
- Service users may be represented on the boards of public utility regulatory bodies in Ghana, or involved in nationwide consumer watchdog groups in Zambia.
- Transparency International Bulgaria undertook to monitor the privatization process of Bulgaria's telecommunications company. Its findings and subsequent publication on corruption in the process led to the privatization process being halted. TI Bulgaria was then officially invited to monitor the bidding and implementation of further national privatization projects.

- The ongoing World Bank effort to build a database of road construction and rehabilitation costs should help to provide benchmarks against which to estimate excess costs of construction in transport: http://www.worldbank.org/transport/roads/rd_tools/rocks_main.htm
- In the Philippines, the Department of Public Works and Highways (DPWH) launched the 'Bantay Lansangan' (National Road Watch) Programme to increase access to information on DPWH projects. It aims to eradicate corruption in road building and maintenance efforts through the participation of all road stakeholders – government, the private sector, NGOs and road users – in the understanding, review, analysis, monitoring, and advocacy of reforms in the road sector.
- The Public Affairs Centre, an Indian non-governmental organization based in Bangalore, pioneered a new approach to regulatory oversight. Using public meetings and a questionnaire-based survey, summarized in a report card, it conducted a large social audit of perceptions about the public services provided by municipal authorities, including the Bangalore Water Supply and Sewerage Board. The audit highlighted weak customer orientation, high levels of corruption and the perceived high-cost and poor-quality of service provision. Following a second audit in 1999, the state government and municipal agencies embarked on a process of structured consultation. The Bangalore Water Supply and Sewerage Board initiated joint programmes with local citizens groups and residents associations to improve services, extend connection to poor households and debate reform options. New grievance procedures were

established to address corruption. By 2003, the social audit was registering real improvements, with poor households reporting a sharp reduction in bribes for connections and improvements in efficiency.

What use is it to the poor? Improving services means making the interests of poor people matter more to providers; engaging poor clients in an active role – as purchasers, as monitors, and as co-producers (the 'short route of accountability') – can improve performance significantly. The poor have been involved in social and advocacy movements through which citizens have advocated for better service provision from the state as a social right.

The Indian NGO Parivartan has had success at mobilizing residents to monitor service providers, for example, by:

- Singing songs to inspire people to demand their rights and to participate actively in governance. Songs like Gandhi Tere Desh Mein describe the poor state of development in the country and the various problems faced by the poor, including the high levels of corruption they have to contend with. Other songs have described the rights of citizens and have urged them to call the government to hisab (account) – the rationale being 'hamara paisa hamra hisab' (our taxpayers money, our accounts).
- Volunteers also use muhphat (puppet shows) to voice people's expectations and demands for clean water, sanitation and basic infrastructure.
- Parivartan has also developed training and information pamphlets to enable communities to monitor the work

of contractors, in terms of how to evaluate the quality of work, the quality of materials delivered to them, and how to document and report problems they discover during construction.

Action points:

- Ensure that citizens have the incentives and ability to monitor and discipline the provider.
- Develop organizational capacity and leadership in civil society organizations to overcome co-ordination and collective action problems.
- Create incentives for policy makers and providers so that they respond to citizens' voice and participation.
- Think about ways for scaling up ad hoc and fragmented voice and participation initiatives.
- Remove fear of harassment.
- Annual reports from service providers should include a clear statement from the chief executive officer (CEO) about the organization's stance on corruption and should provide an outline of its corruption prevention strategies.

Related case surveys

CASE SURVEY: Report cards, India.

First used in Bangalore in 1993, report cards use citizen feedback (from the poor and marginalized sections of society) to rate the performance of public services agencies, such as the electricity board and water board.

CASE SURVEY: Concerned Citizens of Abra for Good Governance, Philippines.

In the Philippines, civil society organizations have become

partners with government agencies in order to reduce corruption in public works as well as in ensuring transparency.

CASE SURVEY: Committees of Concerned Citizens, Dhaka.
Transparency International Bangladesh created grassroots pressure groups called Committees of Concerned Citizens (CCCs) to 'promote integrity and curb corruption in public sector service delivery systems'.

CASE SURVEY: Parivartan, India.
An NGO called Parivartan, along with a number of people living in slum areas in Delhi have been accessing records of public works in various parts of Delhi where corruption is suspected in the delivery of public works.

Further guidance

TOOL 1: Methodology for Investigating Corruption
TOOL 5: Partnerships between Government, the Private Sector and Civil Society

Sources of more information

Paul, S. (2002) *Hold the State to Account: Citizen Monitoring in Action*. Bangalore: Public Affairs Centre

Upp, Stephanie (1995) *Making the Grade: A guide for implementing the report card methodology*. Public Affairs Centre, Bangalore, India.

The Public Affairs Centre: www.pacindia.org

The World Bank (2001) *Filipino Report Card on Pro-Poor Services*. Working paper No. 27106. Available at:

www.worldbank.org/participation/web/webfiles/philipreport.htm

UN-HABITAT (online) *Report Card on Public Services in Bangalore*. UN-HABITAT Best Practices website: http://www.bestpractices.org

Transparency International. The Corruption Fighters Toolkit: http://www.transparency.org/toolkits/index.html

Stop Corruption: http://www.stopcor.ru/?english

Janelle Plummer and Piers Cross (2007) Tackling Corruption in the Water and Sanitation sector in Africa; Starting the Dialogue. In J. Edgardo Campos and Sanjay Pradhan (Ed.) (2007) *The Many Faces of Corruption: Tracking Vulnerabilities at the Sector Level*. Washington DC, The World Bank.

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Endnotes:

9 World Bank (2004) World Development Report: Making Services Work for Poor People. World Bank: Washington DC.

TOOL 3a

ACCESS TO INFORMATION

Description

What is it? An obvious way of both denouncing and renouncing corruption is by publishing information about infrastructure. Access to information is essential to correct the asymmetries that characterize the relationships between utilities or community-level providers and consumers, especially poor consumers.

Why would you use it? Access to information is one of the most effective tools for curbing corruption. Information is central to effective civil society participation and monitoring of government activities. Improving information flows to customers can make officials answerable to customers, improve policies and to improve the level of service to individual customers. An informed citizenry can considerably enhance accountability of public officials for their conduct and on decisions made on matters affecting the public, such as service delivery.

How to use it: Information for consumers can be disseminated through community presentations and workshops, the use of music, art and drama, posters and billboards. As electronic mediums become more readily accessible, online publications

of such material can increase the public's knowledge and awareness of how to increase transparency and contribute to better governance.

Methods of listening to customers – particularly with an eye toward improving service delivery and reducing corruption – include:

customer surveys	customer follow up	customer contact
customer reports	customer councils	focus groups
listed contacts for assistance	customer interviews	customer service training
test marketing	inspectors	ombudsmen
complaint tracking systems	telephone hotlines	

When would you use it? Information that is available to the public should be provided readily, quickly and cheaply. If there are delays in access to publicly available information, people may prefer to buy the information they need, for example through agents, rather than use formal channels.

Who uses it? One of the basic underlying principles of public servants is transparency of their work. Public servants are obliged to provide their superiors, state control agencies, and the public with information about their work. Around the world, the introduction of greater transparency in the functioning of government and public bodies comes in various forms at the project, community or sector levels. For example, making accounts, budgets, contracting arrangements and

annual reports public; publication of procedures; making public large orders for procurement of goods, services, delivery of civic services and identification of beneficiaries under various government schemes; and public hearings by regulators are all tangible mechanisms for improving transparency in infrastructure services. Information mechanisms include routine regular production of reports and similar documents; the use of the Internet and computer networks; radio and television broadcast media; public service announcements (PSAs); print media such as newspapers; and personal appearances by government officials.

However, public agencies are often ineffective in communicating information to the public, or dealing with enquiries about what they are doing. This could be due to incompetence or negligence, but it may also be as a result of bureaucrats seeking to use their control over information to strengthen their power.

How has it been used in the infrastructure sector? Issues around the infrastructure sector are often considered too 'technical' for the general public to understand. However, there are a number of examples of improved access to information in the sector, for example:

The activities of an Indian NGO called Parivartan led to the Delhi Municipal Corporation (MCD) changing its practices regarding public works. For example, it is now common practice that:

- A simple notice board, displaying basic information about the works (for example, the name of the project, the name of contractor, the sanctioned amount, dates of start and completion and the scope of the work) is displayed at every work site;
- A list of all works completed in the last quarter is displayed on the notice boards of all division offices;
- The details of all ongoing works in an area are pasted on the walls of the MCD store in that area; at the same time, measurement books, details of estimates, work orders and a schedule of items should be available for inspection by the public at the MCD division offices at 24 hours notice, so people can monitor works and payments; and
- A summary sheet has to be made available in layman's language for each work; this contains the basic details of the items of the work that have to be done under that particular contract.

The Australian Institution of Engineers, the Institute of Civil Engineers (UK) and the American Society of Civil Engineers have all published report cards on the nation's infrastructure that rate the asset condition, asset availability and reliability, asset management and sustainability (including economic, environmental and social issues). When a service provider can compare its performance with others, this information will trigger internal reforms in terms of policy making and monitoring, better resource planning, better accounting, auditing and procurement and better performance. Service users and NGOs can also make comparisons about the performance of different operators in different regions, to use their voice in an informed way and create a competitive

pressure for service providers to improve. In cases where no reporting exists, freedom of information laws may also enable service users to access internal e-mails and memos.

REDIs (Recent Economic Developments in Infrastructure) have been completed in a number of countries including Colombia and Morocco. These studies provide an evaluation of the economic development in the infrastructure sectors (electricity, natural gas, telecommunication, water and transport sectors). The studies look at the social dimension of infrastructure, examine the extent to which infrastructure services are available to all citizens on an equitable and affordable basis, as well as the institutional, legal and regulatory framework that governs the provision of infrastructure services.

The experience shows that access to information does not necessarily interfere with the confidentiality of information. Australia, Korea and Hong Kong, for instance, publish information about previous and ongoing procurement, especially on Internet sites. Under India's Right to Information Act 2005, citizens have access to information on procurement processes. Australia, P.R. China, India, Korea and Singapore all make audit reports publicly available for scrutiny. India and Thailand empower individuals who are not involved in procurement to bring allegations of corruption to the attention of specialized audit or anti-corruption bodies.

In Uganda, the publication of a magazine called the Water Herald provides a platform for utility mangers to describe innovations, identify constraints and receive credit for good performance. It captures 'dos' and 'don'ts' and details relative

performance against key targets, plus any incentive awards earned.

What use is it to the poor? Poor people often lack access to information that could assist them. This includes information on rights protected under law, where to get legal assistance, information on service delivery, how to gain access to services and development initiatives. Improving access of poor people to libraries, the Internet, advice offices, government offices and constituency offices is recommended so that they can get the information they may need in order to mobilize or create organizations that enable them to access resources, as well as to develop a personal sense of capability and entitlement.

Messages for poor people regarding corruption can also be disseminated through local media such as: hoardings, issue-based films, songs, street theatre, street corner meetings, informal meetings, information centres, posters and wall writing. In Nepal, an NGO called Pro Public uses local radio to fight corruption. Comics are an easy medium to communicate to people with low levels of literacy: World Comics India has been depicting corruption in comics, wall posters and in comic books. Access to information legislation provides citizens with a statutory 'right to know' and improves the poor's knowledge of their rights to water, of institutional roles and responsibilities. Time limits can be imposed for the time within which the administration must respond to requests.

Evidence suggests in rural India that higher levels of education and literacy correlates with lower corruption, more accountability, better targeting and less political capture.

Poor people require capacity building, but also need to be able to access information about bureaucratic procedures and complaints mechanisms and more generally information about their rights as consumers and citizens. They also need to be supported to use such information to participate in public meetings and to understand planning and budgeting processes.

Poor people often have little time or opportunities to assert their rights and interests; they are often deprived of instruments for effectively articulating and aggregating their interests, learning about their rights and their entitlements to government services, and pressuring government at all levels to be responsive to their needs and interests. Their lack of an effective voice perpetuates sometimes corrupt forms of governance and service delivery, which keeps the poor in a subordinate position. The knowledge and experience of poor people is often undervalued, and their perspectives on their needs and on solutions to their own problems are often ignored. Having more and better information strengthens voice.

Action points:

- Government agencies should post details of the services they provide and the official charges for them to improve information transparency – for example, through free distribution of clear and detailed brochures that explain procedures, the schedule for fees and connection sizes.
- Ensure the public have quick and easy access to the information that they are entitled to.
- Establish whether the information you require is classified as either confidential or freely available to the public.
- Are there organizational policies and procedures for protecting confidential information?
- Assess the potential of the Internet to interact with stakeholders and to reduce information asymmetries. The Internet requires human and financial resources, as well as electronic capability on the part of a responsible organization.
- Institutionalize freedom of information legislation to guarantee citizens and users responsible access to official information concerning government institutions. Mobilize citizens to enforce their legal right of access to information.
- It is important to think about:
  - What data is to be collected, from which sources, in what form and for what purpose?
  - When – the frequency of data collection and reporting
  - Who – the responsible persons
  - How – the methods for data collection and analysis and reporting
  - Where – the location for data collection and processing

Related case surveys

CASE SURVEY: Concerned Citizens of Abra for Good Governance, Philippines.

In the Philippines, civil society organizations have become partners with government agencies in order to reduce corruption in public works as well as in ensuring transparency.

CASE SURVEY: Report cards, India.

First used in Bangalore in 1993, report cards use citizen feedback (from the poor and marginalized sections of society) to rate the performance of public services agencies, such as the electricity board and water board.

CASE SURVEY: The Campo Elias programme, Venezuela.

A World Bank programme in Campo Elias, Venezuela (April 1998 to December 1999) used participation in public policy making to combat corruption in service delivery.

CASE SURVEY: Participatory Budgeting, Brazil.

Participatory budgeting has been used in a number of Brazilian cities to determine priorities for the use of a part of the city's revenues.

CASE SURVEY: Parivartan, India.

An NGO called Parivartan, along with a number of people living in slum areas in Delhi, have been accessing records of public works in various parts of Delhi where corruption is suspected in the delivery of public works.

Further guidance

TOOL 8: Working with the Media to Detect and Prevent Corruption
TOOL 12a: Tracking Public Funds and Expenditure
TOOL 12b: Disclosure

Sources of more information

Freedom of Information portals: www.freedominfo.org and www.accessinitiative.org

Aruna Roy and Nikhil Dey (2001) *The Right to Information: Facilitating People's Participation and State Accountability*. Paper presented at the 10th International Anti-Corruption Conference, Prague, 10 October 2001: http://www.10iacc.org/download/workshops/cs54b.pdf

Jeremy Pope (2003) *Access to information: Whose right and whose information?*, in Global Corruption Report 2003. Transparency International: Berlin: http://www.u4.no/document/literature/03_Access_to_information_(Pope)%5B1%5D.pdf

Robert Martin and Estelle Feldman (1998) *Access to Information in Developing Countries*. Transparency International: Berlin: http://ww1.transparency.org/working_papers/martin-feldman/index.html

Commonwealth Human Rights Initiative (CHRI) (2003) *Open Sesame: Looking for the Right to Information in the Commonwealth*. CHRI: London http://www.humanrightsinitiative.org/publications/chogm/chogm_2003/chri_exec_summary_2003.pdf

UNECE Convention on Access to Information (1998) *Public Participation in Decision-making and Access to Justice in Environmental Matters* (Aarhus Convention): http://www.unece.org/env/pp/documents/cep43e.pdf

South Africa: Promotion of Access to Information Act, 2000: http://www.privacy.org/pi/countries/south_africa/access_info_bill.pdf

Article 19: The Public's Right to Know. Principles on Freedom of Information Legislation: http://www.article19.org/pdfs/standards/righttoknow.pdf

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TOOL 3b

USING INFORMATION COMMUNICATION TECHNOLOGY (ICT)

Description

What is it? Information and communication technologies (ICTs) include technologies such as the Internet, computers, mobile phones, print media, radio and television.

Why would you use it? ICT can facilitate easy access to information by the public and can also ensure that individual civil servants can be held accountable for their actions.

How to use it: The use of ICT has transformed the delivery of public services and has reduced corruption as well as it has improved efficiency and transparency in public transactions and services (such as closed circuit TV in service provider offices).

When would you use it? The Internet can be used to increase transparency and reduce opportunities for making potentially corrupt personal contacts. E-government, online public tendering, automation and computerization of records have the advantage of easy recording, updating, processing and transfer of information; enhancing monitoring; and identifying delays. Pilot projects have demonstrated the usefulness of ICT

in tax collection, election monitoring, public procurement and maintaining land records.

Who uses it? ICTS can be used by service providers, consumers and regulators. India has seen a few innovative initiatives aimed at curbing public sector corruption over the recent years. These have been largely aimed at increasing public sector accountability and transparency, as well as improving public service delivery, including innovative social auditing methods to monitor the activities of local officials. For example, computerization of property registration has taken place in Andhra Pradesh and computerization of land records has taken place in Karnataka.

