Accountability Arrangements to Combat Corruption

Synthesis Report and Case Study Survey Reports

– Accountability Arrangements to Combat Corruption –
Case Survey Synthesis Report and Case Study Survey Reports

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WEDC

Loughborough University

2007

WEDC

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A reference copy of this publication is also available online at:
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Case Survey Synthesis Report

Prepared by:

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Reducing Poverty by Enabling Access

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1. Introduction

Corruption in the delivery of public services reduces the effectiveness and efficiency of service provision and often leads to inequity in access to services. Those with the least voice e.g. the poor tend to be the biggest losers. Corruption also has implications for the cost of services, the resources available for the maintenance or rehabilitation of systems, the extension of service provision and public confidence in the service provider. As a result, corruption generally leads to poor-quality infrastructure.

Arrangements to foster accountability in infrastructure services are essential for ensuring fair and regular service provision, improved public welfare, more effective use of public resources, improved governance relations, and enhanced responsiveness of those who deliver services. As mentioned in a recent DFID issues paper 'Making Connections: Infrastructure for Poverty Reduction', there are many opportunities to foster accountability within the infrastructure sector, partly because of its tangibility. Collecting and providing information and putting in place mechanisms that allow citizens to participate, provides good opportunities to reduce corruption.

A series of 27 case studies have been carried out. These describe particular accountability mechanisms/activities that aim to combat corruption in infrastructure services and improve the effectiveness and efficiency of such services. This paper summarises some of the common themes and lessons learnt from these case studies before discussing the potential for replicating the various initiatives in other contexts.

2. Common Themes

The core themes in most of the anti-corruption initiatives are transparency, accountability and access to information. These are achieved through a number of mechanisms, which can be broadly grouped into three main categories:

1) Providing a legislative framework, for example a framework that establishes the right of access to information. These are generally government initiatives, for example the Delhi Right to Information Act and the Seoul e-procurement system;

2) An organisation (e.g. NGO) or enlightened government office that works to obtain and disseminate information from and for citizens, for example, Report Cards on public service delivery in India, the Radio Against Corruption initiative in India to educate citizens on issues of corruption, The Citizens Advocacy Office in Albania, the Committees of Concerned Citizens in Dhaka and Parivartan in Delhi, which both enable the grassroots to participate in discussions about public services and also disseminates information to raise awareness, and;

3) A process is put in place whereby citizens can express their views or provide feedback on the performance of public services, for example Report Cards in India, which uses citizen feedback to rate public services and the Citizen Evaluation System in Seoul, which allows citizens to express their satisfaction/dissatisfaction with services.

A table, indicating which of the case studies illustrate the three key elements is shown in Annex 1.

The case studies describe initiatives that can be purely a government activity (such as e-procurement, the OPEN system and Report Card to the Mayor in Seoul, Auditor General in Lesotho or the Independent Commission Against Corruption in Hong Kong) through to partnerships between government and NGO/civil society (such as the Concerned Citizens of Abra, Participatory Budgeting in Brazil, PROOF in India and the Integrity Pacts in Seoul) or purely NGO/civil society initiatives (such as the Radio Against Corruption, Urban Bribery Index in Kenya and PSAM in South Africa). Some of these initiatives/mechanisms have been initiated or promoted by outside agents such as the World Bank or International NGOs such as WaterAid. The World Bank has promoted

good governance and anti-corruption for some time and in a number of ways. A World Bank program in Campo Elias, Venezuela (April 1998 to December 1999), used participation in public policymaking to combat corruption in service delivery. The World Bank has also funded action research, for example in Indonesia, in order to gather information on the types of corruption confronted by poor people and its harmful effects on their livelihoods. They have also provided general advice to member countries to gather hard data on corruption in the delivery of services, which in Uganda has led to the design of a number of survey instruments- the Public Expenditure Tracking Survey (PETS) and the Quantitative Service Delivery Survey (QSDS). In order to clean up its own act, the World Bank has also set up an internal Department of Institutional Integrity, which investigates claims of fraud and corruption in Bank-financed operations and within the Bank Group, including allegations of staff misconduct.

Many of the case study initiatives depended on a 'champion', for example, a civil rights activist or an enlightened Mayor, for sustainability and a level of success. This has implications in terms of replicability and also explains why an initiative can work in some places but not others despite similarities of conditions and environment, for example in different areas of the same city. Collective action appears to be a necessary element to (a) enforce access to information; (b) provide effective dissemination of available information; (c) advise and raise awareness of citizens of their rights and responsibilities; and (d) press for action when evidence of corruption is found.

Relatively few of the case studies are directly focused on the poor and in some cases the level of education and computer literacy required to participate in the initiative would work to exclude the poor for example www. licitenet.com in Ecuador. Linked to the issue of level of education and access to information technology, the majority of the initiatives are biased towards urban areas, where there are generally higher levels of both. This has implications for replicability in rural areas or countries with lower levels of education and computer literacy.

3. Lessons Learnt

3.1 Positive lessons

In terms of positive lessons, a number of the initiatives have been effective in building a more citizen-oriented approach to public service delivery and the possibility for citizens to participate more in discussions about corruption and its impact on service provision. As highlighted by the case studies summarised in Box 1, citizens can play a vital role in anti-corruption initiatives. Given that they reside at the level of infrastructure project implementation, they are often the most appropriate people to gather views, opinions and feedback and to act as a watchdog on the process.

**Box 1.
Citizens as partners
in anti-corruption**

The Citizen Evaluation System is in part a response to the Korean people's demand for a change to traditional public administration to increase the role and voice of customers in the service delivery process. The CES has three main components: the citizen satisfaction survey; the Saturday date with the Mayor and the Email the Mayor program. The Government also introduced citizen participation reform into public administration on the principle that citizens are the 'owners' of municipal administration and the 'customers' of the administrative service. These efforts have led to changes in personnel practices and financial management in the government and have redefined the role of citizens.
In the Philippines, the Concerned Citizens of Abra for Good Government is used to monitor the performance of the local administration and projects in their area. This is a government initiative to involve the local population in project monitoring. The initiative demonstrates that communities can be effective auditors.

One trend observed from the case studies is the need for any initiative to be sustained over time. This allows the process of initial suspicion and hostility to gradually transform into one of greater confidence and mutual respect between citizens and officials.

In many of the case studies, one result of the particular initiative is a greater public awareness about corruption issues in general and a raised interest in curbing corruption in all areas.

A positive feature of many of the initiatives is an increased level of citizen's satisfaction with service delivery even where their full demands are not met. The improvement in accountability alone increases levels of satisfaction.

Integrity pacts, pioneered by Transparency International, were described in 2 case studies. The results were positive in both cases with savings in construction costs of up to 35% reported in one of the cases. The integrity pact led to increased transparency in both cases.

Various anticorruption measures can be used successfully together e.g. in Seoul, integrity pacts were used together with report cards, "OPEN" system and an anticorruption index.

3.2 Negative lessons
One of the negative lessons to emerge from the case studies is that most anticorruption measures can be costly in terms of money and time to establish and sustain. This could be a barrier to their wider replicability in many poorer countries.

In some cases the level of citizen involvement is controlled or curbed e.g. ref 1 (Seoul Citizen Evaluation System), citizens are not able to diagnose the problems but only respond to a structured questionnaire.

For some, sustainability relies on maintaining political will and the continuing interest of the 'champion'. Thus, it is not simply a case of having the correct legislation in place but also of having an active agent to utilise the legislation.

Some systems are quite sophisticated requiring, for example, easy access to the internet. It is not at all clear how much the poor can access these systems. The "digital divide" may serve to widen the societal gap between rich and poor (see Box 2).

Box 2.
Inequality and the Digital Divide

There are a number of initiatives, most notably in Ecuador and Seoul, where the internet and information technology plays an important role. Both the OPEN system and the e-procurement service aim to make information available for public access through the internet. The e-procurement system, which was introduced by the government in 1998, processes all procurement information online, from purchase requests to tender documents and payment information. Portals are open to public access and allow feedback. The OPEN system is a web portal, which publishes information relating to permits and licenses online in a format that the applicant can trace its progress. Both systems require a good level of IT literacy and access to the internet. There is therefore a risk that this might result in a widening societal gap between those with access and capability and those without, the latter generally being the poorer elements of society.

4. Potential for replication

The potential for replication depends largely on the simplicity of the mechanism or process, both in terms of the level of technology required and what, if any, specialised skills or resources are needed. Those initiatives that require less sophisticated technology, skills and resources are likely to be more easily replicable in other countries and other parts of the country. As previously mentioned, a number of the mechanisms require a high level of ICT infrastructure and skills, which would be impractical and problematic to sustain in many developing countries.

Some of the initiatives require technical capacity or specific skills to be successfully implemented. For example, a number of the mechanisms require an ability to carry out quantitative research techniques and to be able to manage the data generated, such as the diagnostic surveys in Uganda and the Urban Bribery Index in Kenya. This may require some level of external support, as was the case for the diagnostic surveys, which were developed on the advice of the World Bank.

In the case of the WaterAid Equity of Distributor Indicator, where GPS devices are used to survey and map water points, an ability to use Geographical Information Systems (GIS) is important. In this case, the capacity of district personnel was deemed to be low. Furthermore the tool has not been incorporated into wider government planning and monitoring, which brings into question the sustainability of the initiative.

An appropriate regulatory/legislative framework is important in the success of an initiative, for example the Right to Information Act in India. However, this needs to be adhered to by the relevant authorities with a strong civil society providing a check on these authorities. Many of the initiatives require not only political will, but also a strong civil society. In the absence of this, it is unlikely that citizens will demand accountability from the authorities. These and other requirements of the case studies are shown in Annex 2.