How has it been used in the infrastructure sector? The Municipal Government of Seoul, South Korea, developed the OPEN system (Online Procedures Enhancement for Civil Applications) to target corruption. The OPEN system focuses on corruption-prone areas such as public procurement, waste management, transport and construction. The system publishes a variety of information related to the services, permits and licenses issued by the local government. The status of an application can be tracked by the applicant on a web site. The applicant also receives information on the name and position of official in charge. Results from a survey of 1,245 citizens conducted in 2000, 13 months after the launch of the system, showed that 84.3 per cent (984 out of 1,167 persons) believed that OPEN led to greater transparency.

What use is it to the poor? Information and communication technologies (ICTs) have an important role to play in

reducing poverty by improving flows of information and communications. Much of the recent attention to the role of ICTs in development has focused on new technologies, such as the Internet and mobile phones. Yet print media, radio and television are also important information tools.

ICTs can be used by the poor directly to address their information needs, develop their own strategies and solutions for improving their lives, and to articulate their interests in the societal processes and institutions that affect them. ICTs can increase the voice and participation of the poor in policy making and institutions, and help them express their needs and priorities to decision-makers who affect their lives; this increases the accountability and transparency of government institutions at all levels. ICTs also enable poor people to share knowledge and seek solutions to their problems.

Current trends in IT could however widen the digital divide between the rich and poor, and increase levels of inequality (of income, knowledge, skills and measures of social development). Women in particular tend to be poorer, face greater social contraints and are less likely to be educated or literate than men. ICT equipment can be prohibitively expensive; users need education (particularly in English, the dominant language of the web) and a familiarity with computers to get the most out of these applications. In many parts of Africa and Latin America, progress has been made toward providing access via Internet cafés, government installations, kiosks and computing clubs for example; the Drishtee programme in India and IT clubs in Egypt are further examples of improving access for those on low incomes.

Action points:

- Establish more flexible ways of providing ICTs that facilitates equal access for all; for example, access in remote areas could be better realized through decentralization of the service provision function to local structures, use of mobile units and one stop shops.
- Using ICTs to combat corruption requires legislation/policies to enable the provision of information to the public, as well as procedures for documenting key government policies and activities.

Related case surveys

CASE SURVEY: OPEN system, Korea.

In 1999, Seoul Metropolitan Government developed the Online Procedures Enhancement, a web portal that publishes information relating to permits and licenses.

Sources of more information

Southern African Online Corruption Information Centre: http://www.ipocafrica.org/

The Seoul OPEN system: http://english.metro.seoul.kr/government/policies/anti/civilapplications/

Disclosure systems, Mexico Declaranet: http://www.declaranet.gob.mx

The Corruption Online Research and Information Centre (CORIS): http://www.corisweb.org/

Using the internet to promote municipal accountability: Colombia http://www.municipiostransparentes.colnodo.org.co

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TOOL 4a

ENCOURAGING RESPONSIBLE WHISTLE-BLOWING AND COMPLAINTS MECHANISMS

Description

What is it? Whistle-blowing is the reporting of instances of ethical misconduct, waste, fraud and other forms of corruption. Examples of malpractice/wrongdoing that merit whistle-blowing include:

- Financial malpractice;
- Breach of regulations;
- Endangering health and safety;
- Criminal activity;
- Professional malpractice; and
- Wilful failure to declare a relevant interest in the Register of Interests.

Why would you use it? Whistle-blowing reports of malpractice can enhance the detection of fraud and corruption. Whistle-blower protection can encourage officials, employees and aggrieved citizens to complain to institutions such as Anti-Corruption Commissions or ombudsman offices, or through telephone 'hotlines' (operated at the central level or by departments of the government).

How to use it: Investigations should be handled with protection of and sensitivity to the rights of the whistle-blower, as well as the rights of those accused of wrongdoing. Complainants (staff, a partner or third party) must be assured that their complaints will be taken seriously. At the same time, measures should be in place to ensure that the hotline is not used to resolve personal disputes or for other improper purposes (such as issues of poor performance or a lack of professionalism). During the investigation, whistle-blowers must be kept updated about any progress made.

The investigation process and the expected outcome (criminal charges, disciplinary action) must be explained to the whistle-blower and accused, as well as the likelihood of producing sufficient evidence to take action, and the duration and difficulties of investigation. Whistle-blowers should be informed that the further the investigation proceeds, the more likely it will become for their identity to be revealed and for them to be subjected to various forms of reprisal (such as being unjustly sacked). Laws are needed to encourage and supplement whistle-blowing, such as Access to Information laws as well as procedures to ensure the confidentiality and protection of the identity of the whistle-blower.

When would you use it? Whistle-blowing may be used when ethical misconduct, waste, fraud and other forms of corruption in the infrastructure sector are suspected.

Who uses it? Officials, employees and aggrieved citizens.

How has it been used in the infrastructure sector? There have been a number of high profile examples of whistle-blowing in the infrastructure sector:

- In Uganda, December 2000, it was reported that a police investigation undertaken between 1998 and 2000 revealed massive embezzlement within AES Nile Independent Power – a company established for the purposes of implementing the Bujugali power project. A letter from three members of Parliament accused the then Energy Minister of demanding bribes from Nile Independent of US$500,000 (Source: evidence submitted by Cornerhouse to UK International Development Select Committee; Africa News: 08/12/2000).

- In the USA in 2001, three former employees of Duke Energy told lawmakers that the company altered production and hampered maintenance in an apparent attempt to manipulate prices. A spokesman for Duke Energy denied the allegations, saying that they served only as a distraction from addressing the lack of supply in California (Source: Contra Costa Times: 23rd June 2001).

The whistle-blowing charity Public Concern at Work (PCaW) (http://www.pcaw.co.uk/news/press_28.html) gives a number of other examples of relevance to the infrastructure sector:

- Mark worked for a large construction company where his line manager, Eric, was contracting out work to a company whose quality Mark thought was substandard. When Mark mentioned it, Eric said he owned the company and that most of the employees were family members. Eric was a popular man and had worked many years in the industry; Mark felt trapped and called PCaW. PCaW advised him

to make a detailed statement of his concerns. Mark asked PCaW to write to his managing director (MD) enclosing his statement and requesting his identity be kept confidential. The MD agreed and Mark's concerns were investigated. Eric resigned; Mark stayed on and the company thanked him and PCaW for their assistance.

- Adrian worked at a local site of a major waste disposal firm and was concerned his colleagues were party to a scam removing as waste top grade paper from a local mill. Adrian feared that if he spoke out, he would lose his job so he rang PCaW. PCaW contacted the local paper mill and within a couple of weeks the company caught two of its staff in the scam red-handed. The fraud had cost the paper mill £3 million. The ringleaders were arrested and jailed. The mill recovered £1 million from its insurers toward the loss and so averted plans to close down with the loss of over 100 jobs.

What use is it to the poor? Whistle-blowing deters corruption, mismanagement, waste of resources and abuse of authority by increasing the possibility of detecting bribery and corruption and punishing its perpetrators. However, in many developing countries, citizens prefer not to contact government officials with complaints (due to fear of harassment from corrupt officials) and may be more comfortable dealing with non-governmental organizations to address such issues.

The scope for poor people to voice complaints individually is very small. Thus, client power will almost always be expressed through collective action – rather than individuals going it alone. The positive results from blowing the whistle are public

goods as the benefits accrue to the entire group, while the costs of whistle-blowing are borne by a few. Community groups that take on complaining, monitoring and other means of making sure services work properly might be expected at some point to become institutionalized within government.

Action points:

- Widely publicize the internal reporting system.
- Monitor and review the internal reporting system to make sure that the system is working effectively.
- Harness technology such as blogs and e-mails to facilitate whistle-blowing.
- Examine any social taboos against whistle-blowing – how can these be overcome?
- Give practical advice on what to do if an individual suspects corrupt conduct.
- Is there a real commitment within the organization to act upon disclosures and to protect those making them?
- Train staff to make sure they have the necessary skills and experience to conduct an effective internal investigation and monitor the impact training is having on staff attitudes to, and awareness of, corruption.
- Develop clear guidelines for when and how to report matters to external agencies.

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TOOL 4b

SETTING UP COMPLAINTS MECHANISMS

Description

What is it? Just as in the private sector, open and effective complaints channels and complaint handling procedures in the public sector serve to raise levels of performance and to identify those responsible for malpractice.

Why would you use it? Complaints can be used as a management tool to detect and monitor corruption in service delivery. Complaints mechanisms help identify areas or processes particularly vulnerable to corruption. Complaints mechanisms can ensure that anti-corruption measures and processes are enforced. Complaints about corruption should trigger investigation, prosecution or other sanctions. With complaints mechanisms, the victims of corruption have an official recourse. The image and reputation of the service provider can greatly benefit from this process.

How to use it: A system of receiving and acting upon complaints is an essential part of consumer services; utilities, line agencies and municipalities all require a system for receiving and logging complaints. For example, people can complain in writing, telephone or by paying a personal visit to an office.

People should make their complaint as specific as possible and include details such as: what is the alleged wrongdoing they are reporting?; where and when did it take place (dates and times if available)?; who is/are the perpetrators?; how the individual or firm committed the alleged wrongdoing?; and why they believe the activity was improper? Having received and logged a complaint, the key point is that remedial action is taken. This can be checked by service providers having a simple bookkeeping system that allows the action to be recorded against the complaint. The register needs to be subject to external audit on a regular basis. These systems may exist without being well-publicized, and are hence little known to the consumers.

When would you use it? Complaints are made when someone is unhappy with a service. Consumer courts can be used to adjudicate disputes between consumers and utilities. An ombudsman might be needed to settle complaints that can't be solved by the utility.

Who uses it? All utilities should have in place effective customer grievance mechanisms. Utilities should display information on the complaints received, solved and pending. With computerization, consumers can track the status of their complaints.

How has it been used in the infrastructure sector? In the national water and sewerage utility, Uganda, customer complaint procedures have been transformed and managers are evaluated on the customer feedback. Customer satisfaction surveys are used to gauge user observations and the researchers

visit customers to get detailed feedback which is then passed back to the utility's managers for action.

What use is it to the poor? For complaints mechanisms to benefit the poor and vulnerable they must be designed to ensure that people are able to report corruption without fear of reprisals and are assured that appropriate action is taken and sanctions are imposed. The mechanisms should also be widely publicized in poor communities, so that people have information about the mechanism and have access to it. The availability of complaints mechanisms tailored to the needs of the poor can help reduce public tolerance of corrupt practices. In Indonesia, an NGO called Yayasan Lembaga Konsumen collects consumer complaints via newspaper adverts, brochures and radio adverts, and organizes meetings between complainants, regulators, service providers and the media so that they can be resolved.

Action points:

- Establish a written and documented system for collecting and resolving consumer complaints.
- Raise public awareness as to where and how to complain, for example through campaigns giving the public hotlines, and ensure members of the public can easily discover the identities of those civil servants they are dealing with.
- Ensure fair and just treatment for complainants.
- Ensure the capacity exists to receive and investigate complaints.
- Monitor delays in service delivery.
- Make sure staff know the standard of behaviour expected of them, together with the consequences if they do not comply with these standards.
- Give staff training on their responsibilities to report corrupt conduct and the procedures for doing this.
- Establish a feedback mechanism to keep the public informed about the number of complaints, types of complaints and action taken on the complaints.
- Establish a disciplinary mechanism with the capability to investigate complaints and enforce disciplinary action when necessary.
- Create a public relations office to keep on top of public concerns and to enhance public image.

Related case surveys

CASE SURVEY: Independent Commission Against Corruption (ICAC), Hong Kong.

The ICAC investigates suspected corruption, evaluates where various agencies are vulnerable to corruption and helped agencies take remedial measures and educates the public.

CASE SURVEY: Business Partnering Against Corruption. The World Economic Forum's Partnering against Corruption Initiative includes over 100 major international companies from the engineering and construction sectors that have committed to the 'Business Principles for Countering Bribery in the Engineering and Construction Industry'.

Further guidance

TOOL 8: Working with the Media to Detect and Prevent Corruption

TOOL 14a: Applying Codes of Conduct and Disciplinary Procedures

TOOL 14b: Disciplinary Action

Sources of more information

The Open Democracy Advice Centre provides support to whistle-blowers so as to build open and accountable public and private institutions in South Africa: http://www.opendemocracy.org

Freedom to Care was founded by whistle-blowers and 'promotes our ethical right as human beings sharing one small planet to accountable behaviour from large organizations – whether public or private': http://www.freedomtocare.org

Public Concern at Work is the leading charity in the UK on public interest whistle-blowing: http://www.pcaw.co.uk

Government Accountability Project (GAP) is a USA organization that aims to protect the public interest and promote government and corporate accountability by advancing occupational free speech, defending whistle-

blowers and empowering citizen activists. GAP has produced a Whistle-blowers Survival Guide: http://www.whistleblower.org

Whistleblowers Australia (WBA) encourages self-help and mutual help and campaigns on issues that affect the ability of people to speak out without fear of reprisal: http://www.whistleblowers.org.au/

How to Complain: http://www.howtocomplain.com/

Consumers International: http://www.consumersinternational.org/

The Consumer Council for Water provides a voice for water and sewerage consumers in England and Wales: www.ccwater.org.uk/

Kirstine Drew (2003) Whistle blowing and Corruption: An initial and comparative review: http://www.psiru.org/reports/2002-08-C-whistle.doc

Organization for Security and Cooperation in Europe (OSCE) Best practices in combating corruption. Chapter 7 specifically focuses on complaints mechanisms and whistle-blowing protection: http://www.osce.org/publications/eea/2004/05/13568_87_en.pdf

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WORKING WITH OTHER PARTNERS AND BUILDING ON THEIR EXPERIENCE

This section on partners demonstrates that you don't have to combat corruption in the infrastructure sector alone or start from scratch. The following tools build on the experience of a number of agencies that have developed tried and tested methods of tackling corruption.

TOOL 5

PARTNERSHIPS BETWEEN GOVERNMENT, THE PRIVATE SECTOR AND CIVIL SOCIETY

Description

What is it? Partnering is a co-operative relationship between people or groups who agree to share responsibility for achieving a specific goal. Partnerships to combat corruption in the infrastructure sector might include government, private companies, labour unions, professional associations, chambers of commerce, religious organizations, student groups, cultural societies and informal community groups or grassroots associations.

Why would you use it? Multi-sector partnerships between engineering services contractors, the state and civil society organizations are recognized to be an important strategy for poverty reduction. Like poverty, corruption is a deep-rooted and complex problem that comprises political, economic and social dimensions. If its causes are multi-dimensional, it follows that any strategy aimed at combating corruption must be similarly multi-dimensional in its approach. It is apparent that the public and private sector and civil society need to collaborate and pool their resources in order to combat corruption. Partnerships create a mix of local public pressure,

competition, information and publicity. Partnerships are able to trigger changes in either service norms (re-shaping attitudes, reversing public apathy and changing tolerance towards corruption) or the ways services are delivered (organizational change – for example, monitoring the social and ethical performance of public officials).

How to use it: Partnerships can be used for:

- Carrying out corruption surveys;
- Acting as advocates for clean government;
- Stakeholder consultations and public hearings;
- Exposing abuses and creating public awareness;
- Acting as service providers in areas where (corrupt) governments fail to deliver services;
- Formulating and promoting action plans to fight corruption;
- Monitoring government action and decisions; and
- Providing leadership to remove corrupt leaders.

When would you use it? Such partnerships allow different sectors (government, the private sector and NGOs) and professionals (engineers, sociologists, health workers, planners and so on) to input their different skills and finances and encourage multi-disciplinary approaches. NGOs, in particular, help to fill gaps in understanding about the poor, facilitate civil society involvement and provide skills that other partners lack.

Who uses it? Partnerships with service users, and in particular the poor, are thought to result in more accessible, accountable and transparent services. The expertise of NGOs or the private sector on corruption can play a crucial role in providing technical support to reforms. NGOs have played a key role in making citizens aware of their rights and training them in obtaining what they are legally entitled to. Partnerships at the project level are exemplified by:

- The citizens' report card in Bangalore, India, which has resulted in an increase in citizen satisfaction with local agencies and in a decline in corruption;
- Expenditure tracking surveys in Uganda, which have led to a reduction in budgetary leakages to local schools;
- The participatory budgeting process in Porto Alegre, Brazil (and others);
- The E-procurement of the Mexican government (Compranet);
- Governance reforms undertaken in Albania, following the first in-depth country corruption diagnostic study in the late 1990s; and
- Social audits conducted by the MKSS in India, which have yielded a wealth of information and documentation on corruption in public projects (many of which had been previously cleared by the public auditors).

How has it been used in the infrastructure sector? In the Philippines, civil society organizations have become partners with government agencies in order to reduce corruption in public works as well as to ensure transparency. One example of

this is the Concerned Citizens of Abra for Good Government (CCAGG), an NGO watchdog based in the Province of Abra. CCAGG monitors public projects implementation extensively. They have documented numerous instances of corruption in public projects such as ghost projects and incomplete works. CCAGG organizes and trains communities in monitoring their infrastructure construction projects and has conducted a participatory audit (in conjunction with the UNDP and Philippine Commission on Audit). Here residents themselves assessed the actual benefits derived from the public expenditures. Government officials have since become 'quite cautious' about their actions in case they get 'CCAGG-ed' (the new slang term for having one's anomalies exposed). Such cases demonstrate that NGOs and communities can be effective auditors, ensuring that construction projects are properly executed/implemented and can also enhance transparency and accountability.

Procurement Watch, Inc. (PWI; another non-governmental organization), specializes in building systems of transparency and accountability into government contracting and procurement practices. PWI has also developed partnerships with government agencies to observe and study the systems in place for soliciting proposals and evaluating bids and awards. As part of this process, PWI conducts diagnostic exercises on procurements managed by the Bids and Awards Committee (BAC) of various agencies, including the health and defence agencies. Similarly, PWI has assisted the Philippine Ports Authority in preparing the terms of reference for the bidding of its port security services. PWI also develops research papers and press releases on the subject of best practices in procurement procedures.

The Public-Private Partnerships against Corruption Project has been implemented in Russia since 2001. Also in Russia, the Tomsk Coalition against Corruption unites 28 organizations such as non-profit organizations, business associations and media. Coalition participants engaged in the task of raising the civic and legal awareness of the population, provided assistance to victims of corrupt public officials; this in turn attracted the attention of the general public to the necessity of counteracting corruption: http://www.changemakers.net/en-us/node/847.

In Porto Alegre communities have started to assume part of the responsibility for the quality of services: users have promised the utility that they will help to prevent clandestine water connections, conserve the supply network, control consumption and combat the loss of water.

In Bangladesh, the Dhaka Water & Sewerage Authority and Chittagong Water & Sewerage Authority have directly worked in partnership with local NGOs to ensure the expansion of utility connections to the poorest slum areas in the cities, at a cost affordable to the households in these areas. The subsequent increase in bill collection and reduction in illegal connections also highlights the importance of involving users and civil society in a service that they want and are willing to pay for.

In some countries, the poor performance of the existing water provider has led to the active involvement of trade unions or workers' cooperatives in running services. In Bangladesh, the government gave the employees' union the contract to run the

water system in one part of the capital city Dhaka, with another zone given to a local private company. After the first year of this experiment, the employees' co-operative had produced results so good that the water and sanitation authority handed over the private sector's contract to the union. The employees' co-operative achieved substantial improvements not only in customer services, billing and collection of fees, but also in reducing water loss. Corruption was reduced as staff were paid a real living-wage. Overall, the co-operative out-performed not only the private company, but also the existing public utility[10].

What use is it to the poor? Existing NGOs and community-based organizations (CBOs) provide an important vehicle for working with poor communities. Efforts should be made to draw them into partnerships. Evidence suggests that those partnerships that have included NGOs in the past, for instance, have targeted the poor more effectively.

Partnerships between the poor, government and the private sector also represent a change to the aggressive or confrontational stance (sit-ins, processions) the poor traditionally use to protest or to combat corruption. Partnerships can build up citizen empowerment:

- As people can use their new knowledge as a weapon against corruption;
- By increasing the information needed to develop their personal sense of capability and entitlement;
- By increasing their collective power over providers by organizing in groups; and
- By fulfilling their needs and aspirations.

Organizing consumers is, however, not an easy task. In developing countries, where there are no well-developed consumer associations, there could be free-rider problems that prevent consumers from organizing themselves as effective regulators. The pro-poor nature of partnerships in the infrastructure sector depends, in part, on the capacity and orientation of government. When governments (central, local or both) are pro-poor, they may choose to enlist groups of the poor as monitors or solicit their opinions regularly. However, levels of government differ in their commitment to poor people.

Action points:

- Use TV and radio broadcasts to communicate messages and campaigns to the widest possible audiences.
- Establish mechanisms for the public to express opinions, but also to ensure their voice is reflected in government decisions, thus making service providers responsive and accountable to the community.
- Improve knowledge on how to report corruption.
- Provide incentives for bureaucrats to take notice and act upon complaints of corruption.
- Identify colleagues who share similar professional responsibilities.
- Learn about workshops, conferences and other events most relevant to corruption in the infrastructure sector to facilitate information and knowledge sharing.

Related case surveys

CASE SURVEY: Committees of Concerned Citizens, Dhaka. Transparency International Bangladesh created grassroots pressure groups called Committees of Concerned Citizens

(CCCs) to 'promote integrity and curb corruption in public sector service delivery systems'.

CASE SURVEY: Parivartan, India.
An NGO called Parivartan, along with a number of people living in slum areas in Delhi, have been accessing records of public works in various parts of Delhi where corruption is suspected in the delivery of public works.

CASE SURVEY: Integrity pacts, Korea.
An integrity pact contains important mutual commitments made by public officials in charge of the procurement and bidders for construction works or providers of goods and services.

CASE SURVEY: Poder Cuidadano, Argentina.
Poder Cuidadano developed The Programme for Transparent Contracting, which combines a public hearing and signing of an integrity pact wherein the municipal authorities and all businesses competing in a bidding process make mutual commitments to prevent the payment of bribes.

CASE SURVEY: Participatory Budgeting, Brazil.
Participatory Budgeting has been used in a number of Brazilian cities to determine priorities for the use of part of the city's revenues.

CASE SURVEY: Concerned Citizens of Abra for Good Governance, Philippines.
In the Philippines, civil society organizations have become partners with government agencies in order to reduce corruption in public works as well as in ensuring transparency.

Further guidance

TOOL 2: Training Communities as Monitors
TOOL 7: Working with Transparency International to Develop Integrity Pacts

Sources of more information

Global Advice Network: http://www.business-anti-corruption.dk/

CEO Europe: http://www.corporateeurope.org

Partnerships for Transparency: http://www.partnershipfortransparency.info

The Global Organization of Parliamentarians Against Corruption: http://www.parlcent.ca/gopac/index_e.php

World Bank Institute Webportal on Partnerships against Corruption: http://info.worldbank.org/etools/bcdwebportal/index.htm

Coalition 2000: http://www.anticorruption.bg/index_eng.php

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UNDP (2002) Corruption and the urban poor. Urban

Voices, No 38 August 2002. UNDP/TUGI: www.ucl.ac.uk/dpu-projects/drivers_urb_change/urb_governance/transparency_corruption.htm

PROBIDAD: http://www.probidad.org

Americas Accountability/Anti-Corruption Project (AAA) Respondanet: www.respondanet.com

Global Access Project (Centre for Public Integrity): http://www.publicintegrity.org

Corruption Prevention Network: http://www.corruptionprevention.net

Transparency International: www.transparency.org

Parivartan: http://www.parivartan.com

Indonesia Corruption Watch: http://www.antikorupsi.org

TIRI: www.tiri.org

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Endnotes:

10 See the World Development Movement: http://www.wdm.org.uk/campaigns/water/public/index.htm

TOOL 6

BUILDING ON ANTI-CORRUPTION MECHANISMS TRIED AND TESTED IN DONOR-FUNDED PROGRAMMES

Description

What is it? The following is a selection of donor mechanisms geared towards preventive measures developed to deter corruption:

- *External in-depth audits of selected projects*: The World Bank periodically launches surprise audits of its own projects, conducted by internationally recognized audit firms. The audits have revealed a number of deficiencies in terms of departures from agreed procurement procedures to a lack of proper documentation surrounding the procurement process.
- *Access to information*: A key aspect of the Norwegian Agency for Development Co-operation (NORAD's) anti-corruption policy is that all grants to governments, non-governmental organizations and other partners are published on its homepage and on all Norwegian Embassy homepages.
- *Hotlines for reporting corruption*: Since 1998, the World Bank has run a free hotline, which operates 24 hours a day, seven days a week, and is staffed by multilingual trained

specialists to accept complaints of abuse from Bank staff and the general public from countries around the world.

- *Strengthening internal donor practices and procedures (i.e. project selection and procurement and disbursement strategies)*: The World Bank has developed a number of analytical instruments, including: the Social and Structural Reviews (SSRs); the Poverty Reduction Strategy Papers (PRSPs); the Institutional and Governance Reviews (IGRs); Public Expenditure Reviews (PERs); Country Financial Accountability Assessment (CFAA); and Country Procurement Assessment Review (CPAR).
- *Strengthening partner accountability and capacity*: International financial institutions (IFIs) also tend to provide assistance to borrower countries in the form of: help in the design of governments' anti-corruption programmes; conducting surveys that diagnose the extent and character of corruption in a given country, and disseminating the results of such surveys; and facilitating and providing workshops and training for government officials and members of civil society.
- *Debarment*: The Asian Development Bank (ADB) banned 37 firms and 32 individuals from all transactions with it, due to fraud, corruption or misconduct in 2006. The ADB said the most common form of fraudulent practice investigated in 2006 was misrepresentation and falsification of documents. The ADB's Integrity Division received a total of 171 complaints of fraud, corruption and misconduct in 2006, slightly down from 199 in 2005. Since 1999, the World Bank has sanctioned 338 firms and individuals, with all sanctions published on the Bank's website and publicly

announced. The World Bank is the only multilateral development bank that has published the names of the firms it has sanctioned for corrupt practices.

Why would you use it? Donors supply a significant contribution to public resources in low-income countries. The growing concern with the negative development effects of corruption has resulted in a whole range of initiatives both on the side of the donors and the international financial institutions (IFIs). Examples of issues that should be reported include: suspected contract irregularities and violations of procurement guidelines; bid manipulation; bid collusion; coercive practices; fraudulent bids; fraud in contract performance; fraud in an audit inquiry; product substitution; price manipulation; substandard or inferior parts or materials; cost or labour mischarges; kickbacks, bribery or acceptance of gratuities; abuse of authority; misuse of donor funds; travel-related fraud; theft and embezzlement; benefits and allowance fraud; conflict of interest; misrepresentation; forgery; and so forth.

How to use it: Tackling corruption and mismanagement in donor-supported development projects and programmes requires:

- Strengthening internal donor procedures;
- Help in the design of governments' anti-corruption programmes; and
- Development of partner capacities (training for government officials and members of civil society).

When would you use it? Anti-corruption mechanisms that have already been tried and tested can be used to prevent fraud and corruption in donor operations, as well as to investigate allegations of fraud and corruption or staff misconduct.

Who uses it? Such mechanisms can be used by anyone with a suspicion, including staff members. Anonymous complaints are often accepted provided they contain basic information (who, what, where, when and how).

How has it been used in the infrastructure sector? Overseas Development Aid by development agencies plays a key role in the financing of development and infrastructure projects. However, there is concern regarding high levels of corruption in donor-financed poverty-focused projects. The World Bank is the largest financier in the water and sanitation sector (WSS): in 2007, the World Bank plans to increase its WSS investment to $2 billion, with $800 million under the International Development Association (IDA). In March 2000, the World Bank cancelled a $100m water project loan in Ghana because of press allegations that Enron subsidiary, Azurix, was awarded the contract on a 'non-transparent basis', after the company paid a $5m bribe to senior officials to secure the contract (Source: Financial Times, Tuesday February 12, 2002, London Edition 3). Donor support could also enable utilities to learn how to combat corruption and improve service delivery from other, more successful utilities, such as the ASSEMAE (the Brazilian municipal water operators' association) and Uganda's National Water & Sewerage Corporation External Services Unit.

What use is it to the poor? Donor development assistance to the poor is provided in a number of ways, including direct budget support to finance ministries, support for sector-wide programmes and support for smaller-scale projects. The donor community has an important role to play in poverty-focused anti-corruption efforts by persuading client countries to enact laws, establish institutions and adopt procedures that improve governance and development outcomes. The impact of these activities on the poor are can be gauged through Poverty Reduction Strategy Papers (PRSPs) and Poverty and Social Impact Assessments (PSIA) of all loan-funded projects. A country's poverty reduction strategy can link public expenditures explicitly to service delivery for the poor, build country ownership, and strengthen citizen voice through consultations with civil society. When government is not pro-poor, then donors might choose to fund community groups or organizations within civil society, being careful not to undermine the development of government capacities. However, when corruption levels are very high, there is the danger that the donor community will suspend, reduce or withdraw assistance to poverty eradication programmes, spreading and deepening poverty.

Action points:

- Where corruption and mismanagement are found to have taken place, options include: i) debarment from future projects/contracts; ii) internal enforcement measures against staff involved in corruption and fraud; and iii) legal action by recipient country authorities.
- Donors can help to strengthen the links between users and existing providers in order to ensure that aid-funded services reach poor people.

Related case surveys

CASE SURVEY: Department of Institutional Integrity, World Bank.

The World Bank Group created the Department of Institutional Integrity (INT) to investigate claims of fraud and corruption.

CASE SURVEY: The Campo Elias programme, Venezuela.

A World Bank programme in Campo Elias, Venezuela (April 1998 to December 1999) used participation in public policy making to combat corruption in service delivery.

Further guidance

TOOL 2: Training Communities as Monitors
TOOL 4a: Encouraging Responsible Whistle-blowing and Complaints Mechanisms
TOOL 4b: Setting up Complaints Mechanisms
TOOL 5: Partnerships between Government, the Private Sector and Civil Society

Sources of more information

Bruce Bailey (2003) Synthesis of Lessons Learned of Donor Practices in Fighting Corruption. Development Assistance Committee (DAC) report. DCD/DAC/GOVNET: Paris, France. http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN016841.pdf

The World Bank:
www.worldbank.org/publicsector/anticorrupt/

ADB/OECD Anti-Corruption Initiative for Asia-Pacific:
www.oecd.org/corruption/asiapacific

USAID anti-corruption resources: http://www.usaid.gov/our_work/democracy_and_governance/technical_areas/anti-corruption/

The Utstein Anti-Corruption Resource Centre: www.u4.no

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Dudley, R.G. (2000) The Rotten Mango: The Effect of Corruption on International Development Projects: http://www.icgg.org/downloads/contribution06_dudley.pdf

Anti-Corruption Network for Eastern Europe and Central Asia: www.oecd.org/corruption/acn

The Initiative on Governance and Investment for Development in the Middle East and North Africa: www.oecd.org/mena

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TOOL 7

WORKING WITH TRANSPARENCY INTERNATIONAL TO DEVELOP INTEGRITY PACTS

Description

What is it? Transparency International (TI) designed and launched the integrity pact (IP) in the 1990s with the primary objective of safeguarding public procurement from corruption. The integrity pact is a binding agreement between the agency and bidders for specific contracts in which the agency promises that it will not accept bribes during the procurement process and bidders promise that they will not offer bribes.

Integrity pacts require each party to maintain and enforce a written anti-bribery policy applicable to its business. To this end TI has, with leading organizations in the industry, prepared a document entitled 'Business Principles for Countering Bribery', with guidelines and an implementation plan. These principles are the basis for the World Economic Forum's Partnering Against Corruption initiative, which brings together over 100 major international companies from the engineering and construction, extractive, and oil and gas sectors. The companies have committed to certain fundamental principles, such as a zero tolerance policy on bribery and the development of internal systems and controls for implementing that policy.

Why would you use it? TI advocates the use of an integrity pact to commit the authority and bidding companies to refrain from bribery. The IP is intended to accomplish two primary objectives:

- To enable companies to abstain from bribing by providing assurances to them that their competitors will also refrain from bribing, and that government procurement, privatization or licensing agencies will undertake to prevent corruption, including extortion, by their officials and will follow transparent procedures; and
- To enable governments to reduce the high cost and the distortionary impact of corruption on public procurement, privatization or licensing.

How to use it: TI UK has designed three integrity pacts for use specifically in the construction and engineering (C&E) sectors at the various stages of contracting, including execution. They are intended for use in both the public and private sectors. They contain enforceable sanctions and their effectiveness is assured by an independent assessor. The three IPs are:

- **IP Sector**: An agreement between C&E companies working in the same sector to act with integrity when they compete against each other in tendering for any project anywhere in the world.
- **IP Project – Pre-qualification and Tender**: An agreement between the client, designer (if applicable) and all bidding C&E companies to act with integrity in relation to the pre-qualification and tender process for a specific project.
- **IP Project – Execution**: An agreement between the client, certifier (if applicable) and the selected C&E company to

act with integrity in relation to the execution of a specific project.

When would you use it? The integrity pact has already been successful in reducing corruption and cutting the costs of procurement procedures in over 14 countries in public contracting ranging from telecommunications to public transport.

Who uses it? IPs can be used by any procurement body in its procurement practice.

How has it been used in the infrastructure sector? Such tools encourage integrity and deter collusion and bribery by developing an 'Island of Integrity' in the infrastructure sector (an approach that fences off an area of government activity to address corruption in a manner isolated from other influences.)

There have been particularly successful applications of the IP tool in the water sector, as for example, in the Greater Karachi Water Supply Scheme in Pakistan.

- In Pakistan, integrity pacts have been incorporated into all contracts for goods and services where the estimated cost of the project is over 5 million rupees (Rs) for consultancy and over 50 million rupees for construction contracts. An example of the integrity pact in use is the Greater Karachi Water Supply Scheme project (KIII Project). An integrity pact, with a formal no-bribery commitment, was signed by KWSB, consultant bidders and TI Pakistan. It resulted in a successful bid of Rs62 million ($1.04m) against the

reserved fees of Rs249 million ($4.2m). The project adopted the least costly selection method. The bidding process was monitored by Transparency International Pakistan to ensure it was clean and transparent. In the event of a breach of the integrity pact, sanctions come into force against the bidders and officials, including liability for damages, and blacklisting from future tenders. The procurement process was monitored by civil society, specifically TI Pakistan.