Some of the initiatives rely on dissemination of information through various media. Depending on the context, this can be done through the internet, publications, public theatre and radio. One of the most accessible means of dissemination is the radio as demonstrated by the Radio Against Corruption Initiative in India. In many developing countries, radio is the main, and in rural areas the only, source of information.

In order for the valuable lessons from these various case studies to be replicated elsewhere it will firstly be necessary to conduct a more systematic documentation of the mechanisms and the lessons learned. This information will then need to be more widely disseminated both within and outside the countries concerned. There appears to be a justification for some sort of clearing house, possibly on the internet, where anyone seeking information on anticorruption measures can access information. This could desirably include a contact person for each initiative who could be a source of further information.

5. Conclusions

The case studies reveal that there is a wide range of anti-corruption initiatives in developing and developed countries. The most successful and innovative measures appear to be in countries which fall into the category of middle-income. There is still a lack of good examples of measures that assist or seek to involve the rural poor. The poor were not direct targets of any of the case studies but benefited indirectly from better service delivery. The reliance of some systems on, for example, internet access tends to favour the better educated non-poor.

Many of the government-led initiatives have originated from strong, democratic local government. This tends to be in municipal areas, such as the Seoul Metropolitan Government. Some, but by no means all, initiatives have been encouraged by donor partners.

A suitable legislative framework is generally a precondition for success, although this is not sufficient on its own and requires a high level of political will to be successfully implemented. A strong civil society is also an important precondition, since this helps to ensures accountability. NGOs or activists can also be the agent for change or 'champion'.

The first step for any initiative is providing information or greater access to information. Achieving greater transparency is the limit of some initiatives. These depend on greater openness acting as a curb on those contemplating corrupt activities and also on citizens being active in making complaints, where necessary.

Some initiatives go a step further by also providing a formal system for citizens to lodge questions or complaints. These systems tend to be quite costly and sophisticated due to the need for an infrastructure to adequately handle this feedback.

A further sophistication is the use of integrity pacts (as developed by Poder Cuidadano in Argentina and replicated in Korea), sometimes in combination with other initiatives. These have been found successful but require quite elaborate institutional arrangements and safeguards e.g. against malicious allegations of malpractice being levelled against another party. For the time being, these are often donor-supported.

■

Annex 1: Key Themes

Case Survey	Contains elements of:		
	Legislative Framework	Disseminate Information to the public	Citizen Feedback
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		✔	
Department of Institutional Integrity: World Bank	✔		
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		✔	✔
Partnering Against Corruption Initiative	✔		
Brazil: Participatory Budgeting			✔
Indonesia: Participatory Corruption Appraisal		✔	
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	✔	✔	

Annex 2: Potential for Replication

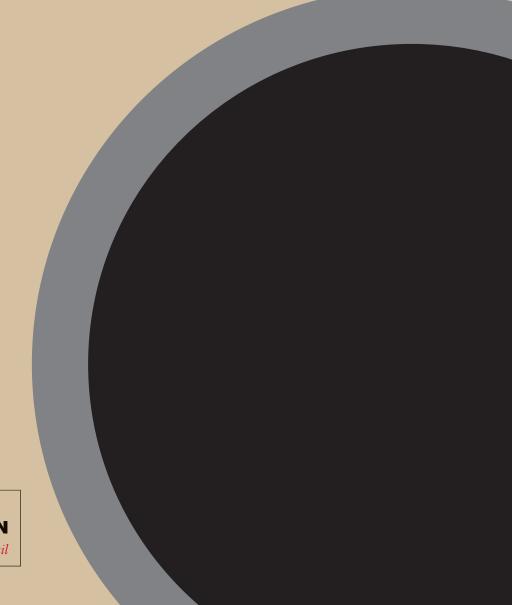| Case Study	Requires:									Replicability score*
	Legislation/regulations	Political will	Significant Resources	Free press	Strong civil society	Internet & ICT Infrastructure	Literacy/Computer literacy	Specialist skills	Urban bias	
Seoul: Citizen Evaluation System	✔	✔					✔		✔	3
Campo Elias Programme, Venezuela	✔	✔			✔			✔		2
Auditor General, Lesotho	✔	✔								5
Report Cards, India		✔			✔			✔	✔	4
Urban Bribery Index, Kenya					✔			✔	✔	4
PROOF Financial Disclosure, India	✔	✔		✔	✔		✔			4
WaterAid: Equity of Distribution Indicator	✔	✔						✔		5
E-Procurement, South Korea	✔	✔				✔	✔		✔	2
Diagnostic Surveys, Uganda	✔	✔					✔			4
Department of Institutional Integrity: World Bank	✔	✔								5
Concerned Citizens of Abra for Good Government	✔	✔			✔					5
Dhaka: Committees of Concerned Citizens					✔				✔	5
Seoul: The OPEN System	✔	✔				✔	✔	✔	✔	2
Seoul: Report Card to the Mayor	✔	✔	✔						✔	3
Radio Against Corruption, India				✔	✔					5
PSAM, South Africa					✔					4
Programme for Transparent Contracting, Argentina		✔	✔						✔	3
Partnering Against Corruption Initiative										3
Participatory Budgeting, Brazil	✔				✔				✔	3
Participatory Corruption Appraisal, Indonesia					✔					4
Right to Information, India	✔	✔			✔					4
News Scan Database, Bangladesh				✔			✔			3
Integrity Pacts, Seoul	✔				✔					4
Independent Commission Against Corruption, Hong Kong	✔	✔	✔							3
A Collection of Cases of Private Sector Corruption in Infrastructure Service Delivery, Europe	✔			✔	✔					4
The Citizen's Advocacy Office, Albania			✔	✔	✔					3
Ecuador: Public procurement Transparency	✔	✔	✔			✔	✔	✔		2

*Score: 1 = Not replicable and 5 = Highly replicable

Accountability Arrangements to Combat Corruption

Case Study Survey Reports

Edited by M. Sohail and compiled by Sue Cavill

Auditor General, Lesotho

Accountability arrangement: Auditor General

What does the mechanism involve?

The Auditor General holds public officials accountable to the public and to the legislature for their performance and stewardship of public funds and assets. The Auditor General is responsible for auditing government income, acts as a watchdog over financial integrity and the credibility of reported information. S/he is the external auditor of central government, acting on behalf of the taxpayer, through parliament, and it is upon his or her investigations that parliament has to rely for assurances about the accuracy and regularity of government accounts. The Auditor General office is viewed as an independent and fair mechanism for preserving financial accountability.

What specific infrastructure services are involved?

For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, along with primary, secondary and tertiary levels of service delivery?

All the above services are covered by the Auditor General mechanism of accountability.

Historical, social and political context

– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

N/A

Examples of this mechanism's use

The Lesotho Highlands Water Project (LHWP) is a multi-purpose project comprising dams, water transfer tunnels and an underground hydroelectric power plant. The project was developed in several phases to supply water to neighbouring South Africa and indirectly to produce electricity (hydropower) for Lesotho. The $8 billion project is one of Africa's biggest engineering works. The European Development Fund (EDF) provided financing of €61 million and the European Investment Bank (EIB) provided €122 million. Other donors included the World Bank and the Government of Lesotho.

An audit by the accountants Ernst and Young in the early 1990s uncovered irregularities in the Lesotho Highlands Development Authority (the LHDA), the parastatal charged with administering the project, and more particularly its chief executive, M.E. Sole. It appears that one Lesotho official was in a position to influence the awarding of contracts. Following legal proceedings in Lesotho, several bank accounts were identified in Switzerland containing more than €3 million considered to have been obtained illegally from bribes.

This in turn led to disciplinary hearings against Sole and, after his dismissal, further civil proceedings against him. During the civil proceedings, bank records were discovered in Lesotho and South Africa, which pointed to Sole having bank records in Switzerland. These led to other bank accounts from which Sole had been paid. It was discovered that shortly after the inception of this project, overseas contractors and consultants began paying enormous amounts of money to Sole through intermediaries in Switzerland. These payments coincided with these contractors/consultants seeking contracts on the water project. M.E. Sole was found guilty and sentenced to 15 years' imprisonment.

The contractors/consultants involved in the incident included those engaged on all the major phases of the water project: the building of the Katse Dam, the transfer

tunnels taking the water to South Africa, the hydropower station and so on. Prosecution of these contractors/consultants then followed in December 1999. At least a dozen (12) companies were found to have bribed the chief executive of The Lesotho Highlands Water Project and the Lesotho courts have managed to secure convictions of four companies. Of these, Acres is the first to be debarred by the World Bank.

The Attorney General of Lesotho, Lebohang Fine-Maema, took the lead in holding these parties accountable. During the proceedings, Lesotho had the assistance of South African legal and accounting expertises, the Swiss authorities and the World Bank. However, all such assistance however stopped short of financial help.

Who initiated this mechanism?
N/A

What are the objectives?

The Auditor General:
- ensures that the executive complies with the will of the legislature, as expressed through parliamentary appropriations;

- promotes efficiency and cost-effectiveness; and,

- prevents corruption through the development of financial and auditing procedures designed effectively to reduce the incidence of corruption and increase the likelihood of its detection.

How does the mechanism reach service users?
The Auditor General is responsible for auditing government income and expenditure, and for acting as a watchdog over financial integrity and the credibility of reported information. The Auditor General holds public officials accountable to the public and to the legislature for their performance and stewardship of public funds and assets.

What use is the mechanism to service users, particularly the poor?
The Office of the Auditor General plays an important role in combating corruption, preventing corruption and building integrity and raising levels of awareness. Reducing fraud and corruption in public service delivery helps to ensure that public funds are used for their intended purposes.

Evaluation of mechanism successes/ failures

Strengths
- International cooperation is required to combating bribery.

- The Lesotho case has been key in highlighting the role of the bribe giver (contractors and consultants from developed countries) in the context of construction contracts. The evidence found that Sole's first Swiss accounts were opened for him by an intermediary acting on behalf of French contractors.

Weaknesses
- The Auditor General, especially in smaller developing countries, may require additional outside help to deal with complex situations.

- Prosecutions constitute a considerable drain on Lesotho's financial resources.

- No offers of financial assistance to Lesotho were forthcoming.

Generic lessons to be learned from the case
- Auditor Generals require security of tenure, supportive regulations, rules and procedures, and independence to fulfil their tasks objectively and effectively.

- Companies and individuals who solicit and receive bribes can be prosecuted successfully.

- Corruption is clearly not just an African problem, but also exists in industrial countries.

- Those who bribe tend to join forces, making it difficult to obtain information.

- Lesotho succeeded in securing cooperation from Switzerland, which provided details of bank accounts where the illicit gains were deposited.

- The case of Lesotho demonstrates the importance of building strong institutions that can tackle corruption.

- Corruption can be combated successfully, provided the necessary will is there and the countries involved give each other the necessary support.

References

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Campo Elias Programme, Venezuela

Accountability arrangement: Campo Elias, Venezuela

What does the mechanism involve?
A World Bank programme in Campo Elias, Venezuela, which took place from April 1998 to December 1999, used participation in public policymaking to combat corruption in service delivery. Strategies for municipal reform were developed based on survey findings and group decisions. As a result of the programme, corruption has fallen in the municipality and services are delivered more efficiently.

Five key measures were used – and enacted through municipal ordinances – to increase citizen participation in government:

- A programme for citizen involvement in municipal budgets

- A Tripartite Auditing Commission

- The Office for Development and Citizen Participation, to promote citizen participation in government, to organize and disseminate information about municipal services, to respond to citizen's complaints and to serve as a focal point for anti-corruption campaigns

- Guaranteed free access to public documents

- 'Controlling Corruption' – a service that allows citizens to track municipal transactions through the Internet

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, along with primary, secondary and tertiary levels of service delivery?

The action plan placed priority on improving administrative procedures for construction, industrial and commerce permits and on finding mechanisms to improve information and make the municipal system more accountable.

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Campo Elias is a municipality in the state of Mérida, Venezuela. The municipality has 125,000 inhabitants; 89 per cent are urban-based and 11 per cent rural. About 39 per cent of the population is poor. In the past, corruption undermined the provision and maintenance of services and the quality of life in Campo Elias. Venezuela decentralized government services in 1989; however, corruption in service delivery increased due to unpredictable administrative and regulatory procedures that created incentives for corruption among local officials.

Examples of use of this mechanism
Techniques to monitor the internal workings of the municipality included public budget hearings, a computerized public works monitoring system and local workshops.

Who initiated the mechanism?
In 1997, the World Bank and several local NGOs held a workshop in Caracas, Venezuela, on the benefits of institutional reform. Thirty-five Latin American mayors participated, 20 requested Bank assistance for government reform and three signed letters of agreement to undertake reforms and participate in pilots. One of these was the mayor of Campo Elias. The programme was initiated by the World Bank Institute, local NGOs, the mayor and municipal government, and subsequently involved broader civil society.

What was the objective?

The objective of the programme was to involve people in policymaking in order to curb corruption and increase efficiency, equity and transparency.

How did the mechanism reach service users?

Participatory workshops and information campaigns were held to increase transparency and accountability. A participatory budget hearing programme and planning system, Public Audience 2000, was created. Citizens identify and prioritize their needs, co-manage municipal resources, control and evaluate the mayor's commitments, and create opportunities for participation, accountability and transparency. In addition, citizens can use computerized data systems to monitor information on municipal transactions. Finally, a Tripartite Auditing Commission – involving citizens, a representative of the municipal chamber and local officials – was created to facilitate community participation in budget hearings and to select and audit public works and social programmes.

What use is the mechanism to service users, particularly the poor?

A survey of customer perceptions was conducted in Campo Elias in June and July 1998. Enterprises and citizens were asked about the delivery of services and the integrity and credibility of municipal government. The diagnostic survey concluded that two main factors affected perceptions of corruption: first, inefficient, complex and unpredictable administrative procedures and second, a lack of public information and accountability.

After programme implementation, a second survey of customer perceptions was conducted to evaluate municipal reform in Campo Elias. This survey found that increased civil society (public) involvement in local decision-making and policymaking had improved transparency, public access to services and information, and government capacity to address municipal problems. Citizens of Campo Elias now decide how local spending is allocated – and because citizens are involved in setting priorities and determining tradeoffs, they demand efficiency.

Evaluation of mechanism successes/ failures

Successes:

- Identifying problems through a participatory survey provided momentum for curbing corruption and reforming government.

- Citizens now decide how local spending is allocated and demand efficiency and care about project performance.

- Citizens understand that putting an end to bribery frees financial resources for essential social services.

- Incentives to offer bribes for faster permit approval have been removed.

- Citizens are more satisfied with municipal services and complain less now that they understand the priorities and tradeoffs needed when working with a limited budget.

- The credibility of the mayor and municipality has greatly improved.

Generic lessons to be learned from the case

- Participatory reforms require local political will, technical capacity to execute reforms and strong partnership with civil society.

- Participatory reforms enable citizens and government to govern, use resources and provide services more effectively and so to improve the quality of life.

- Participatory reforms changed public opinion that bribes were the most effective way to get services; they also addressed people's lack of motivation to participate in the public sector.

- Simple and accessible information is vital for efficient, accountable and transparent systems at the local level.

- Excessive regulation and overly complicated administrative procedure create incentives create incentives for corruption.

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Accountability Arrangements to Combat Corruption

Citizens' Evaluation System on Administrative Services, Seoul, South Korea

Accountability arrangement: Citizens' Evaluation System on Administrative Services

What does the mechanism involve?
The Citizens' Evaluation System on Administrative Services has three components:

1. The citizens' satisfaction survey
2. Saturday date with the mayor
3. E-mail the mayor programme

The citizens' satisfaction survey, conducted by Gallop Korea, began in 1999, and includes 26 municipal services such as public transport (bus and subway), waste collection, water services, collection of taxes and fees for services and public utilities. The survey is conducted biannually and the results are distributed to department heads, elected officials and news media; they are also used in the preparation of budgets for the next financial year. The aim is to create competition between departments, and thereby raise the quality of municipal services. Monetary incentives are provided for Gus (ward level government structures)and departments to do well in the survey; department heads are on performance contracts and an annual incentive bonus is offered based on the citizens' satisfaction survey. There is a programme to develop awards for employee productivity improvements, and responsiveness-linked innovations within departments. However, questions have been raised about the reliability, validity and usefulness of these surveys.

The Saturday date with the mayor started in 2002, and there have been meetings held on issues such as housing, construction, city planning, transportation, urban services and welfare. The Saturday date with the mayor provides an opportunity for the 'grassroots' to meet city government. Any citizen can apply for a meeting with the mayor through the Internet, phone, e-mails or by visiting city hall. Two topics are discussed per meeting and these are selected on the basis of number of applications or urgency of the case; two or three citizens are invited to talk about each topic.

The e-mail the mayor programme takes advantage of information technology and the main purpose of this programme is to allow the mayor to have access to unfiltered public opinion regarding city policies and current issues. E-mails that contain plausible information regarding corruption are investigated in detail and, if verified, punitive and corrective action is taken against the offending officials.

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, along with primary, secondary and tertiary levels of service delivery?

1. The citizens' satisfaction survey includes questions on water supply, water pressure, quality of water and management; in addition, under the cleaning category, it includes questions on garbage collection.
2. The Saturday dates with the mayor have in the past been arranged to discuss waste collection, punishments for fly tippers, incinerators, water and sewerage supply, low water pressure, drainage and water reservoirs in mountains.
3. People have e-mailed querying corruption in the Gu's choice of contractor for septic tank emptying.

Historical, social and political context
political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Mayor Goh's reform of Seoul Metropolitan Government's administration was explicitly based on the new forms of public management and customer-oriented government reforms that took place in the United Kingdom, under Prime Ministers Margaret Thatcher and John Major, and in the United States, under President Ronald Reagan. Administrative and institutional reforms in Seoul involved: deregulation; incorporating the competition principle into the provision of public services; reducing the discretionary power of public officials; prevention of patron-client relationships; increased efficiency in resource use; and zero tolerance of corruption. The behaviour of service providers has been addressed through: strengthened ethical codes; ensuring greater individual responsibility; undertaking central investigations; surveillance; changes to departmental structures; and punishment for each wrong-doing. Seoul Metropolitan Government has also adopted a system of performance measurements that rate services on the basis of results achieved, while the administration has been made more transparent through 'benign ethical competition' between departments. These reforms are part of a critical policy agenda aimed at creating result-based government and increasing responsiveness to customers in the service delivery process.

Examples of this mechanism's use
In order to demonstrate greater responsiveness to citizens, Seoul Metropolitan Government linked the results of its citizens' evaluation surveys to policy formulation. For example, The Water Works Office changed its policy emphasis from service provider to service consumer. The office increased public relations activities and created more than 100 customer service standards, which in turn led to the Waterworks Customer Service Charter (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 water works'.

Commitments to customers include:
• Dispatching waterworks service teams within an hour of a civil complaint
• Providing an explanation prior to billing if water meter measurement increases two-fold
• Notifying customers in advance if water supply will be cut off

• Completing repair work on time
• Offering a level of customer service equal to that of private businesses
• Reducing the time needed to process complaints by 30 per cent
• Publicizing complaint handling procedures

The water department also operates a 'customer satisfaction assurance system' by calling citizens who have made a complaint about service operation to check whether they are satisfied with the outcome of that complaint.

These changes in the Water Works Office were initiated after the 1999 citizens' survey. Nonetheless, the satisfaction score for water dropped from 58.3 per cent for the first half of 2000 to 54.9 per cent in the second half of the year, with citizens again rating water supply as one of the worst services in Seoul.