- In Argentina in 2004, Poder Ciudadano (the TI National Chapter in Argentina) was instrumental in achieving the signing of an IP between the Municipality of Morón and four bidders for a garbage collection service contracting process, with an estimated contract award value of about US$48 million during the first four years (with an option for extension). A public hearing on the bidding contract was held and led to a significant rewriting of the documents, which were published on the Internet with information on what had been changed (and not changed) as a result of the public hearing. The IP was signed on a voluntary basis by all four pre-qualified bidders (one international, three local). The sanctions set out in the IP include damages payable to the municipality (10 per cent of the contract value) and company blacklisting for five years. The IP also contained corresponding obligations on the governor/mayor of Morón, on behalf of all the city officials, not to demand or accept any bribes and to prevent the extortion and acceptance of bribes by other officials, as well as sanctions against any officials violating their commitment. Civil society involvement was also provided for by the IP, through the participation of Poder Ciudadano

in monitoring bid evaluation, the award decision process and the implementation of the contract.

The Business Principles for Countering Bribery (BPCB) have been used for sector-wide agreements:

- Corrupt practices in the pipeline manufacture industry in Colombia increased the prices of the products, reduced the quality and durability of the pipelines and impacted directly on the credibility of the sector. This led ACODAL (the Colombian Association of Environmental and Sanitary Engineers) and Transparency International to sign a memorandum of understanding, TI's Business Principles to Counteract Bribery (BPCB), in 2005. The principles define measures to prevent and manage such risks, agree upon a set of sanctions for those who fail to comply with the agreement, and establish an independent body to monitor compliance. The agreement has reduced prices by up to 30 per cent in some cases.

- When civil society and NGOs in Quito, Ecuador, spotted evidence of corruption in the management activities of the water services institution, action was taken with support of the Ecuadorian Association of Sanitary and Environmental Engineering (Asociación Ecuatoriana de Ingeniería Sanitaria y Ambiental; AIESA), Transparency Ecuador and private companies in the water sector. They succeeded in underwriting an agreement with EMAAP-Q (Quito's metropolitan drinking water and sewage management company) about transparency and honesty in tender and procurement processes for water and sewage related infrastructure. The agreement sets clear commitments for EMAAP-Q, with special attention to access to information

and observance of Ecuadorian law and its Ethics Code. It also points to AEISA as a mediator to solve possible conflicts, to evaluate technical proposals and to implement the existing tools to accomplish the goals of the project[11].

What use is it to the poor? Transparent procurement procedures adopted by government bring significant results in terms of potential savings, better procedures, increased credibility in the total process, good governance and accountability. The specific benefits of transparency in government procurement to the poor include the possibility that investments will be made that benefit the poor such as the expansion and effective delivery of water supply and sanitation services in low-income neighbourhoods.

Action points:

- Are tenders called for on a regular basis? Tenders must be advertised as widely as possible and a reasonable time allowed for contractors to reply.
- Clearly document the criteria used to select contractors and make it available to all potential contractors.
- Use IPs with other tools or activities; for example, with other private sector tools such as codes of conduct or activities such as public hearings.
- Check contractors' credentials.
- Develop performance criteria for contractors.
- Independent monitoring is essential. Monitor the performance of contractors regularly.
- There must be clear sanctions.

Related case surveys

CASE SURVEY: Integrity pacts, Korea.

An integrity pact contains important mutual commitments made by public officials in charge of the procurement and bidders for construction works or providers of goods and services.

Further guidance

TOOL 5: Partnerships between Government, the Private Sector and Civil Society

TOOL 14a: Applying Codes of Conduct and Disciplinary Procedures

TOOL 14b: Disciplinary Action

TOOL 16: Adhering to International and Regional Conventions

Sources of more information

Boehm, F. and Polanco, J. (2003) Corruption and Privatisation of Infrastructure in Developing Countries. Transparency International Integrity Pact And Public Procurement Programme Working Papers No. 1.

The Wolfsberg Principles is an effort by private companies to fight corruption: http://www.wolfsberg-principles.com/

Integrity pacts: www.transparency.org/global_priorities/public_contracting/integrity_pacts

Jorge Enrique Ángel Gómez, Private sector integrity initiative in water and sanitation transport systems in Colombia. Colombian Association of Sanitary and Environmental Engineering: Colombia: http://www.worldwatercouncil.org/index.php?id=1186

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11 See session report from the World Water Forum (2005): FT1.07 How to Overcome Corruption in Water Resources and Service Management? Action for Development. http://www.water.gov.my/web/water%20forum//Mexico%202006%204th%20World%20Water%20Forum/05_Session_summaries/FT1/FT1.07/FT1.07%20Session%20Report.pdf

TOOL 8

WORKING WITH THE MEDIA TO DETECT AND PREVENT CORRUPTION

Description

What is it? The term 'media' refers to those organized means of dissemination of fact, opinion, entertainment and other information, such as newspapers, magazines, films, radio, television, books, CDs, DVDs, videos and other forms of publishing.

Why would you use it? The media can do much to disseminate information about public services. Without access to relevant information, poor people are unable to organize and act appropriately to protect their interests. Higher newspaper circulation in Indian districts is associated with better local-government performance in distributing food and drought relief. Freedom of the press is negatively correlated with the level of corruption. The media can control corruption: raising public awareness about corruption, its causes, consequences and possible remedies; investigating and reporting incidences of corruption; exposing corrupt officials; and prompting investigations by official bodies.

How to use it: Successful anti-corruption reform in Singapore raised the cost of engaging in corruption by clarifying the

definition of corrupt behaviour and by creating severe penalties for getting caught engaging in corrupt behaviour. Media coverage was used to deter corrupt officials through public shame and to create awareness throughout the community of the severity of punishments for engaging in corrupt activities (Quah, 1989)[12].

When would you use it? Investigative journalists might write about corruption in local and national papers or else the papers might include letters about corruption. NGOs have also used the media to publicize corruption and also to improved access to information. For example:

- Transparency Thailand (TT) produced a series of radio shows dealing with the problems of corruption and the lack of transparency in government and business circles.
- TI Brazil aired short anti-corruption radio broadcasts aimed at awareness-raising and behavioural change on a São Paulo-based radio station.
- A series of short television dramas were broadcast in Niger in order to raise awareness and influence attitudes towards the problem of corruption.

Who uses it? The more people who are able to read, the stronger the influence of the media. However, information is not enough. People must also have the legal, political and economic means to press demands against the service provider.

What use is it to the poor? An independent media, often provided by grassroots activists, is often used as a tool for

promoting social, environmental and economic justice in poor communities. It usually aims to empower marginalized people, who are under-represented in corporate media production and content. However, media that seeks to serve the interests of the poor typically struggles to survive in terms of readership (literacy may be a factor), advertising (advertisers do not advertise in it, because poor consumers cannot afford to buy their products), or profit (the poor might not be able to afford to buy it). This makes it difficult to get coverage of anti-corruption issues that affect poor people.

How has it been used in the infrastructure sector? Transparency International Bangladesh (TIB) has launched a collection of articles about corruption, published in some leading national dailies to produce the News Scan Database Reports. The infrastructure sectors incorporated in the News Scan include:

- Power
- Water Resources
- Transport
- Local Government

For example, the News Scan in 2000 revealed that in the power sector most corruption cases were related to abuse of power (15), embezzlement (7), bribery (5), fraud (4) and misuse of resources (4). Officials and engineers are involved in various irregularities, such as taking bribes from the public for reduced bills, embezzlement/system loss (unaccounted energy use and theft), and unauthorized and illegal connections. Most reported cases of corruption in the water resources sector related to embezzlement (when some officials bypassed the

tender process and selected constructors on the basis of bribes payment). Project directors, engineers and other officials also misappropriated public funds in various construction projects.

Action points:

- Look at the options for disseminating information about corruption in areas of low literacy, for example, through community radio stations.
- Research the Official Secrets Act, anti-libel laws, access to information and freedom of expression.
- Is the media orientated towards poor people or business and elite interests (looking for wide readership, advertising and profit)?
- Does the independent media sector – the Internet, media, informal journals and newsletters – cover corruption issues?
- Develop training for professional and ethical investigative journalists.
- Launch anti-corruption initiatives in high-profile press conferences to ensure that the media coverage is wide.
- Prepare press kits with small printable stories, media-friendly press releases and translations of major reports into local languages.
- Use the media to make survey findings on corruption widely known; this makes it difficult for the agency or agencies concerned to ignore the survey findings.

Related case surveys

CASE SURVEY: News Scan Database, Bangladesh.

Transparency International Bangladesh (TIB) developed the 'News Scan Database' to measure the nature and extent of corruption in Bangladesh, but also to encourage the media to further investigate and report instances of corruption.

CASE SURVEY: Radio Against Corruption: To Be Alive.
To Be Alive is a community-focused programme broadcast on state radio in the poor rural region of Kutch, Gujarat, in India. The programme has become a public watchdog and issues a warning to those tempted to abuse their position that somebody is watching.

CASE SURVEY: Report cards, India.
First used in Bangalore in 1993, report cards use citizen feedback (from the poor and marginalized sections of society) to rate the performance of public services agencies, such as the electricity board and water board.

Further guidance

TOOL 3a: Access to Information
TOOL 3b: Using Information Communication Technology
TOOL 5: Partnerships between Government, the Private Sector and Civil Society
TOOL 12a: Tracking Public Funds and Expenditure
TOOL 12b: Disclosure

Sources of more information

The Corruption List is an extensive collection of news reports on corruption: http://corruptionlist.com

The International Journalist's Network (IJNet) is an online resource for media assistance news, journalism training opportunities, reports on the state of the media around the world and valuable media directories: http://www.ijnet.org

Philippine Centre for Investigative Journalism: http://www.pcij.org/

Committee to Protect Journalists: www.cpj.org

Jeremy Pope (2000) 'An Independent and Free Media' in *TI Sourcebook 2000: Confronting Corruption: The Elements of a National Integrity System*. Transparency International: Berlin: http://www.transparency.org/publications/sourcebook

Monroe E. Price and Peter Krug (2000) *The Enabling Environment for Free and Independent Media*. Oxford University: Oxford, UK. http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnacm006.pdf

Rick Stapenhurst (2000) *The Media's Role in Curbing Corruption*. World Bank Institute: Washington, DC. http://www.worldbank.org/wbi/governance/pdf/media.pdf

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12 Quah, Jon S. T. (1989) 'Singapore's Experience in Curbing Corruption'. In Arnold Heidenheimer, Michael Johnston and Victor LeVine (eds.) *Political Corruption: A Handbook*. Transaction Publishers: New Brunswick, NJ.

TOOL 9

WORKING WITH GOVERNMENT TO SUPPORT HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES AND PERFORMANCE

Description

What is it? Effective Human Resource Management systems usually include the following points:

- Merit-based hiring and promotion;
- Clearly defined and understood roles and responsibilities;
- Monitoring, supervisory and accountability structures;
- A learning culture based on evaluation and feedback;
- Stakeholder participation at all stages of programme design and implementation;
- Concrete links between results, planning and resource allocation;
- Measurable performance indicators/targets monitored against an established baseline; and
- Value for money.

Why would you use it? Corruption becomes more difficult to conceal when performance is continually monitored and

reviewed. Such systems also contribute to improved organizational performance within both public and private sector organizations and create greater collective responsibility for improved delivery of services.

How to use it: Once good management is in place, building on it to develop specialized corruption prevention strategies is not too difficult. These strategies might include:

- Investigating delays in service delivery.
- Life style checks conducted on public officials to assess the consistency of their life styles with their incomes (subject to what the law allows).
- Random checks on staff (for example, testing staff by posing as citizens needing a service, and offering bribes).
- Mechanisms to protect whistle-blowers.
- Monitoring telephone calls or e-mails (subject to what the law allows).
- Effective complaints mechanisms and procedures for appeals, whether internally by a public servant or by a member of the public.
- Investing in staff training in areas such as ethics, which are intended to change individual behaviour by reducing the incentives to engage in corrupt behaviour.
- Minimizing unnecessary face-to-face contact and rotation of staff in 'risky' posts to reduce the predictability of who the public may be dealing with.
- Removing the anonymity of services providers, for example, through use of name badges.

When would you use it? Improved Human Management Resources arrangements are often triggered by a combination of economic, social, political and technological factors that limit the scope, speed and quality of services. Other challenges include inefficiencies, multiple accountability, inadequate resource utilization and institutional capacity. Additional factors in developing countries include lending conditionalities and the increasing emphasis on good governance.

Who uses it? Politicians, policy makers or organizational providers may call for such reform.

How has it been used in the infrastructure sector? A series of customer-focused service delivery reforms were undertaken at the Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB; Metro Water) in Hyderabad City, India, at the end of the 1990s[13]. Metro Water institutional reforms include a dedicated office (the Single Window Cell) to receive, process and co-ordinate all new water and sewerage connection applications and the Green Brigade, a dedicated team of staff established in response to delays/corruption, to physically make the new connections for citizens. Metro Customer Care (MCC) was also set up to receive and co-ordinate the response to water and sewerage complaints lodged by citizens using a specially designated telephone number. An important innovation with regard to the MCC reform was the establishment of an online computer-based programme, called the Complaints Redressal Efficiency (CRE), to monitor section staff performance. This programme calculated the percentage of complaints that were solved within the service norms outlined in Metro Water's Citizen's Charter. Three important

strategies have been designed to help prevent the possibility of corruption in the HMWSSB:

- Staff in the Single Window Cell (SWC) are seated behind a counter directly across from the Director's office, and a waiting area for customers is located directly adjacent to the counter. It would thus be very difficult for informal payments to occur within the SWC without them being noticed.
- The water connection process has been designed as a one-visit endeavour; the customer rarely leaves the SWC without having received an application token number, which is the equivalent of a receipt for acceptance of the application.
- The use of computerized application procedures limits the scope for employees to manipulate information in an effort to extort payments from applicants.

In Cambodia, the public utility in Phnom Penh underwent a series of reforms to enable it to operate on commercial principles including staff training to develop the technical and managerial capacity of the utility, performance related bonuses, improved customer service, and efficient bill collection. Consumer satisfaction is now high, with water available 24 hours a day in the served areas. Financial management is also strong with a fee collection rate of 99.7 per cent.

In Uganda, the national water and sewerage utility implemented an internal reform processes to boost performance and access. A new board and utility director were appointed in 1998, and they introduced a range of new management strategies and tools to improve performance. These included a new water connection

policy that made it affordable to the poor, realigning tariffs so that the poor pay less, staff incentive schemes, and improving user-utility communications. Since then, service coverage has gone up from 48 per cent to 70 per cent, connection efficiency has significantly increased, and annual turnover has tripled, allowing the surplus to be reinvested to maintain and extend the water system further[14].

What use is it to the poor? When governments do not run well, or where service providers do not feel accountable to the citizens, they cannot sustain the institutional arrangements and accountability relationships that yield good services. Weak accountability relationships can lead to poor service provider behaviour – discourtesy, social distance, abruptness of care, discrimination against women and ethnic minorities and service characteristics mismatched to individual tastes. HRM strategies for pro-poor systems and anti-corruption initiatives can be both broad (for example, transparent financial management) or targeted to urban poverty alleviation; in either case they are instrumental in developing capable, motivated front-line providers with adequate resources. HRM is used to ensure that service providers have the incentives to be responsive to all their clients, including the poor and to defend their interests. For example, following the reforms in Phnom Penh, water service now covers 100% of inner city Phnom Penh and is being expanded to surrounding districts, with priority given to urban poor communities. The utility now serves 15,000 families in 123 urban poor communities using subsidized tariffs or connection fees.

Action points:

- Set professional and technical standards via accreditation and professional sanctions.
- Promote the 'rules of the game' in infrastructure delivery.
- Improve quality standards (accreditation, quality assurance).
- Implement quality awards (usually annually) for innovations and excellence in customer service; these are intended to induce competition and sharing of experiences between organizations. The UK has a quality awards under its citizens charter programme.
- Make sure that staff are aware of the alternative ways of reporting corruption.
- Put disciplinary measures in place to deal with staff found to be or who have been engaged in corrupt practices.
- Ensure that disclosures are adequately followed up and systems put in place to prevent similar situations from arising in the future.
- Managers are responsible for making sure that staff who make disclosures are not victimized.
- Ensure that staff feel comfortable with change.

Related case surveys

CASE SURVEY: Report cards to the Mayor, Korea.

Officers in charge of civil affairs and citizens who have submitted a civil application (or signed a contract with Seoul Metropolitan Government in a corruption-prone area) receive a postcard, which they mail back if they have experienced any wrongdoing in their dealings.

CASE SURVEY: Integrity pacts, Korea.

An integrity pact contains important mutual commitments made by public officials in charge of the procurement and bidders for construction works or providers of goods and services.

CASE SURVEY: Citizen Evaluation System on Administrative Services, Korea.

The Citizen Evaluation System on Administrative Services has improved service delivery in terms of stronger guarantees of service standards, more regular opinion surveys and more consumer education. It has three components:

i) The citizen satisfaction survey

ii) The Saturday date with the Mayor

iii) The e-mail the Mayor programme

Further guidance

TOOL 11: Working with Civil Service and Engineering Training Institutes

TOOL 14a: Applying Codes of Conduct and Disciplinary Procedures

TOOL 14b: Disciplinary Action

Sources of more information

Davis. J. (2004) Corruption in public service delivery: experience from South Asia's water and sanitation sector. *World Development* 32 (1), 53-71.

Giorgio Blundo and Jean-Pierre Olivier de Sardan, with N. B. Arifari, M. T. Alou and M. Mathieu (2006) *Everyday Corruption and the State: Citizens and Public Officials in Africa*. Zed Books: London, UK.

UNICORN United Against Corruption: A Global Unions Anti-Corruption Network: http://www.againstcorruption.org

Public Services International Research Unit: http://www.psiru.org

International Union of Local Authorities: http://www.iula.org

Empirical Tools for Anti-Corruption and Institutional Reform: http://www.worldbank.org/wbi/governance/capacitybuild/diagnostics.html

Model Initiatives Package on Public Ethics at the Local Level: Council of Europe (2004) http://www.minbzk.nl/contents/pages/7628/manueldebonnespratiquesread-only.pdf

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13 Jonathan Caseley (2003) *Blocked drains and open minds: multiple accountability relationships and improved service delivery performance in an Indian city*. Institute of Development Studies (IDS) Working Paper 211.

14 See World Development Movement: http://www.wdm.org.uk/campaigns/water/public/index.htm).

TOOL 10

ENSURING NATIONAL ANTI-CORRUPTION INITIATIVES INCLUDE A FOCUS ON INFRASTRUCTURE SERVICES

(for example, Anti-Corruption Commissions and Audit Institutions)

Description: Anti-Corruption Commissions

What is it? An anti-corruption commission is a specialized and independent anti-corruption agency that is exclusively devoted to fighting corruption.

Why would you use it? Independent anti-corruption agencies are established to:

- Investigate corruption cases and initial prosecutorial function;
- Educate and raise awareness about the harms of corruption as well as possibly to train government employees and elected and appointed officials; and
- Provide analysis, policy briefs and even propose draft legislation to policy makers.

How to use it: Typically anti-corruption commissions have three core activities: to investigate and prosecute offences;

to examine the practices and procedures of government departments and public bodies and make recommendations on how opportunities for corruption can be eliminated or reduced; community education and awareness raising. Some agencies have established formal arrangements whereby public participation in policy formulation is ensured.

When would you use it? An anti-corruption agency is more likely to be established where corruption is, or is perceived to be, so widespread that existing institutions (such as conventional law enforcement agencies) cannot be adapted to develop and implement the necessary reforms. As such, an anti-corruption agency often has greater public credibility. Often cited successful commissions include the Hong Kong Independent Commission Against Corruption (ICAC), the Central Vigilance Commission India, Singapore Corrupt Practices Investigations Bureau (CIPB) and Botswana Directorate for Economic Crime and Corruption (DCEC). However, in many cases anti-corruption agencies in isolation have not succeeded, nor have they done so well where corruption is systemic or endemic.

Who uses it? Government departments and other official agencies, civil society and the private sector all might use anti-corruption agencies or other national anti-corruption initiatives.

How has it been used in the infrastructure sector? The Kenya Anti-Corruption Commission launched an examination in 2006 into the systems, policies, procedures and practices at the Ministry of Roads and Public Works alongside the Kenya Roads Board. The examination followed several reports of

poor project planning and implementation, poor service delivery, inefficiencies, breaches of procedures, soliciting for bribes, questionable dealings, outright theft, fraud and other corruption-related activities in all roads projects. This has led to poor infrastructure, delays in project implementation, payment for incomplete/shoddy work, increased costs of projects and insecurity among other projects.

What use is it to the poor? In the past, there has been comparatively little civil society engagement with anti-corruption commissions. However, recently civil society, the media and citizens have been engaged in the oversight process – a process termed as 'horizontal accountability'. Civil society can play a vital role in ensuring that formal oversight institutions effectively hold the government to account, thereby 'overseeing the overseers'. Prior to such engagement by civil society, the benefits of these national institutions would 'trickle down'; this meant little change to the sector or the poor. Improving the synergies between stakeholders can help improve accountability (for example, interactions between civil society, the media, political parties, professional bodies and interest groups and supreme audit institutions). For example:

- M-PAC: The Mumbai Pact Against Corruption is an initiative along with the Anti-Corruption Bureau (Maharashtra State, India), the NGO Council, Mumbai, (a network of civil society groups) and Karmayog (a website connecting citizens, civil society groups, media, corporations and government bodies). M-PAC's main focus is to build a sustained link between ACB and citizens to prevent corruption.

- In Hong Kong, community liaison officers at the Independent Commission against Corruption (ICAC) facilitated massive public education to support anti-corruption efforts.

Action points:

- Anti–corruption agencies require direct political support at the office of the prime minister or president. For example, for policies like civil penalties, blacklisting of corrupt firms, extradition arrangements and other legal provisions enable the profits of the corrupt to be seized and forfeited, inside or outside the country.
- Consider whether to establish a separate anti-corruption agency to deal exclusively with corruption problems, whether to modify or adapt existing institutions, or some combination of both.
- Co-operating with both conventional law enforcement agencies – and an anti-corruption agency – can be costly.
- Security and independence of budgets and adequate resources to undertake its mission is essential for any anti-corruption agency.
- Job security and competitive salaries for staff of such agencies are also important.
- Anti-corruption agencies require investigatory powers, such as to access documentation and the legal right to carry out interrogations.
- They need support and trust from community groups and the public in general.
- An anti-corruption agency should have an internal oversight body to investigate breaches of its code of conduct, or a body that monitors and reviews all complaints.

Description: Auditing and Audit Institutions

What is it? Supreme Audit Institutions (SAI) fall under three basic categories in most countries. In the Commonwealth countries that follow the Westminster system, the SAI is known as the office of the Comptroller and Auditor General. In France and in countries formerly under French influence, the SAI follows the Cours des Comptes (Court of Accounts) model. Finally, the Board or Collegiate system is prevalent in some Asian and European countries like Japan, Korea, Germany, the Netherlands and the countries of the former Soviet Union. Public sector auditing is a set of tests, which investigate whether statements made about a government agency's finances are accurate, timely and complete in comparison with a particular reporting standard.

Why would you use it? Audit Institutions play a major role in auditing government accounts and operations and in promoting sound financial management and accountability in their governments. The weaknesses identified in an audit can help guide priorities for an anti-corruption action plan. Conventional mechanisms for investigating corruption, such as audits and the Auditor General, may not be adequate when the institutions are weak, as is common in many smaller developing countries.

How to use it: An audit's primary purpose is to provide a third-party view about whether a public sector manager's claims about the financial performance of a budgetary entity are reported in the time period they are claimed to be in, in the budget category they are reported to be in, and that figures cover all transactions in a particular budget category.

When would you use it? *Designing an internal audit* relies on managerial decisions related to the following[15]:

- The choice of an acceptable level of audit risk;
- The design of a set of probes or tests in areas of the highest corruption risk;
- An evaluation of the rules and operating procedures in areas where corruption might appear; and
- Applying statistical methods to regular operating information to detect improprieties.

Who uses it? Citizens/clients, politicians/policy makers, organizational providers and front-line professionals use audits and auditing institutions.

How has it been used in the infrastructure sector? Examples of the role of audits and the Auditor General in the infrastructure sector include:

- In May 2002, the former Chief Executive of the Lesotho Highlands Water Authority was found guilty by the Lesotho High Court on 13 counts of bribery. The CEO, Sole, was convicted on 11 counts of bribery and two of fraud for accepting about £3m in bribes over a period of more than a decade from an array of European, Canadian and South African multinational companies in return for contracts worth hundreds of millions of pounds (Source: International Rivers Network: 20 May 2002). The Lesotho case was key in highlighting the role of the bribe giver (contractors and consultants from developed countries) in the context of construction contracts. The case of Lesotho demonstrates the importance of building strong institutions that can tackle corruption.

- Olken (2005)[16] found considerable evidence that increasing the probability of external audits substantially reduced the amount of theft in road-building projects. By contrast, increasing grass-roots participation in monitoring the project appears to have affected the type of corruption (an increase in over-invoicing materials procured for the project), but not the overall level of corruption.

What use is it to the poor? Civil society organizations of the poor can play a key role in curbing corruption through auditing the infrastructure sector, for example they can:

- Augment limited audit institutions' capacity to undertake performance and procurement audits;
- Provide critical and independent information on the impact of the budget on poor and low-income citizens;
- Build budget literacy among citizens and facilitate debate on budgetary issues; and
- Train citizen groups to exercise oversight over budget process and to demand accountability from government agencies.

Civil society organizations have pioneered innovative audit methodologies to monitor public projects/programmes. Audit Institutions should adapt and adopt these methodologies, where appropriate, to augment their own audit procedures. For example:

- Public hearings of the kind sponsored by the MKSS can provide the public auditor with critical evidence on the propriety of funds spent on public projects/programmes. In addition, the auditor can engage beneficiaries and

residents of public projects/programmes in the course of conducting performance audits.

- The participatory audit experience of CCAGG in the Philippines establishes that civil society organizations can develop the skills needed to perform auditing tasks traditionally undertaken by the public auditors; they can also bring skills and information that can improve the practice of performance audits.
- The Public Service Accountability Monitor (PSAM) tracks and documents public agency responses to cases of corruption and mis-management, and corrective action (if any) taken by the agencies in response to the findings of the Auditor General. PSAM research and advocacy on audit disclaimers enable it to advocate for improvements in financial reporting systems and in the presentation of financial statements. Its work has contributed to an improvement of financial reporting standards in provincial government agencies in South Africa – measured by the dramatic decrease in the number of audit disclaimers (issued when the public auditor's office is unable to form an opinion on the accuracy of the financial statements reported by an agency due to omissions or insufficient documentation).
- In South Africa and Colombia, 'citizen watchdog committees' work with the general audit office to monitor public spending, oversee high-risk projects and expose corruption.

Action points:

- Does your organization have an effective internal reporting system?
- Make sure staff know the procedures to follow (outlined in the internal reporting system policy) when reporting suspected corrupt conduct.
- Train staff to understand what constitutes corrupt conduct.
- Clarify your duty to report corrupt conduct to the anti-corruption commission.
- Is all suspected corrupt conduct reported to the anti-corruption commission, either immediately or in accordance with a pre-arranged schedule agreement (monthly or quarterly)?
- Put procedures in place to ensure that all reports of suspected corrupt conduct are handled confidentially.
- Make sure that all matters involving a criminal offence are reported to the police.
- Audit institutions need to be both well-funded and have independence against political interference.
- Action should be taken on reports.
- Reports should be made public.

Related case surveys

CASE SURVEY: Auditor General, Lesotho.

The Auditor General holds public officials accountable to the public and to the legislature for their performance and stewardship of public funds and assets.

CASE SURVEY: PROOF Financial Disclosure, India.

The PROOF campaign aims to institute systems to ensure quarterly financial disclosure by the city municipal corporation and ensure that citizens participate in the process of evaluation of local government performance.

CASE SURVEY: Independent Commission Against Corruption (ICAC), Hong Kong.
The ICAC investigates suspected corruption, evaluates where various agencies are vulnerable to corruption and helps agencies take remedial measures and educates the public.

Further guidance

TOOL 3a: Access to Information
TOOL 3b: Using Information Communication Technology
TOOL 6: Building on Anti-Corruption Mechanisms Tried and Tested in Donor-funded Programmes
TOOL 12a: Tracking Public Funds and Expenditure
TOOL 12b: Disclosure

Sources of more information

Anti-corruption commissions

Hong Kong Independent Commission against Corruption: http://www.icac.org.hk/eng/main/index.html

New South Wales State Independent Commission Against Corruption: http://www.icac.nsw.gov.au

Korean Independent Commission Against Corruption: http://www.kicac.go.kr/english/E_Index.jsp

Seoul Institute for Transparency: http://www.sit.re.kr/ENGLISH/

Pakistan National Accountability Bureau: http://www.nab.gov.pk

The Corrupt Practices Investigation Bureau (CPIB) is an independent body that investigates and aims to prevent

corruption in the public and private sectors in Singapore: http://www.cpib.gov.sg

Central Vigilance Commission, India: http://cvc.nic.in

Lithuania Special Investigations Service: http://www.stt.lt/?lang=en

Botswana Directorate on Corruption and Economic Crime: http://www.gov.bw/index.php?option=com_content&task=view&id=36&Itemid=40

Audit institutions

International Organization of Supreme Audit Institutions (INTOSAI): http://www.intosai.org

The Auditor General in Canada: http://www.oag-bvg.gc.ca/domino/oag-bvg.nsf/html/menue.html

The Association of Government Accountants (AGA): www.agacgfm.org

The Committee of Sponsoring Organizations of the Treadway Commission (COSO): www.coso.org (a volunteer private sector organization consisting of the five major financial professional associations dedicated to improving the quality of financial reporting through business ethics, effective internal controls and corporate governance).

Magnus Borge (2001) 'Supreme Audit Institutions - their Roles in Combating Corruption and Providing Auditing and Accounting Standards and Guidelines'. 10th International Anti-Corruption Conference, Prague. TI: http://www.10iacc.org/content.phtml?documents=102&art=176

Rick Stapenhurst and Jack Titsworth (2001) Features and Functions of Supreme Audit Institutions. *World Bank Prem Note 59*. World Bank: Washington DC: http://www1.worldbank.org/prem/notesps.cfm?offset=21

Marcelo, Simeon V. (2004) *Enhancing the Role of Civil Society in Anti-Corruption Work*. Organization for Economic Cooperation and Development (OECD). Updated December 2004, Retrieved 14 February 2005: http://www.oecd.org/dataoecd/41/28/34097995.PDF

Association of Chartered Certified Accountants (2005) *Different Models of Supreme Audit Institutions*. Updated 2005: http://www.accaglobal.com/transparency/publicsector/audit/models

Vivek Ramkumar and Warren Krafchik (2005) The Role of Civil Society Organizations in Auditing and Public Finance Management. The International Budget Project: http://www.icgfm.org/documents/RoleofCivil.pdf

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Endnotes:

15 As with legal issues presented in this Toolkit, the auditing procedures described in this manual may not be relied upon given different public sector accounting traditions around the world. The reader is urged to consult a competent and qualified accountant or auditor for more information. These points apply to the private sector as well as public sector managers who wish to establish management audits, which may be in addition to the formal audit procedures of the company or public sector agency.

16 Olken, Ben (2005) Monitoring Corruption: Evidence from a Field Experiment in Indonesia. National Bureau of Economic Research Working Paper.

TOOL 11

WORKING WITH CIVIL SERVICE AND ENGINEERING TRAINING INSTITUTES

Description

What is it? Education can play a key role in combating corruption. Efforts should be made to promote professional ethics; for example, by inclusion of anti-corruption education on the curriculum of professional education related to the sector. It is impossible for any organization to predict all the circumstances where unethical or corrupt conduct could occur, so it is essential that staff have the skills to deal with these situations and make ethical decisions, rather than comply with rules.

Why would you use it? Training can help create an environment in which ethical decision-making is encouraged and where skills for solving ethical dilemmas are developed. The aims of anti-corruption education include: increasing resistance to corruption by promoting ethical values, changing expectations and attitudes and developing public understanding of the consequences of corruption in the sector.

How to use it: Methodologies for teaching anti-corruption should be participatory, interactive and related to real life, recognizing social diversity and diverging interests. Relevant

personal case studies or scenarios are likely to have an impact. Some other possible ways to deliver such ethics and anti-corruption messages are:

- Posters: in workshops, offices or tearooms are a useful way to get key visual messages and slogans across to a fairly wide audience.
- Brochures: work best when they are targeted for specific groups of staff with clear, straightforward information, in different languages.
- Audio visual: videos are expensive to produce but can be useful to trigger discussion in a workshop or focus group.
- Internal publications: such as newsletters and information leaflets to explore more complex issues.

Topics to include in a training session might include:

- Practice in identifying examples of corrupt behaviour;
- What staff should do if they discover or suspect corrupt behaviour at work and the implications for them and others if they turn a blind eye; and
- Discussions about the impact of corruption on individuals, organizations and society.

Another tool frequently used is an 'integrity pledge', where people commit themselves to take certain actions against corruption. Pledges have been used to: commit to act honestly and openly in all aspects of life; put the well-being of the people ahead of personal and party interests; unite to fight corruption in places of work and in private life; and sensitize the public to the effects of corruption. Pledges are typically given wide publicity by both print and broadcast media.

When would you use it? A 'little training, often' beats 'too much training, occasionally.' When staff members join the company, they need to be clear about the organization's anti-corruption policies and routine practices. Refresher training may be necessary annually or in the light of an incident of corruption. Staff might also be given access to information for self-study.

Who uses it? Municipal or local government staff, members of professional institutes, as well as the private sector may all benefit from such training. Training can be provided by technical colleges or academic institutions, resource centres and networks.

How has it been used in the infrastructure sector? In recent years a new discipline, engineering ethics, has emerged alongside such well-established fields as medical ethics, business ethics and legal ethics. However, for many decades engineers in Canada and America have worn a ring as a symbol of the moral, ethical and professional commitment made by the engineer. In Canada, legend says that the rings are made from the steel of a beam from the Quebec Bridge, which collapsed during construction in 1907, killing 75 construction workers, due to poor planning and design by the overseeing engineers.