Who initiated the mechanism?
The 1997 financial crisis in Korea was generally believed to have been caused by government waste and insolvent management in private firms. Seoul Metropolitan Government's citizens' evaluation system is in part a response to the Korean people's demand for a change to traditional public administration and for an increase in the role and voice of customers in the service delivery process. These efforts have entailed changes in personnel practices and financial management, and have redefined the role of citizens in the process of service delivery and policymaking in local government. Seoul Metropolitan Government introduced citizen participation into public administration based on the principle that citizens are the 'owners' of municipal administration and the 'customers' of administrative services. Mayor Goh Kun's introduced 'open and transparent' municipal administration to change Seoul Metropolitan Government's high-cost, low-efficiency administration to a small, but efficient government.

What are the objectives?
The goals of the Citizens' Evaluation System are to:
• Improve citizens' satisfaction in municipal administrative services by listening to the voice of customers, and by evaluating the quality of municipal services and citizen satisfaction;
• Reform of Seoul Metropolitan Government as part of a political imperative, with policies designed to fit the specific focus and objectives of anti-corruption reform;

- Prevent (rather than detect) corruption by limiting the scope for employees to exercise discretion;
- Increase transparency and information disclosure through performance evaluation; and
- Improve service delivery by creating competition between service providing agencies.

How does the mechanism reach service users?

At the city level, residents' opinions are typically canvassed through public relations, surveys, e-mails and public opinion polls. Seoul's metropolitan government has promoted its reforms by advertising, leaflets, stickers, posters, subway train adverts, guides, newspapers and broadcast media. Staff members are trained to be more organized and responsive to requests for information. However, commentators are concerned with the potential for an 'information underclass' to emerge.

What use is the mechanism to service users, particularly the poor?

Efforts have been made in Seoul to counter people's negative perceptions of public agencies and their lack of trust following the 1997 crisis, to make it easier and more convenient for citizens to deal with City Hall – for example, through internet applications and reduced form filling and visits to offices – and to bring citizens closer to government (in a carefully managed way). In Seoul, customers' views of service quality are now part of the performance assessment exercises of public officials. There has been public support for municipal reform, as well as intense pressure to produce outcomes. Greater service transparency has enhanced public expectations of change and has put greater pressure on staff. However, such consultation may be cosmetic: citizens' views can be systematically disregarded when they are in opposition to the central brief, and may only be adopted if there is strong public opposition to a particular initiative.

Evaluation of mechanism successes/ failures

Strengths
Seoul's government officials report that accountability reforms have improved the overall performance of services in terms of: the effectiveness of organizations; administrative efficiency; ease of making complaints; equity

of access to administrative services; citizen-oriented administration; and citizens' scrutiny. Other successes include:

- Government being more citizen-oriented, result-oriented, enterprising and competitive;
- Encouraging government decentralisation;
- Creating confidence and mutual respect between citizens and officials;
- Publicising the results of evaluations, which has led to improved local government accountability to citizens; and
- Significant user responsiveness, which has improved service delivery in terms of stronger guarantees of service standards, more regular opinion polls and more consumer education.

Weaknesses
Some weaknesses include:
- The Citizens' Evaluation System not being as well known in Seoul as it might be;
- Citizens being unable to diagnose problems with service delivery, and able only to evaluate the results;
- Seoul Metropolitan Government's emphasis on gathering data from citizens individually failing to build citizen solidarity or collective power, and tending to focus only on those issues raised or defined by individual citizens;
- Some people feeling that the Citizens' Evaluation System is only 'for showy purposes' or that participation is taking place 'just out of formality' rather than to effect real change in service delivery;
- Officials claiming that the average citizen does not have sufficient knowledge of service delivery upon which to base an accurate judgement. For example, if there are newspaper reports about the poor quality of water supply, then satisfaction levels drop, even if the claims are false. This has led the city's government to seek satisfaction scores from professionals who have an understanding of service delivery and are more informed about the issues involved;
- Accountability making service providers' jobs more difficult, adding formality to existing procedures and increasing workloads and work processing times;
- The sustainability of the accountability reforms implemented by Mayor Goh depending on interest being maintained in City Hall by the new mayor; and

Unable.

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Committees of Concerned Citizens, Dhaka

Accountability arrangement: Committees of Concerned Citizens

Description of anti-corruption mechanism

Transparency International Bangladesh (TIB) has created grassroots pressure groups called Committees of Concerned Citizens (CCCs) to 'promote integrity and curb corruption in public sector service delivery systems in selected sites of Bangladesh through grassroots participation of the recipients of public services'. The main objectives of the Committees of Concerned Citizens are to: curb corruption; disseminate report card findings (report cards are used to rate the performance of public services agencies according to citizen's feedback); instigate reforms; and promote integrity in public service delivery systems. CCCs are also intended to: establish 'islands of integrity' in public services; generate debate on infrastructure provision; and lobby for higher quality public services through a variety of means – citizens' meetings, newsletters, research papers, essay and cartoon competitions in schools, seminars and press campaigns.

What does the mechanism involve?

TIB has developed six Committees of Concerned Citizens throughout Bangladesh. Each CCC is located in a full parliamentary constituency with access to a range of amenities and facilities (especially communications), suitable people, existing networks of non-governmental organizations (NGOs) and professional organizations. The six locations are also a minimal distance from Dhaka.

Potential members are identified by TIB according to membership criteria and operational guidelines set out in the CCC manual. These criteria and guidelines emphasise the importance of obtaining well-respected and trusted individuals, having a broad range and diversity of individuals (25-30 per cent women) and having people who are active in the community. The number of people in a CCC ranges from five to 25. Transparency International Bangladesh has a preference for CCCs to be composed of professional people like teachers, lawyers, journalists, doctors, businessmen, social workers or retired officials.

CCCs meet about once a month, and Transparency International's national chapter (that is, TIB) covers each group's expenses over a certain period (CCCs are intended, eventually, to be self-sustaining groups). TIB also provides office space, a secretary and technical input, as well as ideas and enthusiasm.

The CCCs' activities include preparing report cards, lobbying for better local services, disseminating information to the public through newsletters, reports, research papers, seminars, press activities, awareness-raising workshops, conferences and theatre shows to make people aware of the costs of corruption. Under the 'choose the right candidate' programme, CCCs have prepared information about competing electoral candidates for voters. For example, the Mymensingh CCC published a leaflet containing the socio-political background of candidates and distributed it among the voters of Mymensingh.

What specific infrastructure services are involved?

TIB has produced report cards on:

- Corruption in primary education – the report card survey (2001)
- Publication and distribution of textbooks (2001)
- Report cards on health services (2001)

Historical, social and political context
- political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Bangladesh suffers from poor urban governance in terms of the deterioration of law and order, pervasive and endemic corruption, dysfunctional watchdog agencies and dissatisfaction with service delivery institutions. In 2003, Transparency International's Corruption Perception Index ranked Bangladesh as the most corrupt nation of all those reviewed.

CCCs are concerned with corruption in public sector service delivery. Accessing services (such as education, health, water supply, sewerage and electricity) in Bangladesh takes time and it is usually quicker for citizens to offer unofficial payments (bribes) or to use the influence of powerful intermediaries (political leaders, influential friends and mastaans – muscle men) to get access or resolve other problems in service delivery. Transparency International Bangladesh's nationwide household survey (1997) cited the main reasons for corruption in the country as: a desire 'to get rich quick' (76 per cent); 'moral degradation' (58 per cent); and 'lack of accountability' (51 per cent). The Bangladeshi Government's Public Administration Reform Committee (2000: 113) notes that 'the poor quality of some public services, namely, education, health, utilities, water and power, reflects the absence of accountability, poor value for money and a lack of effective redress of grievances for the people'.

'There is broad consensus among users that an important reason for the poor quality of services and widespread corruption is that civil servants and service providing agencies are not held accountable for the services they provide' (World Bank, 2002b: 46).

A recent study of the public sector in Bangladesh, Taming Leviathan (World Bank, 2002a), diagnosed the problems with the public service as: pervasive patron-clientism; low levels of competence; over centralization of power; limited promotion based on merit; lack of customer focus; limited channels for complaint; poor motivation; and low morale, lack of trust, lack of performance criteria and resistance to change on the part of the administration. One recommendation for enhancing accountability in the public sector is to establish mechanisms to enhance the accountability and improve responsiveness to users (through stakeholder consultation, participation in decision making and the use of performance indicators).

When asked why members had joined the CCC, one CCC member stated that 'we have realized corruption is part of our lives, every step of our lives it is a problem. We have to do it for the next generation, so it is not a problem for them'. Another said that 'in the bloody struggle in 1971 we dreamed of a free nation. The dream of freedom fighters was to see a good Bangladesh, but these things haven't materialized …that is why, under the banner of CCC, citizens have become united to materialize our goal to establish a sustainable society'.

Examples of this mechanism's use
Report cards are used by the Committees of Concerned Citizens to rate the performance of public services agencies in Bangladesh according to citizens' feedback (for example, in terms of overall availability, usage and satisfaction, levels of corruption and reasons for dissatisfaction with an urban service).

For instance, the report card on education found:

- Bribery/extortion for: (i) admission fees, (ii) examinations, (iii) sports, (iv) milad (religious rituals), (v) promotion to a higher class, (vi) books, and (vii) entertainment of education officers/ assistant education officers.

- Corruption in the inclusion in and distribution of the Food for Education Program (FEP), which is intended to increase the literacy rate by ensuring that the children of poor families are sent to school.

- Cheating among students in primary schools.

Findings of report cards are launched through press conferences and are typically given highly visible press coverage. The CCC also sends findings to the authorities concerned (including the minister, secretary, deputy commissioners of areas, district officers and *Upazilla* officer), organizes seminars and meets with the authorities concerned asking for their co-operation in the relevant areas. Furthermore,

the results of the report cards are shared with NGOs, citizen bodies, other public interest groups and citizens. Public agencies are urged to respond to the report card findings by improving services.