Many engineering professional societies have prepared codes of ethics. The Institution of Civil Engineers (ICE) in the UK has a code of ethics incorporated into its standards of conduct and the Royal Academy of Engineering has also launched an ethics statement. Such codes of ethics share many similarities. For

example, the Fundamental Canons of the American Society of Civil Engineers (ASCE) include:

- 'Engineers shall hold paramount the safety, health and welfare of the public and shall strive to comply with the principles of sustainable development in the performance of their professional duties.
- Engineers shall perform services only in areas of their competence.
- Engineers shall issue public statements only in an objective and truthful manner.
- Engineers shall act in professional matters for each employer or client as faithful agents or trustees, and shall avoid conflicts of interest.
- Engineers shall build their professional reputation on the merit of their services and shall not compete unfairly with others.
- Engineers shall act in such a manner as to uphold and enhance the honour, integrity and dignity of the engineering profession and shall act with zero-tolerance for bribery, fraud and corruption.
- Engineers shall continue their professional development throughout their careers, and shall provide opportunities for the professional development of those engineers under their supervision.'

In Tamil Nadu internal reform of the water utility operated under a Tamil 'koodam': a concept that treats everyone as equal. Key users of the water supply such as women and dalits (or 'untouchables') were involved in determining how best to

supply water. Three years later the utility is increasing access to water by ten per cent each year, the budget is stretching further, and tellingly, the common perception that more investment brings more access to water has been turned on its head, with investment levels falling by over 40 per cent. The utility workers in have shifted from thinking of themselves as purely engineers concerned with infrastructure, pipes and taps, to thinking about the people using the system their needs and demands. In this way, the utility has become accountable to users and far more 'demand-led'[17].

What use is it to the poor? Ethics training aims to make engineers accountable to civil society, creating incentives for them to listen to, and act upon, the needs of poor people. However, such training should be complemented by civil society ability to sanction the actions of service providers.

Action points:

- Find out how staff members in your organization perceive the problem of fraud and unethical behaviour. Are there different ideas about ethical behaviour? Where do they 'draw the line' between acceptable and unacceptable behaviour? Would they tolerate or ignore corrupt conduct by friends or fellow workers?
- Hold training sessions or discussion groups on ethical issues.
- Encourage staff to take ethical considerations into account when they make decisions.
- Don't make anti-corruption components in training courses black and white or reliant on memorizing frameworks.
- Consider using a range of teaching aids, such as case studies, reports and scenarios, short plays with an ethical theme, video reconstructions and role plays.
- Don't focus on major, headline grabbing forms of corruption; it is equally important to look at examples like accepting an expensive lunch from a contractor. Are staff willing to report cases of 'minor' corruption?

Related case surveys

CASE SURVEY: The Campo Elias programme, Venezuela.
A World Bank programme in Campo Elias, Venezuela (April 1998 to December 1999) used participation in public policy making to combat corruption in service delivery.

CASE SURVEY: OPEN system, Korea.
The Online Procedures Enhancement for civil applications (OPEN) is a web portal that publishes information relating to permits and licenses to achieve transparency in the city's administration by preventing unnecessary delays or unjust handling of civil affairs on the part of civil servants.

Further guidance

TOOL 9: Working with Government to Support Human Resource Management (HRM) Practices and Performance

TOOL 14a: Applying Codes of Conduct and Disciplinary Procedures

TOOL 14b: Disciplinary Action

Sources of more information

UNDP PARAGON (Training Module on Public Service Ethics and Accountability): http://unpan1.un.org/intradoc/groups/public/documents/eropa/unpan002651.pdf

Ethics Resource Centre: www.ethics.org

UNPAN: http://www.unpan.org/EthicsWebSite/inc/ethicspg.htm

Education and training in ethics: http://www.iipe.org/resourcedocs/training.html

Institute of Social and Ethical Accountability: http://www.accountability.org.uk

Hong Kong Ethics Development Centre: http://www.icac.org.hk/hkedc/eng/main2.asp

The Royal Academy of Engineering Ethics and Engineering group: http://www.raeng.org.uk/policy/ethics/default.htm

The Subject Centre for Philosophical and Religious Studies: ETHICS website http://www.prs.heacademy.ac.uk/themes/ethics/index.html

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Endnotes:

17 See World Development Movement: http://www.wdm.org.uk/campaigns/water/public/index.htm

STRENGTHENING INSTITUTIONAL ACCOUNTABILITY MECHANISMS

The following mechanisms aim to reinforce good practice on transparent governance across sectors. Some mechanisms are already used by government departments responsible for supplying or overseeing infrastructure services; where they are not, the following mechanisms could be extended to cover infrastructure services.

TOOL 12a

TRACKING PUBLIC FUNDS AND EXPENDITURE

Description

What is it? Tracking public funds and expenditure is intended to provide local communities with information about the level of resources allocated to particular services in their area and to determine how much of the originally allocated resources reach each level and how long they take to get there. The tools therefore assess the leakage of public funds and can help to assess the efficiency of public spending and the quality and quantity of service.

Why would you use it? Public services fail poor people when budgets are misallocated or misappropriated; this means that service quality, quantity and access suffer. Discrepancies between policy statements and actual delivery can trigger civic action against corruption in the public sector, thus contributing to improved accountability.

How to use it: Participatory budgeting is a means for the citizens to participate in priority setting, resource allocation and budget formulation and then to hold the municipal government accountable for executing the budget. Participatory budgeting has become increasingly popular in the context of

decentralization and creates opportunities for greater citizen and local legislature involvement. Participatory budgeting helps improve transparency in the financial administration of local authorities and contributes to a more equitable distribution of resources. Public budget hearings at local level raise citizens' awareness of the goods and services they should receive and breaks with the tradition that the budget process should occur exclusively within the executive, with the input only of budget technicians and a few politicians.

Public expenditure tracking surveys can also be used to follow the flow of funds through tiers of government and to determine whether the funds actually reach their intended destination. Tracking surveys not only highlight the uses and abuses of public funds, but also give insights into capture, cost efficiency, decentralization and accountability. They have primarily been used in social sectors to date. These surveys have found significant leakage of funds – between 30 and 76 per cent of non-wage funds going to primary education in African countries, for example (Reinikka and Svensson, 2005[18]).

When would you use it? Expenditure tracking enables communities to find out what money is flowing in, identify where it is meant to go, verify it is getting there, that it is making a difference to service outcomes.

Who uses it? The donor community, council officials, civil society organizations and communities, local level politicians, as well as citizens may all use participatory budgeting and expenditure tracking.

How has it been used in the infrastructure sector? Stakeholders are often not aware of what goes into the annual budget for the infrastructure sector at the different levels of government (federal, state and local governments) or how the funds budgeted are used at the end of the day. Stakeholders' involvement in planning and budgeting, as well as in review of the budget implementation, can go a long way to reducing corruption in infrastructure services delivery.

Citizens are directly involved in participatory budget formulation and spending reviews on water and sanitation in Porto Alegre in Brazil. Citizen associations propose projects, which are then publicly debated. The proposals are combined with technical assessments, and the procedure is repeated to determine final budget allocations. The water and sanitation provider, called Departamento Municipal de Água e Esgotos (DMAE) increased access to water from 80 per cent in 1989 to near universal in 1996, and access to sewerage, from less than 50 per cent to 85 per cent. And with greater citizen willingness to pay for better services, city revenue increased by 50 per cent. To make the process pro-poor, the poorest people were given greater voting power than others (see http://www.habitatjam.com/viewIdea.php?iid=24&section=3).

Work has also been done on monitoring of infrastructure stocks. In the Philippines, physical audits combined with a Geographic Information Systems (GIS) system are being used to determine if roads and bridges actually exist and what state they are in as part of a drive towards improved transport governance. Similarly, in Malawi the Equity of Distribution Indicator has surveyed water points and their condition, together

with their GPS (Global Positioning System) positions. Water Point Mapping has had an impact on the allocation of water points between poor and non-poor areas in Malawi.

Report cards on public services are another way to assess whether public funds go missing. A report card is a survey that assesses the performance of, for example, water supply. It measures both quantitative and qualitative indicators of service delivery through direct citizen feedback. If results of the report card surveys are fed back to service providers, they provide an incentive for increased accountability. If they are widely disseminated amongst the public, together with budget information, they provide an opportunity for citizens to get involved in the budget allocation process and to ensure that the budget addresses their needs.

What use is it to the poor? Budgets are crucial to governments' ability to deliver services, reduce poverty and tackle inequality. The budget is a political process, a result of political decisions (about the level of taxation, mobilization of resources, the allocations of benefits and so on). Most poor people do not get their fair share of public spending on services. Tracking funds can help both to orient public spending toward services used by poor people, but also to ensure public spending actually reaches and benefits poor people

Often the poor lack knowledge of their rights to financial information and have limited capacity to scrutinize public finances. The role of civil society is therefore critical to enhance poor people's voice and accountability in the budget process, in particular through increasing citizen literacy on public

financial management. The role of civil society organizations in the budget encompasses:

- Open and public budget debate
- Participatory budgeting
- Independent budget analysis, including review of budget proposals
- Participatory public expenditure tracking
- Participatory performance monitoring and social auditing
- Mobilizing communities of poor people to create a demand for better services

A few civil society organizations work on budget issues; for example, in Uganda, women parliamentarians, together with the NGO Forum for Women in Democracy (FOWODE), have joined forces to promote gender budgeting. This co-operation led to the passage of the Budget Act (2001), giving parliament greater oversight functions. The expenditure tracking work of the Uganda Debt Network has helped to curb corruption in the intergovernmental fiscal relations system in that country, and has helped to generate new information on the quality of expenditures in health and education.

Donors have also strengthened the role of civil society engagement in the budget process in a variety of ways, including: through the International Budget Project (IBP); by supporting meaningful and regular reporting; through timely disclosure of financial information; by making audited financial statements publicly-available; and through citizens' external scrutiny or participatory budgeting.

Action points:

- Make sure that findings are accessible to the public, i.e. by using simple language.
- Make sure that you have reliable and consistent budgets and/or systematic information on financial flows.
- Think about how diverted funds have been spent and to what extent this reflects corruption in the system.
- Analyse why some people receive more of their entitlements than others in order to reduce corruption and improve performance.

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Endnotes:

18 Ritva Reinikka and Jakob Svensson (2005) Fighting Corruption to Improve Schooling: Evidence from a Newspaper Campaign in Uganda. *Journal of the European Economic Association*, MIT Press, Vol 3(2-3), pages 259-267, 04/05.

TOOL 12b

DISCLOSURE

Description

What is it? Disclosure is the monitoring of the assets (such as investments, bank accounts, pensions, as well as the property, both domestic and in other countries), income and life-styles of certain public decision-makers and officers; this can significantly reduce corruption.

Why would you use it? Most forms of corruption involve the loss of funds from the Treasury or a company and a gain of funds into private bank accounts.

How to use it: Where possible, disclosure is made to specially established bodies, such as inspectors or the Auditor General, who are trusted to take any necessary actions.

When would you use it? A risk management model for reducing corruption should be applied to those officials who hold positions where they transact with the public, have discretionary powers or are otherwise well-placed to extract bribes, for example, in the area of revenue assessment and collection.

Who uses it? Many countries – recognizing that assets may be hidden in the bank accounts of friends and family – extend asset monitoring to close family members. Penalties for failing to disclose as required, or for making false or misleading disclosure, must be severe enough to act as a significant deterrent – for example, dismissal and other disciplinary sanctions.

Action points:

- Is there specific legislation that enables disclosure of assets of public officials?
- Consider setting up an office within the local government to monitor the disclosures and to pursue any anomalies that are observed.
- Are any contractual requirements in place to disclose financial assets, or to refrain from corrupt behaviour?
- Are there sanctions for deliberate failure to provide accurate information?

Related case surveys

CASE SURVEY: PROOF Financial Disclosure, India.

The PROOF campaign aims to institute systems to ensure quarterly financial disclosure by the city municipal corporation and ensure that citizens participate in the process of evaluation of local government performance.

CASE SURVEY: Diagnostic surveys, Uganda.

Public expenditure tracking survey (PETS) and quantitative service delivery surveys (QSDS) are new tools for diagnosing corruption and other problems relating to basic service provision in developing countries.

CASE SURVEY: Public Service Accountability Monitor (PSAM).
South Africa monitors the management of public resources and cases of misconduct and corruption by the government. PSAM provides a database of information on budget allocations, as well as plans for the use of these resources, along with any problems experienced during the course of these plans' implementation.

CASE SURVEY: Report cards, India.
First used in Bangalore in 1993, report cards use citizen feedback (from the poor and marginalized sections of society) to rate the performance of public services agencies, such as the electricity board and water board.

Further guidance

TOOL 3a: Access to Information
TOOL 3b: Using Information Communication Technology
TOOL 4a: Encouraging Responsible Whistle-blowing and Complaints Mechanisms
TOOL 4b: Setting Up Complaints Mechanisms
TOOL 10: Ensuring National Anti-Corruption Initiatives Include a Focus on Infrastructure Services (for example, Anti-Corruption Commissions and Audit Institutions)
TOOL 14a: Applying Codes of Conduct and Disciplinary Procedures
TOOL 14b: Disciplinary Action

Sources of more information

International Chamber of Commerce: www.iccwbo.org/

Public Service Accountability Monitor (PSAM): www.psam.ru.ac.za

Ramkumar, V., and Krafchik, W. (2005) The Role of Civil Society Organizations in Auditing and Public Finance Management. The International Budget Project: http://www.internationalbudget.org/SAIs.pdf

Centre on Budget and Policy Priorities: http://www.cbpp.org

The International Budget project: http://www.internationalbudget.org/

The Association of Certified Fraud Examiners is an international, 25,000-member professional organization dedicated to fighting fraud and white-collar crime: http://www.acfe.com/

Geir Sundet (2004) Public Expenditure and Service Delivery Monitoring in Tanzania. Some international best practices and a discussion of present and planned Tanzanian Initiatives. USAID: http://www.dec.org/pdf_docs/PNACX369.pdf

The UK National Audit Office Good Practice: Financial Audit and Corporate Governance Guidance: http://www.nao.org.uk/guidance/finaud_and_corpgov.htm

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TOOL 13

ENSURING TRANSPARENCY IN PUBLIC PROCUREMENT

Description

What is it? Procurement is the process of buying goods, works or services. Procurement of infrastructure in the public sector is regulated by legal, financial, municipal and administrative rules. These rules were typically set out in Public Works Department (PWD) procedures of local governments.

Why would you use it? The whole process of procurement is prone to corruption; for example, in the formulation of a scheme and its requirements, in preparation of cost estimates and designs and in the tender process and completion of work. Transparency International (TI) estimates that at least $400 billion is lost to corruption in public procurement, adding 20-25 per cent to costs. This can mean substandard infrastructure, delivery of substandard quality or insufficient quantities, unnecessary low-priority goods, higher programme costs and poor-quality public services or no delivery at all.

When would you use it? Anti-corruption strategies can be used at ay stage of the procurement process, including:

- Contract implementation
- Procurement planning

- Preparation
- Pre-qualification
- Bid evaluation
- Award of contract
- Advertisement

Who uses it? Anti-corruption strategies may be used by all actors in the procurement process (agents, contractors, employers, employees, project owners, subsidiaries, associated companies, joint ventures, intermediaries/middlemen, representatives, subcontractors or tenderers) as well as by citizens, NGOs, politicians/policy makers, organizational providers and front-line professionals.

How to use it: Combating corruption in procurement can be difficult; for instance, complaint mechanisms are not likely to curb corruption in cases where there is collusion and all the parties are corrupt, where there is corruption in the early phases of procurement (procurement planning or the selection of the procurement method) or where there are no complainants. In other cases, aggrieved bidders refrain from lodging complaints for fear of future disadvantage and retaliation.

Where corruption is detected, debarment from eligibility for public contracts for a certain period is a stronger sanction than the termination of a single contract. However, whilst debarment might deter corruption, it could also be used as a threat to extort bribes or to eliminate honest competitors. Qualified and honest companies might then abstain from bidding to avoid being subject to debarment.

How has it been used in the infrastructure sector? Public works contracts for major infrastructure projects such as power stations, roads and sewage treatment plans are big business. Public procurement averages 15 per cent of GDP in OECD countries – substantially more in non-OECD countries.

Information technology has been used to improve transparency in procurement in the infrastructure sector by reducing opportunities for the discretionary use of public funds, increasing the impartiality and integrity of such operations and increasing the accountability of public officials. Brazil, Chile, Mexico, the Philippines and the Republic of Korea, among others, have developed strong e-procurement systems that lower costs and increase transparency, competition and efficiency. Typical Internet-based communications include advertisement of bid opportunities and information, announcement of contract awards and prices, announcement of bid prices and evaluation results, and availability of bid documents for downloading and direct submission of expressions of interest, eligibility or bid documents.

It is clear that the private sector has a major responsibility in this area. The International Federation of Consulting Engineers (FIDIC) has prepared standard forms of contract; for example, the FIDIC Red Book is a widely used international construction contract. FIDIC represents most of the private practice consulting engineers in the world.