Who initiated this mechanism?

Transparency International, headquarters in Berlin, Germany, is a non-governmental organization (NGO) dedicated to fighting corruption around the world. The Bangladesh national chapter, Transparency International Bangladesh, has consistently brought corrupt public institutions to the public's attention and identified anti-corruption measures that could be implemented by government. Funds come from private subscriptions and grants from donors – notably Denmark, the World Bank and the United States Agency for International Development.

What are the objectives?

The specific objectives of the Committees of Concerned Citizens are to:

- Catalyze citizens into collective action to demand higher quality treatment and services and more responsive and reliable services;

- Raise awareness within the authorities of problems with public services that need attention;

- Raise awareness of the nature and extent of corruption in the relevant sector;

- Generate citizens' feedback on their degree of satisfaction with the services provided; and

- Encourage the authorities to initiate user-friendly practices and policies, internal performance measures and increased transparency in operations.

How does the mechanism reach service users?

Typically, the Committees of Concerned Citizens engage with service users by conducting the surveys for the report cards and by holding press conferences; here the CCC members present the findings of report card surveys and advocate specific measures and reforms. In addition, other strategies include meetings, newsletters, essay and cartoon competitions for school children, research papers and press campaigns.

The Bangladesh chapter of Transparency International has undertaken a series of diagnostic studies of corruption in a number of public bodies – including the Roads and Highways Department, the Customs Department, public utilities and nationalized commercial banks. The Bangladesh chapter also works with the press; for example, it helps train journalists in investigative reporting, has held discussions with editors on ways to enhance the role of the press as a watchdog on corruption and has awarded prizes to journalists for high-quality investigative journalism. It is intended that together with the Committees of Concerned Citizens, this will help drive the public debate on the need for reform and prompt the Bangladeshi government to deal with corruption in government agencies.

What use is the mechanism to service users, particularly the poor?

The Bangladesh chapter recognizes that the key to its effectiveness will be its ability to create a strong civil society coalition committed to fighting corruption. This coalition includes private research institutes, members of the press, NGOs interested in human rights, civil society organizations active at the village and district levels, and groups of professional and business organizations.

Evaluation of mechanism successes/ failures

Strengths
- Committees of Concerned Citizens have helped to place corruption more firmly on the public agenda in Bangladesh.

- The operation of a CCC is a relatively low-cost exercise with high potential returns.

- CCCs build public opinion through data collection, press campaigns and a powerful civil society coalition.

- CCCs can identify credible measures to reduce corruption.

- CCCs have established good relations with the authorities and administration.

- As a result of CCC advocacy, a number of education offices have taken initiatives to curb corruption in their offices (this was after most education officials agreed with the findings of the report card survey). CCCs, then, have begun to change the attitudes,

behaviour and organizational culture of service providers.

- TIB developed a manual on the report card survey; this was completed to train different NGO activists to conduct the report survey.

Weaknesses

Problems encountered so far with the Committees of Concerned Citizens have been:

- A number of government employees were apprehensive about co-operating with TIB and the CCCs. As a result, they did not participate in CCC activities. In other instances, it took a long time to obtain permission before meetings with government employees could be arranged.

- Public officials are not particularly responsive to negative feedback, adverse publicity or high levels of public dissatisfaction.

- Political interference.

- The limited ability of local government to develop a more participatory and transparent political culture.

- The law and order situation in Bangladesh.

- Problems in selecting suitable CCC members.

- The cynicism of the general public.

Generic lessons to be learned from the case

- Changing attitudes and behaviour takes time.

- It is important that there be a demonstrated demand from the community for a Committee of Concerned Citizens, and that it is not perceived as something fostered from outside.

- Critics question the ultimate effectiveness of CCCs and the motives of those involved.

- The choice of members is crucial. It is important to ensure that individuals are motivated principally by a desire to curb corruption.

- Prior to starting any advocacy programme, the team should be well trained and develop a detailed work plan.

- A prior discussion with the concerned authority should be arranged before releasing any report to avoid antagonising the authority.

- CCCs are said to be more suited to rural areas where community pressure on service providers can operate more effectively. However, the report card methodology is ideally suited to cities where large sample areas can be covered at small expense.

- The Bangladesh chapter of Transparency International is still a young organization and cannot yet claim any measurable success in reducing corruption. ■

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The Concerned Citizens of Abra for Good Government, Philippines

Accountability arrangement: The Concerned Citizens of Abra for Good Government

What does the mechanism involve?

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.

In 1987, the administration of President Cory Aquino implemented a development package called the Community Employment and Development Program (CEDP) under the National Development Authority (NEDA), the development arm of the Philippines Government. CEDP created small community development projects such as roads, health clinics, school buildings, the development of springs, irrigation systems and so on.

CEDP's most original feature was the involvement of non-governmental organizations (NGOs) to monitor its project implementation. One example of this feature is the Concerned Citizens of Abra for Good Government (CCAGG), an NGO watchdog based in the Province of Abra. The role of the CCAGG was to:

• monitor project implementation; and
• provide feedback to NEDA and the Department of Budget and Management (DBM).

The National Development Authority (NEDA) provided the Concerned Citizens of Abra for Good Government with training on the monitoring and listing of projects and the Department of Budget and Management

provided the total project costs and a schedule of fund releases for the project. CCAGG in turn trained the community beneficiaries in project monitoring and evaluation and made use of the mass media to inform the general public about the CEDP projects, their location and status of implementation so as to elicit their interest and participation.

This work has led to a participatory audit programme called the Enhancing Public Accountability Program (EnPAP), a partnership between the United Nations Development Program (UNDP), the Commission on Audit (COA) and the Concerned Citizens of Abra for Good Government.

What specific infrastructure services are involved?

The areas covered by the participatory audit are local government units, the Department of Public Works and Highways (DPWH) and the Department of Environment and Natural Resources (DENR). Audits are carried out on small projects such as farm-to-market roads, health clinics, school buildings, the development of springs, irrigation systems, barangay roads (a barangay is the smallest local government unit in the Philippines and is very similar to a village) and so forth.

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Ferdinand Marcos's regime (1965-1986), overthrown by The People Power Revolt of 1986, was one of the most corrupt regimes in international history. In order to combat corruption in the Philippines, the World Bank

issued a report recommending a nine-point approach:

- Reducing opportunities for corruption through policy reforms and deregulation
- Reforming campaign finance
- Increasing public oversight of government and transparency in operations
- Reforming the budget process
- Improving meritocracy in the civil service
- Targeting selected departments and agencies
- Enhancing sanctions for corrupt and illegal behaviours
- Developing partnerships with the private sector
- Supporting judicial reform

In response to the World Bank report, President Joseph Ejercito Estrada (President of the Philippines from June 30th, 1998 to January 20th, 2001) ordered the Development Academy of the Philippines to come up with an anti-corruption strategy. The strategy is targeted at five areas:

- Streamlining government transactions (through transaction re-engineering, information feed forward and public service accountability measures);
- Enforcing anti-corruption laws and policies (by enhancing the administration of justice and improving executive and legislative branch processes);
- Promoting integrity in the civil service (through vanguards of public service and integrity, improving the compensation and rewards system and integrity-building measures);
- Mobilizing citizens against corruption (by mobilizing public participation and anti-corruption enculturation); and
- Detecting corruption and prosecuting corrupt officials and employees (by policy reform, strengthening anti-corruption agencies and sustaining the anti-corruption effort).

Government anti-corruption reforms include bureaucracy-wide reforms to streamline government procedures, overhauling the procurement system, removing overlaps and redundancies, and using information and communication technology for transparency and accountability. Several management bodies have also sought to undertake punitive and preventative approaches to instil accountability.

Civil society and civil society organizations have increasingly taken anti-corruption action; for instance, Volunteers against Crime and Corruption, the Philippines Governance Forum (PGF) in partnership with the Asia Foundation (TAF), the National Institute of Policy Studies (NIPS) and the Institute of Popular Democracy (IPD). The Asian Development Bank is supporting the implementation of a report card system in metropolitan Manila. Report cards use citizen feedback to rate the performance of public-services agencies.

Examples of this mechanism's use
CCAGG have documented a number of examples of the use of the participatory audit programme. These include the following.

1. An administrative case was filed against an engineer of the Dept. of Public Works and Highways (DPWH) with CCAGG members acting as witnesses. CCAGG asked that the litigation of the case be held outside of Abra Province, away from the influence of the political backers of the accused. Politicians intervened, but the people were resolute in their decision to stamp out corruption. The accused was found guilty, but was punished lightly. The Abrenians were not satisfied with the verdict; however, this represented a moral victory. Never before had a government official in Abra been punished. Shortly after, the DPWH issued a memorandum to its Abra district office that henceforth, the CCAGG monitoring report was to become a requirement if projects were to be paid. CCAGG was also invited to sit in the Pre-qualifications, Bids and Awards Committee.

2. D&D Construction won the contract to concrete the Abra–Ilocos Sur road between San Quintin and Pidigan. The contract cost was P8, 335,107.98 (£3517.86). Start on the project was overdue, and to make up for the delay the project contractor cut corners. The CCAGG monitors reported that the sub-bases were poorly prepared, with oversized aggregates and unwashed gravel and sand being used. Honeycombs and longitudinal and transversal cracks were also found in the road. The CCAGG monitors pointed out the defects to the government's supervising engineers, but they were indifferent. The CCAGG petitioned the DPWH secretary to:

   - suspend the implementation of the concreting of the Abra–Ilocos Sur road;

- send an investigating team to verify the veracity of our complaint; and
- conduct site sampling of the concrete pavement for laboratory testing.

The core samples were subjected to laboratory tests. Of the ten core samples, 'all miserably failed', hence the contractor was ordered to 'remove and replace' a considerable stretch of the road.

3. The vigilance of the CCAGG has saved vast amounts of government resources on numerous occasions. One example is the concreting of the Abra–Kalinga road in Nagpawayan, Baay Licuan. In this case, the contractor claimed to have identified a source of gravel and sand, 51 kilometres away from the project site, at a cost of millions of pesos. However, field monitors discovered that the contractor was in fact extracting the aggregates nearby, making the hauling cost cheaper. The DPWH ordered the contractor to extend the road project using the savings realized from the item on hauling of aggregates.

4. Government engineers were constructing a river control structure on an unstable foundation. CCAGG monitors exposed the problem, and suggested a remedy to prevent the structure from collapsing, which the government engineers accepted. The measure recommended was effective and the structure still stands today.

Who initiated this mechanism?
Abra is a province in the Northern Philippines and is one of the 20 most economically depressed provinces in the country – it is characterized by poverty, lack of basic services, political unrest and corruption, which makes local governance too difficult to pursue. The Concerned Citizens of Abra for Good Government (CCAGG) is a non-profit and non-partisan organization, which is province-wide in scope. It is an offshoot of another NGO in Abra called National Citizen Movement for Free Elections (NAMFREL), which is an independent election monitoring body staffed by volunteers. CCAGG's approach is corrective. If it finds irregularities in the course of its monitoring a construction or development project, for example, a dialogue begins at the project site with the contractor's representative or with the government's supervising engineer.

What are the objectives?
The objectives of CCAGG are:
- Monitoring the performance of elected officials and their government
- Conducting projects and programmes
- Community organizing for citizenship building
- Regular and direct consultation with the people on their needs, problems and interests
- Ensuring that the peoples' interests are represented on the political agenda
- Advocacy through the mass media to popularize issues and help form public opinion

How does the mechanism reach service users?
The CCAGG reaches service users through their conducting participatory audit activities, providing training to those who will subsequently participate in the participatory audit programme, as well as through its advocacy work.

What use is the mechanism to service users, particularly the poor?
Corruption affects the poor adversely when public resources for development are wasted and when infrastructure projects are substandard and do not last their projected useful lifetimes. The monitoring activities of the CCAGG ensure that project specifications and proper equipment requirements are delivered satisfactorily. The presence of the CCAGG monitors means that contractors are more likely to ensure that quality standards are met, hence ensuring project longevity.

Evaluation of mechanism successes/ failures

Strengths
- The CCAGG's campaign has won prestigious national and international recognition from the Doña Aurora Aragon Quezon Peace Awards Foundation of the Philippines, the UNDP and Transparency International.
- The CCAGG has discovered that contractors are often local government executives (LGEs), with dummy contractors fronting for them.
- CCAGG volunteers are residents of the places where the projects are implemented, making them better at gathering the views, opinions and perceptions of the project

beneficiaries – leading to more sensitive auditing.

- The presence of a third party like CCAGG, which is known for its pro-people stance, can diffuse tension in the auditing process.

Weaknesses

- Contractors have tried to bribe or threaten the CCAGG to give their projects 'a pass mark'.
- Some local government officials believe that CCAGG is politically motivated and might use the audit results against them.
- Administrative and criminal cases have been filed against erring government officials and contractors by the CCAGG, but these cases have been hampered by the slow pace of the judicial process.
- Agency implementers have questioned the role of laymen and sometimes resent CCAGG presence at project sites.
- CCAGG was started by volunteers; however, workloads have made it necessary to raise some funds for salaries.

Generic lessons to be learned from the case

- The participation of an NGO like the CCAGG in government audit activities has demonstrated that NGOs and communities can be effective auditors, ensuring that construction and other projects are properly executed/ implemented and also to enhance transparency and accountability in Abra.

- The introduction of a civil society organization in this case revolutionized the auditing system.
- The partnership between the Commission on Audit and the CCAGG has been of mutual benefit to both the parties. It has introduced a new and more dynamic approach to government auditing.
- The reputation of the CCAGG as an advocate of transparency and accountability ensures checks and balances on construction processes, and the safeguarding the resources of the government.
- Participatory auditing programmes require the commitment of political leadership at the top and internal reformers within governments and companies.
- Participatory auditing involves a shift from a penalty-based to a prevention-based approach to combating corruption.
- NGOs as deputized auditors also present an opportunity for citizens to participate in government affairs, improving governance.

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Department of Institutional Integrity (INT), World Bank

Accountability arrangement: Department of Institutional Integrity (INT), World Bank

What does the mechanism involve?

The World Bank Group created the Department of Institutional Integrity (INT) to investigate claims of fraud and corruption – in Bank Group operations and allegations of staff misconduct in such operations – and a Sanctions Committee to adjudicate cases and assess penalties.

If the INT's findings demonstrate that a firm or individual involved in a Bank-financed contract has committed fraudulent or corrupt practices, the INT submits then its findings to the Bank's Sanctions Committee. This Committee makes recommendations to the president of the World Bank as to whether firms or individuals should be declared ineligible to be awarded future Bank-financed contracts, either indefinitely or for a defined period of time. The Bank has pioneered the use of debarments to fight corruption in the international contracting community. More than 300 companies and individuals have been sanctioned from doing business with the Bank, either temporarily or indefinitely, and their names and sanctions are posted on the Bank's external website: http://www.worldbank.org/html/opr/procure/debarr.html.

The Bank may also suspend or cancel its projects if the INT's findings demonstrate significant problems in the implementation of a particular project. The Bank may also declare 'misprocurement' in some cases, which means that the borrower of Bank funds is required to return the money spent on a particular contract affected by fraud or corruption. Finally, the Bank can take appropriate personnel actions in cases where staff members are involved in wrongdoing.

If the INT's findings indicate that a firm or individual may have violated the laws of a member government, the Bank submits its findings to the appropriate authorities of the member government for a determination of whether a criminal investigation is appropriate. Indeed, the Bank's member governments have pursued criminal charges and obtained convictions against bribe recipients and bribe payers.

The World Bank appears to be the only international financial institution (IFI; out of the International Monetary Fund (IMF), International Fund for Agricultural Development, the Asian Development Bank, the Inter-American Development Bank, the European Bank for Reconstruction and Development and the African Development Bank) that has adopted four main anti-corruption procedures:

- an independent corruption unit;
- an oversight committee;
- mandatory staff financial disclosure procedures; and
- a corruption reporting hotline.

By 30 June 2004, the INT had 321 open cases underway, and since 1999 it has investigated more than 2,000 cases of alleged fraud or corruption, such as theft, bid-rigging, bribes, kickbacks, collusion or coercion by bidders, fraud in contract performance, product substitutions, e-mail or fax scams and misuse of World Bank funds. Nonetheless, the number of serious allegations involving Bank staff represents less than 1 per cent of the total staff.

Besides investigations, INT also assists in prevention by supporting training for Bank staff

to identify ways to detect and deter fraud and corruption in Bank Group operations. INT staff includes investigators and former prosecutors, forensic accountants and procurement specialists. The unit's budget has been steadily increasing (to $10 million in the fiscal year 2004) and it has a staff of nearly 50 people (this represents a staff of more than all other multilateral development banks combined in anti-corruption activities).

The Bank is implementing a new system for minimizing the risk of corruption in World Bank-funded projects. Anti-corruption teams will be deployed in country offices to work with local government institutions, such as audit units and anti-corruption commissions, to protect Bank-supported projects and strengthen public procurement systems. Anti-corruption strategies are being developed for World Bank projects and will be published on the Internet to enable stakeholders to see what steps are being taken to ensure resources are not diverted.

The Bank is strengthening its own investigation unit with the necessary staff, skills and resources to detect fraud and to follow up on allegations of corruption in Bank-financed projects, particularly on high-risk projects.

The Bank will also expand partnerships with various groups that have a stake in improving governance. The Bank will work with rich countries to seek ways to prevent stolen cash from being moved to foreign bank accounts, and to hold private firms accountable for exporting corruption to emerging economies. The Bank is working with the heads of multilateral development banks (MDBs) on a common approach to fighting corruption and on a common strategy for 'blacklisting' firms that engage in corruption in MDB Bank projects and for sharing information on these firms. The Bank will also partner with the private sector, which experiences enormous losses when corruption is pervasive and the rule of law is not respected.

Bank investments in areas such as judicial reform, civil service reform, the media and freedom of information and decentralization of public service delivery are to be increased, and progress measured through tools like the *Doing Business* report issued annually by the International Finance Corporation and global governance indicators. In addition, the Bank

will continue to work closely with civil society to enable these groups to provide checks and balances and promote accountability in their governments.

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, along with primary, secondary and tertiary levels of service delivery?

The following types of suspected problems in contract procurement or implementation should be reported to INT by stakeholders (for example World Bank staff, or companies and individuals involved in projects) for further review:

- Bid-rigging
- Collusion or coercion by bidders
- Fraudulent bids
- Fraud in contract performance
- Fraud in an audit inquiry
- Product substitution
- Defective pricing or parts
- Cost / labour mis-charging
- Bribery and acceptance of gratuities
- Misuse of Bank Group funds
- Travel fraud
- Theft and embezzlement

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Research shows that open and transparent governments are more likely to generate economic growth – and therefore to help reduce poverty. Thus, corruption has become a major focus in the Bank's work with client countries, in its analysis of economic and social issues and in its operations and the projects it supports. The Bank has changed its approach to corruption from a discreet approach to instances of fraud and corruption in member countries, to developing a comprehensive and integrated anti-corruption strategy with a team of investigators trained to uncover fraud and corrupt practices in Bank projects. The Bank has also taken steps to control conflicts of interest and any possible corrupt practices among its own staff. In 2003, the Bank announced the strengthening of its financial disclosure obligations for senior staff. All the

Bank's senior managers are now required to provide an annual statement listing their financial interests and those of their immediate family.