What use is it to the poor? Lack of transparency in the procurement process makes government institutions slow and unresponsive, and creates opportunities for corruption and for

the capture of the state by special interests. Thus improvements to the process should indirectly benefit the poor.

Procurement is a subject that requires a high degree of technical expertise normally not associated with civil society initiatives. However, Procurement Watch, Inc. (PWI), formed in 2001, provides training courses for civil society organizations and individuals on procurement law. As such, it has been successful in building citizens capcity to monitor public agency procurement practices and to demand changes when corruption occurs. Nevertheless, it is costly to monitor government institutions, and citizens or smaller organizations may not have the resources to do so.

Action points:

- Make sure your organization has policies and procedures for purchasing goods and services that ensure fairness and impartiality? Ensure that all staff involved in the process have access to, and use, these procedures.
- Use 'best value for money' rather than lowest price as a selection criterion.
- Clearly document the project (expected outcomes, the assessment criteria for monitoring and evaluation and so on). Keep records of all decisions made.
- Provide independent input into selection panels.
- Make sure that all potential suppliers have equal access to relevant project information, such as specifications and assessment criteria.
- Make sure that all bids received by the organization are recorded and treated confidentially.
- Explain to potential suppliers how you deal with non-conforming tenders or late bids.
- Advise all unsuccessful bidders of the outcome of the selection process.
- Regularly monitor the performance of contractors against pre-determined performance criteria.
- At the end of the project, evaluate the service provided.

Related case surveys

CASE SURVEY: Business Partnering Against Corruption.
The World Economic Forum's Partnering against Corruption initiative includes over 100 major international companies from the engineering and construction sectors, all of which have committed to the 'Business Principles for Countering Bribery in the Engineering and Construction Industry'.

CASE SURVEY: Report cards to the Mayor, Korea.
Officers in charge of civil affairs and citizens who have submitted a civil application (or signed a contract with Seoul Metropolitan Government in a corruption prone area) receive a postcard, which they mail back if they have experienced wrongdoing in their dealings.

CASE SURVEY: Poder Cuidadano, Argentina.
Poder Cuidadano developed the Programme for Transparent Contracting, which combines a public hearing and signing of an integrity pact wherein the municipal authorities and all businesses competing in the bidding make mutual commitments to prevent the payment of bribes.

CASE SURVEY: E-Procurement, Korea.
An e-procurement system was introduced in the Republic of Korea in 1998 for purchasing goods and services and arranging contracts for construction projects. All procurement from purchase requests goes to electronic tendering, and payment is processed online.

CASE SURVEY: Public procurement Transparency, Ecuador.
www.licitenet.com is an online database created to inform the public about the process of public procurement in Ecuador.

Further guidance

TOOL 7: Working with Transparency International to Develop Integrity Pacts

Sources of more information

Corporate Watch: http://www.corporatewatch.org/

The Corporate Monitoring Project: http://www.corpmon.com

Centre for International Private Enterprise: www.cipe.org/programs/corruption

The World Bank's Country Procurement Assessment Review (CPAR): http://www.worldbank.org/html/opr/procure/borrower.html

Global Witness (Publish What you Pay initiative): www.globalwitness.org/

FIDIC Business Integrity Management System: http://www1.fidic.org/resources/integrity/

Transparency International (2005) Business Principles for Countering Bribery: TI Six Step Process: http://www.transparency.org/global_priorities/private_sector/business_principles/six_step_implementation_process

The WTO website includes information on best practice in government procurement, see: http://www.wto.org/english/tratop_e/gproc_e/gproc_e.htm

Free Trade of the Americas (FTTA) Government Procurement site: http://www.ftaa-alca.org/ngroups/nggp_e.asp

Oxfam's Ethical Purchasing Policy: http://www.oxfam.org.uk/shop/fairtrade.htm

Catherine Stansbury and Neill Stansbury (2007) Anti-Corruption Training Manual (Infrastructure,

Construction and Engineering Sectors). Transparency International: UK.

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TOOL 14a

APPLYING CODES OF CONDUCT AND DISCIPLINARY PROCEDURES

Description

What is it? Codes of conduct provide guidance on acceptable standards of behaviour and aim to prevent the misuse of official position, facilities, services and resources. Codes are often based on 'zero tolerance' of corruption. The majority of codes of conduct include sections on:

- Duties to the public interest
- Duties to the relevant authority
- Duties to the profession
- How to deal with conflict of interest or the acceptance of gifts
- The use of official information
- The rights of the public
- The procedures to determine whether a violation of the code occurred and, if so, what remedies should be imposed

Codes often reflect the UK Committee on Standards in Public Life (the Nolan Committee), that is principles of ethical behaviour such as:

- Fair reward;
- Integrity;
- Honesty;
- Objectivity;
- Accountability;
- Reliability; and
- Fairness.

How to use it: Codes oblige individuals to report suspicion or evidence of corruption committed by colleagues or others (for example, suppliers or contractors). The code can be monitored through public complaints systems and enforced through disciplinary boards.

Who uses it? Codes of conduct can be used in both the public and private sector. Breaches of the code may have implications for an individual's career or employment.

Why would you use it? Codes of conduct set ethical standards for organizations and so can be used to benchmark behaviour and performance.

When would you use it? The effectiveness of such codes depends on the extent to which management supports them with sanctions and rewards. Violations of a code usually can subject the violator to the organization's remedies (in an employment context, this can mean termination of employment). Of course, certain acts that constitute a violation of a code may also violate a law or regulation.

How has it been used in the infrastructure sector? A number of codes of conduct have been developed that are of relevance to the infrastructure sector, including:

- The Construction Industry Development Board (cidb) of South Africa has developed a code of conduct for all participants in the construction procurement process (agent, contractor, employer, employee, representative, subcontractor or tenderer): http://www.cidb.org.za/initiatives/codeofconduct.html
- Code of Professional Conduct of the Association of Building Engineers (UK): http://www.abe.org.uk/membership/ABE_Code_of_Conduct_0905.pdf
- NSPE Code of Ethics for Engineers (US): http://www.nspe.org/ethics/eh1-code.asp
- TI (UK)'s Anti-Corruption Code for Individuals in the Construction and Engineering Industry.

What use is it to the poor? Codes of conduct can directly and indirectly benefit the poor:

- Directly: the poor can use complaints mechanisms when service providers breach their codes. For codes of conduct to directly to benefit the poor and vulnerable they must be designed to ensure that people will able to report corruption without fear of reprisals and be assured that appropriate action is taken and sanctions are imposed. The mechanisms should also be widely publicized in poor communities, so that people have information about the mechanism and have access to it.
- Indirectly: the poor benefit because guidance is provided to members of professional institutions in the performance of

their professional responsibilities; this ensures their actions meet the basic tenets of ethical and professional conduct. Codes of conduct can evaluate the risks and benefits of the actions of professional institutions on all stakeholders and ensure these actions meet the highest ethical standards.

Action points:

- Do you have a code of conduct?
- If so, inform staff about the code of conduct on a regular basis, so that they understand the rules and expectations.
- To do this you could:
  - Provide all staff (and stakeholders) with a copy of the code of conduct and ask them to certify that they have read and understood it;
  - Raise awareness of ethical issues through meetings or articles in staff newsletters, posters and bulletins;
  - Provide practical examples and guidance for dealing with ethical issues;
  - Include the code in induction and management training programmes;
  - Ensure that there is a budget allocated for training and education purposes;
  - Establish a complaints mechanism;
  - Assess whether staff are using the code; and
  - Continually review/update the code (in consultation with staff) to highlight weaknesses and loopholes.

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TOOL 14b

DISCIPLINARY ACTION

Description

What is it? A code of conduct is the first step in the process of setting the ethical and behavioural standards of an organization. There is little point in having a code of conduct if there are no consequences for staff who are found to have behaved corruptly.

Why would you use it? Disciplinary action raises the cost of engaging in corruption by clarifying the definition of corrupt behaviour and by creating severe penalties for getting caught engaging in corrupt behaviour.

How to use it: Punishing those involved in corruption should be dealt with on a case-by-case basis, but might include a policy of progressive discipline, ranging from:

- Oral warning
- Demotion or loss of salary
- Written warning that further unsatisfactory behaviour may result in further disciplinary action
- Suspension pending enquiries or trial
- Dismissal (if regulations allow)

- Exclusion from obtaining contracts for a stated or unlimited period of time (blacklisting)
- Legal action if a criminal action has been committed

When would you use it? Disciplinary procedures are what follows when codes of conduct are broken. Merit Protection Boards provide an independent mechanism to hear appeals and grievances for employees ensure that all applicants receive fair and equitable treatment.

Who uses it? Employers use disciplinary procedures with their employees.

Action points:

- Base your anti-corruption plan on disciplinary procedures.
- Make staff and service users aware of the consequences of corrupt conduct. Clearly communicate the procedures to every member of staff.
- Tell employees what you expect of them and what conduct you will not tolerate.
- Clearly set out the procedures that will be followed if standards are breached and the range of penalties that may be applied.
- Make sure that employee discipline is fair, and consistent with the offence.
- Give employees clear notice of the consequences of poor behaviour.
- Enforce the policy in a uniform manner to show employees that you take these rules seriously.

Further guidance

TOOL 9: Working with Government to Support Human Resource Management (HRM) Practices and Performance

TOOL 11: Working with Civil Service and Engineering Training Institutes

Related case surveys

CASE SURVEY: Integrity pacts, Korea.

An integrity pact contains important mutual commitments made by public officials in charge of the procurement and bidders for construction works or providers of goods and services.

Sources of more information

Business Bureau UK Small Business Information Resource: http://www.businessbureau-uk.co.uk/personnel/employee_relations/discipline.htm

The National Council for Voluntary Organizations (NCVO): http://www.ncvo-vol.org.uk/askncvo/hr/index.asp?id=156; http://www.ncvo-vol.org.uk/askncvo/publicsector/

ACAS Self help guide – Producing disciplinary and grievance procedures: http://www.acas.org.uk/index.aspx?articleid=820

UK Department of Trade and Industry - details of all relevant legislation: http://www.dti.gov.uk/employment/index.html

United Nations Office on Drugs and Crime (UNODC) (2004) *Anti-Corruption Toolkit*, 2nd ed. UNODC: Vienna, Austria: http://www.unodc.org/unodc/en/corruption_toolkit.html

Howard Whitton (2001) *Implementing effective ethics standards in government and the civil service*. Transparency International: Berlin, Germany: http://topics.developmentgateway.org/governance/rc/filedownload.do~itemId=175821

Mike Nelson (1999) *The Challenge of Implementing Codes of Conduct in Local Government Authorities*. Paper presented at the 9th IACC (International Anti-Corruption Conference), Durban, 9-15 October 1999: http://ww1.transparency.org/iacc/9th_iacc/papers/day4/ws3/d4ws3_mnelson.html

The World Bank Group Code of Professional Ethics, 1999: http://wbln0018.worldbank.org/crn/ope/ethics.nsf/ethicsnewdisplaynav?OpenNavigator&Subject=CodeofProfessionalEthics

South Korea: Code of Conduct for Maintaining the Integrity of Public Officials, 2003: http://www.kicac.go.kr/PORTAL/Eng/About/about_01.jsp (Document to be found under 'KICAC News')

UN DESA, UNDP (2001) *Public Service Ethics in Africa: Final Report*. UN: New York, USA: http://www.unpan.org/EthicsWebSite/inc/reportpg.htm

UN (1996) International Code of Conduct for Public Officials (Section II): http://www.un.org/documents/ga/res/51/a51r059.htm

UK Committee on Standards in Public Life. For details see: http://www.public-standards.gov.uk/

New Zealand's Public Service Code of Conduct (1998; revised 2001) For the full text see: http://www.ssc.govt.nz/display/document.asp?NavID=121&DocID=3423

Transparency International (UK) has developed a code of conduct for individuals in the construction business: (http://ww1.transparency.org/integrity_pact/dnld/anti_corr_initiative_constr_engineer.tiuk.pdf).

The Society of Construction Law's Ethics Group provides guidance on the application of ethical principles to promote discussion and debate on corruption issues: (http://www.scl.org.uk/ethics.php)

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TOOL 15

CITIZEN'S CHARTERS

Description

What is it? A citizen's charter is a document that publishes service standards customers are entitled to expect across an organization or service area. It is a set of measurable and auditable promises made to customers.

Why would you use it? Charters change service provision by defining service standards, ensure that users are consulted about their needs and set targets for responses times, waiting times, charges and fees. Charters increase accountability through the publication of information about and requirements for government services. In South Africa, the initiative known as Batho Pele (which means 'people first') is predicated on the underlying principle that public servants have a duty to serve the government impartially and with integrity and honesty.

How to use it: Charters may be formulated through a consultative process. Officials can be trained in good practice and threatened with negative consequences if they fail to meet at least minimum standards. However, charters normally have a non-statutory basis.

When would you use it? Charters focus on raising standards in those institutions that are clearly failing to deliver. They set out the technical standards for service delivery, norms for operational efficiency of the utility, and regulatory reviewing the performance of the utilities. Such standards could specify the time taken by a utility to provide a new connection, rectify a defect or replace a meter. These standards should be publicized to enable consumers to demand quality from the utility – they provide an objective framework for assessing the performance of utilities.

Who uses it? Charters give consumers some 'rights' (in Malaysia, the client charters give clients the right to redress through the Public Complaints Bureau if corrective action for non-compliance is not taken.)

How has it been used in the infrastructure sector? The charter sets out service providers' promises (i.e. when local government will collect household waste, clean the streets, empty the bins, reply to complaints and so on). Charters also set out the responsibilities of citizens: for example, notifying the service provider of any problems/defects with the service, paying bills on time or reporting any damage, vandalism or theft.

In Seoul, the Waterworks Customer Service Charter was declared on 3 January 2000: 'In an effort to show its renewed commitment in the new millennium to sincere, trustworthy and friendly services to the citizens, who are the end customers of the waterworks, the waterworks authority has declared and put into practice the tenants of the Customer Service Charter'. Commitments include to:

- Dispatch waterworks service teams within an hour of a civil complaint;
- Provide an explanation prior to billing if water meter measurement increases two-fold;
- Notify customers in advance if water supply will be cut-off;
- Complete repair work on time;
- Offer a level of customer service equal to that of private business;
- Reduce the time needed to deal with complaints; and
- Publicize complaint-handling procedures.

In India, Metro Water launched a citizen's charter in January 2000, which outlines measurable service delivery norms for a range of services. Included in the charter were the obligations of citizens, such as paying bills on time, reporting illegal activity and maintaining a working water meter. The publication of the charter was important as it publicly acknowledged Metro Water's commitment to improving the delivery of services for citizens throughout the Municipal Corporation of Hyderabad.

The charter brought out by the Hyderabad Metropolitan Water Supply and Sewerage Board has incorporated a provision on payment of compensation, as a token of commitment to its customers, in the event of failure to provide services within the stipulated time norms. For example: according to the charter, 'new water supply and sewerage connections are supposed to be sanctioned or rejected within a period of 30 working days, and in the event of failure to issue sanction order within 30

working days, the customer will be paid a token amount of Rs.20/- and will be issued a fresh date of not more than 15 days hence. If the Board fails to provide the response even within the extended time, the customer will again be paid Rs.20/- and the Managing Director (Technical) of the Board will personally meet such customer to explain the reasons for delay.'

Other charters in the infrastructure sector include:

- Cape Town Water Services: http://www.cape.gov.za/water/pdf/consumer_charter_poster_2006_eng.pdf
- The Royal Borough of Kensington and Chelsea (UK) waste management charter: http://www.rbkc.gov.uk/EnvironmentalServices/RubbishRecyclingLitter/citizenscharter.asp
- Tameside: Charters for Road and Footpath Maintenance: http://www.tameside.gov.uk/servicecharter/roadfootpath

What use is it to the poor? Charters benefit all service users, including the poor because:

- Charters spell out the service standards and the quality of output that is deemed acceptable (and as such will prevent corruption and promote integrity).
- Charters set out the obligations of service providers towards their customers.
- Charters equip users with the means of seeking personal 'customer redress' if the service they receive is inadequate. The redress might be an apology, future improvements to service delivery or, if the shortcoming were serious enough, some form of penalty.
- Charters represent a 'short route' to accountability.

Action points:

- Publish standards regarding quality, timeliness, cost, integrity and coverage of services, so that individual users know what they can reasonably expect. Charters make public service providers directly accountable to their customers through assurance of quality, access to information and guarantee of redress when things go wrong.
- Consider using service charters when there is no effective competition or choice for the individual consumer.
- Provide training to ensure that staff are courteous and provide helpful service.
- Provide information about how the service is run, what it costs, how it performs and who is in charge and make it readily available in plain language.

Related case surveys

CASE SURVEY: Report cards, India.

First used in Bangalore in 1993, report cards use citizen feedback (from the poor and marginalized sections of society) to rate the performance of public services agencies, such as the electricity board and water board.

CASE SURVEY: Citizen Evaluation System on Administrative Services, Korea.