The Bank provides advice to countries on how to improve public service transparency and accountability through the analytical and operational work of the Poverty Reduction and Economic Management department, the World Bank Institute, the Legal Department and the Bank's regional operations. The World Bank also has its own Office of Ethics and Business Conflict, which provides advice on internal ethical issues for staff. The Bank views corruption as both a symptom and a cause of institutional deficiencies, caused by poor economic policies, lack of competition and weak accountability of public institutions.

Examples of this mechanism's use
In the World Bank's fiscal year ending 30 June 2004, the Sanctions Committee received 23 new cases from the Integrity Department, met eight times and heard 16 cases, debarred 55 firms and 71 individuals, and issued seven letters of reprimand – four to firms and three to individuals. Nine staff members were found to have engaged in fraudulent or corrupt practices in Bank-financed projects or in relation to the Bank's own administrative budget, and were terminated and barred from rehire. Three staff members found to have engaged in other forms of misconduct (such as sexual harassment, violations of policies and procedures, and non-compliance with personal financial obligations) received other disciplinary action consistent with Bank rules and procedures.

The World Bank is the only multilateral development bank to make its sanctions public and to publish them openly on the web. Specific examples include:

• The World Bank named and debarred five individuals and six firms for collusive practices in relation to a contract to conduct maintenance and repair on the Durres Transmission Main for the Ministry of Public Works in Albania, part of the World Bank-financed Water Supply Urgent Rehabilitation Project (WSURP) in Albania. These firms and individuals will be ineligible to receive any new World Bank-financed contracts for the periods of their debarments, ranging from one to five years (World Bank Press Release, 28 May 2005).

• The Lesotho Highlands Water Project, in which US$2 million was paid in bribes by Acres International and 11 other international dam-building companies to gain contracts to build a US$8 billion hydroelectricity plant. The Bank has since debarred Arces International from bidding for contracts.

• Three individuals were convicted in the Republic of Guinea for their involvement in corrupt activities in the World Bank-financed Capacity for Service Delivery (PRCI) project in October 2003. Of the three individuals convicted, one was found guilty of corruption and sentenced to five years in prison and fined Guinean Franc (GNF) 3 million (£283.04). The other two individuals were convicted of criminal abstention (defined as 'wilfully taking no action to prevent the commission of a crime, even though it was possible to do so') and were each sentenced to three years in prison and fined GNF 1 million (£94.35) for there involvement.

• Azurix, an Enron subsidiary, denies allegations that it was awarded a contract for a World Bank water project in Ghana on a 'non-transparent basis'. It is alleged that the company paid a $5 million bribe to senior officials to secure the contract. However, in March 2000, the World Bank cancelled a $100 million loan to Ghana because of corruption concerns.

Who initiated this mechanism?
The Institutional Integrity Department and the Sanctions Committee were established following the World Bank's 1996 decision to confront 'the cancer of corruption.' The Bank has adopted a four-part strategy for tackling corruption:

• Preventing fraud and corruption within Bank-financed projects;

• Helping countries in their efforts to reduce corruption;

• Taking corruption more explicitly into account in country assistance strategies, country lending considerations, the policy dialogue, analytical work and the choice and design of projects; and

• Adding the World Bank's voice and support to international efforts to reduce corruption. A conflict resolution system for staff and protection for whistleblowers have also been established.

What are the objectives?

The ultimate goal of the Bank's strategy is to minimize the negative effects of corruption on development.

How does the mechanism reach service users?

The Department of Institutional Integrity can be contacted by mail, fax, e-mail, via its website or by a global, 24-hour toll-free fraud and corruption hotline (anonymous calls are accepted) to report allegations of staff misconduct or allegations of fraud or corruption within the Bank Group or in Bank Group-financed operations.

The World Bank produces:

- An annual report on *Investigation and Sanctions of Staff Misconduct and Fraud and Corruption in World Bank-Financed Projects*
- A World Bank corruption web page
- A list of debarred companies and individuals
- World Bank procurement guidelines
- Empirical diagnostic country surveys, learning programmes, operational research and data (The World Bank Institute of Governance and Anti-corruption)

What use is the mechanism to service users, particularly the poor?

Reducing fraud and corruption in World Bank projects helps to ensure that Bank funds are used for their intended purpose: to help alleviate poverty.

Evaluation of mechanism successes/ failures

Strengths
- The Department of Institutional Integrity (INT) is a 'watch dog' mechanism, whereby the Bank can be held to account by the people in the countries where it operates.

- The Department of Institutional Integrity (INT) also provides training, so that there will be a continual process of audit.

- The Department is part of a strategy aimed to improve member government commitment to eliminate corruption, improve public services and 'clean up' bureaucracy.

Weaknesses
- Institutions and potentially significant human and financial resources (that

is, anti-corruption commissioners and investigators, auditors, judges, public prosecutors, electoral commissioners and ombudsmen, private newspapers and civil society organizations) are also required to hold the Department of Institutional Integrity accountable and help to make it work.

- Setting up the Department of Institutional Integrity (INT) was not driven by civil society processes.

- The depth of civil society participation depends on the ability of IFIs to adopt a new, more participatory and transparent culture.

- There is an apparently strong commitment around anti-corruption issues at the World Bank, but the institution was criticized for its apparent delay in debarring the companies convicted of corruption in relation to the Lesotho case.

Generic lessons to be learned from the case
- This mechanism has great potential for replication in the activities of other International Financial Institutions.

- The Department of Institutional Integrity may act as a catalyst to improve co-ordination between the network of the IMF, the International Fund for Agricultural Development, the Asian Development Bank, the Inter-American Development Bank, the European Bank for Reconstruction and Development and the African Development Bank.

- The Department of Institutional Integrity may be of importance in addressing the public's negative perceptions of World Bank operations.

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7

Diagnostic Surveys, Uganda

Accountability arrangement: Diagnostic Surveys, Uganda

What does the mechanism involve?
The public expenditure tracking survey (PETS) and quantitative service delivery survey (QSDS) are new tools for diagnosing corruption and other problems relating to basic service provision in developing countries.

A public expenditure tracking survey (PETS) tracks the flow of resources from government to the service facility that spends the money. A sample survey is used to determine how much of the originally allocated resources reach their destination. It is then possible to quantify the leakage of funds, and locate problems in the deployment of resources, such as staff, textbooks and medicine.

The quantitative service delivery survey (QSDS) is used to examine the efficiency of public spending, incentives and other dimensions of frontline service delivery. Data is collected on inputs, outputs, quality, pricing, oversight and so forth. QSDS can be applied to government, private for profit and not-for-profit providers.

Enterprise surveys have also been used to discover the experience of the firm in the delivery of public services.

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, and primary, secondary and tertiary levels of service delivery?

In Uganda, QSDS, PETS and enterprise surveys have been used to investigate public spending on health, education, electricity connections and tax administration. For example, corruption in the supply of saline by public hospitals has been detected by comparing the price – after accounting for transport and other costs – of saline purchased by different hospitals. Another example of is that of corruption in primary school enrolment when budget allocations for primary education have increased, but with no increase in officially reported enrolment.

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Expenditure tracking surveys began in Uganda once it was realized that, while public spending on basic services had increased substantially since the late 1980s, several outcome and output indicators remained stagnant. This was despite World Bank structural adjustment programmes specifically supporting increased spending on basic services.

Examples of this mechanism's use
Respondents to Diagnostic Surveys reported many types of corruption, including embezzlement of public funds, theft of state property, bribery to shorten processing time, bribery to obtain monopoly power and bribery in procurement.

Uganda was the first country to do a PETS in 1996. The study was motivated by the observation that despite a substantial increase in public spending on education, official reports showed no increase in primary enrolment. It was hypothesized that this was because public funds were subject to capture (by local politicians and public officials) and did not reach the intended facilities (schools). To test this hypothesis, a PETS was conducted to compare budget allocations to actual spending through various tiers of government, including frontline service delivery points – primary schools (Ablo and Reinikka, 1998; Reinikka, 2001). The field survey confirmed the hypothesis that input flows suffer from serious problems that largely derive from weak governance and lack of accountability; for example, there were instances of misappropriating salary funds through 'ghost' teachers on the

payroll. Despite higher public spending, parents' contributions continued to increase in real terms over the survey period. Following publication of the first PETS findings in 1996, the Ugandan central government began publishing the monthly intergovernmental transfers of public funds in the main newspapers, broadcasting information on them on radio and requiring primary schools to post information on inflows of funds for all to see. This not only made information available to parent-teacher associations (PTAs), but also signalled to local governments that the centre had resumed its oversight function.

A QSDS-type survey conducted in Bangladesh made unannounced visits to health clinics with the intention of discovering what fraction of medical professionals were present at their assigned posts (Chaudhury and Hammer, 2003). The survey quantified the extent of this problem on a nationally representative scale and collected other information as well. Absentee rates for medical providers in general were quite high (35 per cent), and were higher for doctors (40 per cent; and 74 per cent at lower-level health facilities). Determinants of staff absenteeism include whether the medical provider lives near the health facility, has access to a road or has an electricity connection. As a result, the poor often do not receive even basic health services.

Diagnostic Surveys have also been used as part of the anti-corruption programmes in Albania, Georgia and Latvia.

In Uganda, another survey collected information on two variables related to the delivery of public services (Svensson, 2001; Reinikka and Svensson, 2001). The respondents were asked about the total costs (including informal payments to speed up the process) of getting connected to the public grid and the total cost (including informal payments to speed up the process) of acquiring a telephone line. It was found most firms acquiring a telephone line had to pay more than the official (set) price (Svensson, 2003b). On average, the additional cost was around US$130 which, given that the official price was around US$100, implies that the average firm had to pay more than twice the stated cost to acquire a telephone line. The results are similar when analyzing the cost of connecting to the public grid. Interestingly, there was no clear relationship between the excess price and the time it took for firms to get access to the services they paid for (Svensson, 2003b).