The Citizen Evaluation System on Administrative services has improved service delivery in terms of stronger guarantees of service standards, more regular surveys of opinions and more consumer education. It has three components:

- The citizen satisfaction survey
- The Saturday date with the Mayor
- The e-mail the Mayor programme

Further guidance

TOOL 2: Training Communities as Monitors
TOOL 5: Partnerships between Government, the Private Sector and Civil Society

Sources of more information

Citizens charters in the Government of India:
http://goicharters.nic.in/

Adam Smith Institute page on citizens charters:
http://www.adamsmith.org/80ideas/idea/53.htm

Charter Mark, the UK Government's national standard for excellence in customer service:
http://www.cabinetoffice.gov.uk/chartermark/

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TOOL 16

ADHERING TO INTERNATIONAL AND REGIONAL CONVENTIONS

Description

What is it? International legislation and conventions are additions to national legislation. They are often binding and ratified by a number of countries, and attempt to increase the political will to curb corruption and corruption-related crimes such as money laundering. The most comprehensive international conventions are:

- The OECD Convention against Bribery, which as of October 2002 has been ratified and implemented by 35 countries. The OECD Convention imposes criminal sanctions on those convicted of bribing foreign officials and provides for monitoring and evaluation.
- The United Nations Declaration against Corruption and Bribery in International Commercial Transactions, which deals with both the private and public sectors, and calls for the enactment and enforcement of laws prohibiting bribery in international transactions. It criminalizes the bribery of foreign public officials and bans tax deductibility of bribes.
- The United Nations Convention against Corruption, which was adopted by the United Nations General Assembly in 2003 and includes measures on prevention, criminalization,

international co-operation and asset recovery. As of January 2007, there were 140 signatories. The Convention has been ratified, accepted, approved or acceded by 83 countries (state parties).

In addition to the UN and OECD conventions, there are a number of other important regional conventions against corruption, which are designed to plug gaps in national anti-corruption legislation. These include:

- The Southern African Development Community (SADC) Protocol on Corruption, which in addition to defining and describing corruption has a threefold purpose: to promote the development of anti-corruption mechanisms at the national level, to promote co-operation between the SADC countries in the fight against corruption and to harmonize anti-corruption national legislation in the region.
- The Organization of American States (OAS) established the Inter-American Convention against Corruption, which was the first international convention against corruption ever adopted (from 1997). It has been ratified by 22 OAS countries, and is relatively broad in scope.
- The African Union Convention on Preventing and Combating Corruption, which was adopted in Maputo on 11 July 2003. It represents a regional consensus on what African states should do in the areas of prevention, criminalization, international co-operation and asset recovery.
- 27 countries have committed to the Asian Development Bank's Organization for Economic Co-operation and Development Anti-Corruption Initiative, and have jointly developed the Anti-Corruption Plan for Asia and the Pacific.

The Initiative aims to encourage policy dialogue, policy analysis, capacity building and donor co-ordination.

- The Council of Europe Civil Law Convention on Corruption, which was adopted in Strasbourg on 4 November 1999. It is the first attempt to define common international rules in the field of civil law and corruption. In particular, it provides for compensation for damages as a result of acts of corruption.
- The Council of Europe Criminal Law Convention on Corruption (CoE Criminal Convention), which represents a European regional consensus on what states should be doing in the areas of criminalization and international co-operation with respect to corruption. There were 47 signatories (as of 7 April 2006) consisting of 44 member states and three non-member states.

Why would you use it? The rule of law is necessary for the protection and promotion of economic and social, as well as civil and political rights. The law is also intended for the protection of rights and freedoms of citizens against any threats emerging from corrupt practices. International legislation and conventions are additions to national legislation and may be used to prevent and detect corruption-related offences, and hold guilty persons liable.

How to use it: National law in almost every country in the world prohibits corruption and the taking of bribes. National law should reflect those international conventions that the country has signed up to. These laws typically include the Civil Service Act, civil law remedies for those harmed by corruption and other legislation (such as the Public Procurement Act).

The enforcement of these laws usually falls to three bodies: the criminal courts, the Administrative Courts (or Tribunals) and the civil service membership associations. Bribery of domestic and foreign public officials is typically criminalized and corruption involving the private sector prevented, including setting and enforcing accounting and auditing standards.

When would you use it? Legislation would be used in cases of:

- Violation of basic human rights
- Suspicion of corruption
- To challenge the conduct of government or a private company
- To compel municipal authorities to perform a public duty

Who uses it? All stakeholders should know how their country law has been designed to combat corruption, including multinational contractors and businesses.

How has it been used in the infrastructure sector? These conventions are overarching and require countries to criminalize a wide range of acts, including bribery, embezzlement of public funds, money-laundering and obstruction of justice, which will have indirect benefits to the infrastructure sector.

What use is it to the poor? NGOs, such as TI Korea and the Citizens Coalitions for Economic Justice, secured: the Real Names Financial Transaction Systems (a ban on the use of false names in all financial transactions to prevent tax evasion and hiding of illegally collected money) in 1993; the Freedom of

Information Act; the Administrative Procedures Act (to secure transparency and democratic administrative procedures); the Act on Disclosure of Information by Public Agencies; the Prevention of Money Laundering Act; and the Comprehensive Anti-Corruption Law (pending in national assembly).

However, a range of factors combine to impede the realization of the rights of the poor. Too often there is discrimination in law, regulation and custom that excludes the poorest: the law can be biased in favour of men, the rich, dominant ethnic groups (legislation doesn't always work so well for the poor in rich countries either). Land tenure, for instance, is one contentious and largely unresolved issue strongly influencing corruption in the infrastructure sector.

Poor people often show a deep distrust of legal institutions and generally prefer to avoid involvement. This may be due to a strong social stigma against using the law, or simply a rational response to the opportunities and risks that corrupt police and judicial officers present. Courts operate in a foreign language with formalistic procedures and obscure technical terms, and where the outcome is often determined by bribes or influence. Moreover, the poor sometimes live in violation of formal regulations for example in squatter settlements or by engaging in illegal income-generating activities. Lack of access to justice also fosters corruption. Poor people are often not aware of their rights, or else regard them as unenforceable. The rule of law is correlated with economic growth and investment.

Nevertheless, it should be recognized that some households and communities may lose access to infrastructure as a result of combating corruption.

Action points: (in terms of pressing the claims of the poor and vulnerable)

- Encourage class action/public interest litigation.
- Promote legal literacy programmes – posters, pamphlets, radio etc.
- Support to paralegal services, pro bono work, university law clinics and community law centres.
- Support to ombudsmen, public complaints commissions and other non-judicial forms of redress.
- Increase the range of alternative institutions (to state courts) which citizens can use to resolve legal disputes; for example, in Russia there are street committees, local policing mechanisms, community councils etc.).
- Improve transparency and public access to court decisions and police actions, for example in Karnataka.
- Simplify judicial procedures by imposing time constraints, and reducing the number of steps involved in hearing cases in court; for example, Chile and India.

Further guidance

TOOL 4a: Encouraging Responsible Whistle-blowing and Complaints Mechanisms
TOOL 4b: Setting Up Complaints Mechanisms
TOOL 7: Working with Transparency International to Develop Integrity Pacts
TOOL 10: Ensuring National Anti-Corruption Initiatives Include a Focus on Infrastructure Services (for example, Anti-Corruption Commissions and Audit Institutions)

Sources of more information

United Nations Convention against Corruption: http://www.unodc.org/unodc/en/crime_convention_corruption.html

The European Union Convention on the Fight against Corruption Involving Officials of the European Communities or Officials of Member States, 1997: http://europa.eu.int/scadplus/leg/en/lvb/l33027.htm

Inter-American Convention against Corruption (IACC), June 1996: http://www.oas.org/main/main.asp?sLang=E&sLink=http://www.oas.org/juridico/english/fightcur.html

African Union Convention on Preventing and Combating Corruption (Adopted in Maputo on 11 July 2003): http://www.africa-union.org/root/au/Documents/Treaties/Text/Convention%20on%20Combating%20Corruption.pdf

Paris Declaration: www.parisdeclaration.org

Anti-Corruption Convention and Treaties: http://www.u4.no/document/treaties.cfm

OECD Convention on Combating Bribery of Foreign Public Officials: http://www.oecd.org/document/21/0,2340,en_2649_34859_2017813_1_1_1_1,00.html

Southern African Development Community Protocol against Corruption: http://www.sadc.int/english/documents/legal/protocols/corruption.php

The SEE Legal Development Initiative: www.seldi.net/anti_corruption.htm

United Nations Convention Against Corruption: http://www.unodc.org/unodc/en/crime_convention_corruption.html

United Nations Declaration against Corruption and Bribery in International Commercial Transactions: http://www.un.org/documents/ga/res/51/a51r191.htm

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Appendix 1

LIST OF CASE STUDIES AND CASE SURVEYS

Case studies

Table A1: Case studies

Country	*Case study title*	*Relevant infrastructure services*
Bangladesh	A Research Report on Accountability Arrangements to Combat Corruption in the Delivery of Infrastructure Services in Bangladesh	Water supply, sanitation, electricity and street lighting, drainage, access to roads and paving and solid waste management
Georgia	Addressing Corruption in Infrastructure Services in Georgia	Improved water billing, the repair of multi-storey residential buildings and property registration
Indonesia	Good Governance and Provision of Affordable Housing in DKI Jakarta	Corruption and its impacts in the housing sector
Pakistan	Corruption in Housing and Infrastructure Services in Pakistan: A Collection of Case Surveys	Land management, commercial housing projects, electric supply and water supply
Nigeria	Budget Monitoring and Price Intelligence Unit (Due Process): A mechanism for combating corruption in infrastructure delivery	Public procurement

Table A1: Case studies ... *continued*		
South Africa	'I wont sell my brother': Corruption in Infrastructure Delivery: A South African Case Study	Public finance related to municipal service provision
Nepal	An overview of corruption in infrastructure provision and service delivery at the municipal level in Nepal and the FNCCI Anti-corruption project	Water supply, sanitation/ drainage, education and electricity
Ukraine	Accountability Arrangements to Combat Corruption in the Housing and Municipal Sphere in Ukraine	Energy, gas, heating, water supply and waste collection

Case surveys

Table A2: Case surveys

	Applicable stage of service delivery	
Case survey	*New infrastructure project*	*Service delivery*
Seoul: Citizen Evaluation System		✓
Venezuela: Campo Elias Programme		✓
Lesotho: Auditor General		✓
India: Report Cards		✓
Kenya: Urban Bribery Index		✓
India: PROOF Financial Disclosure		✓
WaterAid: Equity of Distribution Indicator	✓	
South Korea: E-Procurement	✓	
Uganda: Diagnostic Surveys		✓
World Bank: Department of Institutional Integrity	✓	
Philippines: Concerned Citizens of Abra for Good Government	✓	✓
Dhaka: Committees of Concerned Citizens		✓
Seoul: The OPEN System	✓	
Seoul: Report Card to the Mayor		✓
India: Radio Against Corruption		✓
South Africa: PSAM	✓	✓
Argentina: Programme for Transparent Contracting	✓	✓
International: Partnering Against Corruption Initiative	✓	✓
Brazil: Participatory Budgeting	✓	✓
Indonesia: Participatory Corruption Appraisal		✓

Table A2: Case surveys ... *continued*		
India: Right to Information	✓	✓
Bangladesh: News Scan Database		✓
Seoul: Integrity Pacts	✓	✓
Hong Kong: Independent Commission Against Corruption	✓	✓
Europe: A collection of cases of private sector corruption in infrastructure service delivery	✓	✓
Albania: The Citizen's Advocacy Office	✓	✓
Ecuador: Public Procurement Transparency	✓	

Table A3: Case surveys and Tools	
Case survey	*Tool*
Seoul: Citizen Evaluation System	TOOL 9: Working with Government to Support Human Resource Management (HRM) Practices and Performance TOOL 15: Citizen's Charters
Venezuela: Campo Elias Programme	TOOL 3a: Access to Information TOOL 3b: Using information communication technology (ICT) TOOL 6: Building on Anti-Corruption Mechanisms Tried and Tested in Donor-funded Programmes TOOL 11: Working with Civil Service and Engineering Training Institutes
Lesotho: Auditor General	TOOL 10: Ensuring National Anti-Corruption Initiatives Include a Focus on Infrastructure Services TOOL 12a: Tracking Public Funds and Expenditure TOOL 12b: Disclosure
India: Report Cards	TOOL 2: Training Communities as Monitors TOOL 3a: Access to Information TOOL 3b: Using information communication technology (ICT) TOOL 8: Working with the Media to Detect and Prevent Corruption TOOL 12a: Tracking Public Funds and Expenditure TOOL 12b: Disclosure TOOL 15: Citizen's Charters
Kenya: Urban Bribery Index	TOOL 1: Methodology for Investigating Corruption
India: PROOF Financial Disclosure	TOOL 10: Ensuring National Anti-Corruption Initiatives Include a Focus on Infrastructure Services TOOL 12a: Tracking Public Funds and Expenditure TOOL 12b: Disclosure
WaterAid: Equity of Distribution Indicator	TOOL 12a: Tracking Public Funds and Expenditure TOOL 12b: Disclosure

Table A3: Case surveys and Tools ... *continued*	
South Korea: E-Procurement	TOOL 13: Ensuring Transparency in Public Procurement
Uganda: Diagnostic Surveys	TOOL 1: Methodology for Investigating Corruption TOOL 12a: Tracking Public Funds and Expenditure TOOL 12b: Disclosure
World Bank: Department of Institutional Integrity	TOOL 6: Building on Anti-Corruption Mechanisms Tried and Tested in Donor-funded Programmes
Philippines: Concerned Citizens of Abra for Good Government	TOOL 2: Training Communities as Monitors TOOL 3a: Access to Information TOOL 3b: Using information communication technology (ICT) TOOL 5: Partnerships between Government, the Private Sector and Civil Society
Dhaka: Committees of Concerned Citizens	TOOL 2: Training Communities as Monitors TOOL 5: Partnerships between Government, the Private Sector and Civil Society
Seoul: The OPEN System	TOOL 3a: Access to Information TOOL 3b: Using information communication technology (ICT) TOOL 11: Working with Civil Service and Engineering Training Institutes
Seoul: Report Card to the Mayor	TOOL 9: Working with Government to Support Human Resource Management (HRM) Practices and Performance TOOL 13: Ensuring Transparency in Public Procurement
India: Radio Against Corruption	TOOL 8: Working with the Media to Detect and Prevent Corruption
South Africa: PSAM	TOOL 12a: Tracking Public Funds and Expenditure TOOL 12b: Disclosure TOOL 13: Ensuring Transparency in Public Procurement
Argentina: Programme for Transparent Contracting	TOOL 5: Partnerships between Government, the Private Sector and Civil Society

Table A3: Case surveys and Tools ... *continued*	
International: Partnering Against Corruption Initiative	TOOL 4a: Encouraging Responsible Whistle-blowing and Complaints Mechanisms TOOL 4b: Setting up complaints mechanisms TOOL 13: Ensuring Transparency in Public Procurement
Brazil: Participatory Budgeting	TOOL 3a: Access to Information TOOL 3b: Using information communication technology (ICT) TOOL 5: Partnerships between Government, the Private Sector and Civil Society
Indonesia: Participatory Corruption Appraisal	TOOL 1: Methodology for Investigating Corruption
India: Right to Information	TOOL 2: Training Communities as Monitors TOOL 3a: Access to Information TOOL 3b: Using information communication technology (ICT) TOOL 5: Partnerships between Government, the Private Sector and Civil Society
Bangladesh: News Scan Database	TOOL 8: Working with the Media to Detect and Prevent Corruption
Seoul: Integrity Pacts	TOOL 5: Partnerships between Government, the Private Sector and Civil Society TOOL 7: Working with Transparency International to Develop Integrity Pacts TOOL 9: Working with Government to Support Human Resource Management (HRM) Practices and Performance
Hong Kong: Independent Commission Against Corruption	TOOL 4a: Encouraging Responsible Whistle-blowing and Complaints Mechanisms TOOL 4b: Setting up complaints mechanisms TOOL 10: Ensuring National Anti-Corruption Initiatives Include a Focus on Infrastructure Services

Table A3: Case surveys and Tools ... *continued*	
Europe: A Collection of Cases of Private Sector Corruption in Infrastructure Service Delivery	
Albania: The Citizen's Advocacy Office	
Ecuador: Public Procurement Transparency	TOOL 13: Ensuring Transparency in Public Procurement

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'*This is a comprehensive and useful toolkit for organizations which wish to limit corruption in the provision of infrastructure services.*'

Neill Stansbury
Project Director, Construction and Engineering, Transparency International (UK)

'*This toolkit is a welcome contribution to the process of delivery of effective infrastructure for international development. It provides the underpinning practical details of how to combat corruption and complements the Principles of Engineering for Development and Poverty Reduction developed by the Institution of Civil Engineers Presidential Commission "Engineering without Frontiers".*'

Professor Paul Jowitt
SISTech, Heriot Watt University and Vice President of the Institution of Civil Engineers

Published by the
Water, Engineering and Development Centre
Loughborough University UK

ISBN 978 1 84380 125 2

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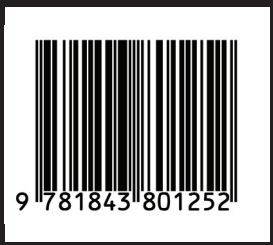
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