Who initiated this mechanism?

The World Bank has advised countries to gather hard data on corruption in the delivery of specific services and has designed survey instruments to collect detailed information on behaviour in some of the most dysfunctional government agencies.

What are the objectives?

Measuring corruption is thought to have a number of objectives:

- It provides data to inform policy decisions;
- It can help induce policy change by helping to establish priorities for reform;
- It educates the public about the economic and social costs of corruption;
- It establishes a baseline against which the successes and failures of reform can later be measured; and
- Diagnostic Surveys can also help identify incentives and the political economy, such as the effect of interest groups on spending outcomes.

The PETS look at the outputs and actions of service providers, and thereby provide new information to policymakers and beneficiaries on the way public budgets are transformed into services.

How does the mechanism reach service users?

World Bank experience in Uganda suggests that corruption can only be tackled effectively when reform of the political process and restructuring of the regulatory systems are complemented by a systematic effort to increase citizens' ability to monitor and challenge abuses of the system, and inform people about their rights and entitlements.

The findings of the surveys can be used in information campaigns to change the culture of secrecy about public service delivery and the functioning of government, reduce capture of public services and empower people to demand public accountability. To increase transparency and accountability, monthly transfers of public funds to districts in Uganda are now reported in the main newspapers and are broadcast on the radio.

What use is the mechanism to service users, particularly the poor?

In Uganda, the mass information campaign, which followed the Diagnostic Surveys, dramatically reduced rent seeking in public primary education. The campaign improved schools' bargaining position and their ability to claim entitlements for the funds. Poor schools, being less able to claim their entitlement from the district officials before the campaign, benefited most from the information campaign.

Evaluation of mechanism successes/ failures

Strengths

- Broad dissemination of these survey statistics can empower stakeholders, especially civil society, to continue reforms.
- The surveys demonstrate that it is possible to collect quantitative data on corruption at the level of frontline service delivery.
- Surveys make it possible to investigate the causes responsible for corruption, including leakage of funds and bribery.
- Sensitizing civil society to the corruption challenge, and mobilizing indifferent or disparate groups (Kaufmann, 1998).

Weaknesses

- For diagnostic surveys to be effective, public service providers need to keep systematic records of financial flows; for example, in Uganda schools keep good records of finances and enrolments, but this is not the case in health units and local governments (districts).
- Performing a survey alone will not reduce corruption in service delivery. After the survey data have been collected, analyzed and disseminated, the government must start introducing reforms that tackle the fundamental sources of corruption.

- Survey data may become too general to build accurate programmes upon.

Generic lessons to be learned from the case

- In-depth, empirical-diagnostic surveys provide policymakers with an understanding of the causes of corruption in their country.
- The experience in Uganda shows that a survey can provide a useful check on the supply side of service delivery, when institutions perform poorly and official statistics are lacking or of poor quality.
- Conventional mechanisms for investigating corruption, such as audit and legislative reviews, may not be adequate when institutions are weak, as is common in many developing countries.
- Surveyors need to be independent and methodologies rigorous; otherwise the results can be misleading.
- The real value of Diagnostic Surveys is in mobilizing support for reforms.
- Data collection needs to be institutionalized, so that statistics on corruption can be updated at least once a year.
- Countries that work on anti-corruption reforms should institutionalize sounder survey data and methodologies.

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8

E-procurement, South Korea

Accountability arrangement: E-procurement

Description of mechanism

The functions of the South Korean Public Procurement Service (PPS) include:

- Providing integrated information on domestic bidding (the E-procurement system is the only platform allowed to post bid information on public procurement);
- Managing the E-procurement system's bidding, contracting and payment facilities; and
- Pre-qualifying suppliers and standardizing information on products.

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 to electronic tendering and payment is processed online. Automation has simplified the bidding procedure, improved competition, avoided preferential treatment and has eliminated non-arbitrary behaviour by officials taking a 'pledge of integrity'; this, together with punitive measures for wrongdoing, has led to an open and transparent procurement process.

With the e-system, companies that want to do business with the public sector register themselves in the areas where they do business – such as information technology consulting, office furniture or construction services. When a public agency needs to purchase a good or contract a service, it fills out a request on the e-system. The system automatically sends e-mails to all the companies registered in that area, minimizing response times and providing equal opportunities for all firms.
The e-system also provides, online, all the information related to procurement operations (from demand planning, budget planning, acquisition management and logistics

management, to final disposal); it also includes the public agency's profile and the name, title, address, phone number, e-mail and fax number of the public officer in charge of the operation. The system then gives information on the results of the bidding: who participated, their economic and technical scores, their economic proposals, who won the bid and historical information on the public agency's purchases and contracts.

In South Korea, public surveys and studies rank ministries and agencies on their anti-corruption reform efforts, and awards are given to the top performers. These evaluations and awards have increased E-procurement efforts among Public Procurement Service staff.

What specific infrastructure services are involved?

E-procurement in South Korea has been used for purchasing goods and services and arranging contracts for construction projects.

Examples of this mechanism's use

The Public Procurement Service purchases goods and services, and contracts construction projects for central and local governments. It purchases goods worth more than $42,000 and contracts construction projects worth more than $2.5 million. Contracts less than these amounts are conducted independently by individual public organizations. The PPS deals with 30 per cent of Korea's public procurement.

The Public Procurement Service (PPS) operates the government-wide e-procurement system. The PPS has established standardized public e-procurement procedures, and provides important procurement information including products, prices, suppliers and customers.

Historical, social and political context

– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

The military government of South Korea (1961-1987) has been implicated in creating rent-seeking in Korean society, whereby chaebols were able to make private payments to public officials in order to influence the formulation of laws, rules and regulations. Presidents Chun Doo-Hwan (1981-1987) and Roh Tae-Woo (1988-1992) used their presidencies to accumulate huge personal wealth. Furthermore, socio-cultural practices in South Korea, such as chonji (giving money as a token of appreciation), gift giving and Kwan-Si (acquaintanceship culture), make business transactions vulnerable to corruption. This corruption, together with economic growth, is said to have led to the International Monetary Fund (IMF) crisis.

This financial crisis in 1997 acted as a catalyst to create a more effective, efficient and transparent government in South Korea. Various conditions were attached to the IMF bailout of the country, including financial austerity, trade liberalizations, as well as a package of good governance and anti-corruption measures. The Korean government established the Presidential Committee for Administrative Reform to eliminate inefficiency, abolish unnecessary administrative regulations, increase salaries for public servants, promote citizen-oriented administration and promote greater information disclosure and the greater use of information communication technologies. The World Bank provided a grant for developing a National Anti-Corruption Programme, which involved administrative reforms in six corruption-prone areas (construction, housing, tax administration, police work, environmental management, food and entertainment). In Seoul, Mayor Goh implemented reform of the Seoul Metropolitan Government on the basis of zero tolerance of corruption.

Korea's experience with its E-procurement system demonstrates the important role the internet and information technology can play in public sector reforms. In Korea, more than 70 per cent of households (about 10 million) subscribe to high-speed internet services, and in November 2002 more than 60 per cent of the country's 43 million residents used the internet on a regular basis. Almost all private suppliers have high-speed internet access.

Who initiated this mechanism?
Two champions of the introduction of E-procurement were President Kim and the administrator of the Public Procurement Service. President Kim initiated comprehensive e-government reform, vowing in his 1998 inaugural speech to have state-of-the-art systems in place by the end of his term in 2002. A Presidential E-Government Committee was created to oversee e-government reform, which involved 11 major projects: the National Pension System; Internal Tax Service; Integrated Local Administration System; National Education Information System; Financial Management Information System; Human Resource Management System; Electronic Data Interchange; e-signature System; Government-wide Information System; Government for Citizens (known as G4C); and e-procurement. Previously, the Public Procurement System had been complicated, non-transparent and corrupt.

What are the objectives?
E-procurement has been able to use the country's well-developed information and communications infrastructure to achieve a customer-driven public sector that is more transparent, efficient and accountable. The objectives are to:

- Encourage competition
- Support democratization and make government more accountable
- Increase social equity by providing access to information and technology
- Create a customer-centred procurement service
- Introduce transparent and fair systems and procedures
- Create an efficient and economical procurement service
- Establish an electronic information base including an e-commerce system
- Implement procurement administration in line with other economic policies of the government

How does the mechanism reach service users?
All domestic bid notices and results, including price data, are available online. The system allows cross-agency comparisons of procurement methods and prevents pre-arranged bidding based on corrupt relationships with potential suppliers.

The information on the internet is available to anyone, anywhere, at any time. Portals that are open to the public provide easy access to government agencies. This can help generate

feedback, foster participation in activities such as bidding for contracts and increase access to information – providing for a better-informed public.

What use is the mechanism to service users, particularly the poor?

Before e-procurement was introduced, legal and regulatory requirements resulted in complicated procurement procedures. Companies seeking government business had to scan newspapers, magazines and government gazettes to identify opportunities, then register separately with each government agency. This time-consuming and costly application process discouraged suppliers, and pre-arranged bidding was not uncommon – contributing to corruption. The introduction of the e-procurement process has meant that all stakeholders in the tendering procedure (the procurement department, suppliers, invoicing department etc.) benefit, since the process is managed more efficiently.

The e-procurement system reduces unnecessary meetings between the contracting officer and contractors and enables electronic transfer of money to make payment procedures corruption-free. E-procurement has also made procurement more competitive and increased client satisfaction. Electronic transactions create a one-stop shop for accessing the services of many agencies, reducing the time spent completing these transactions and the expense resulting from multiple layers of paperwork. These savings enable the government to get better value for its money, because money saved can be used for other purposes to provide better services. In short, the main benefit of e-procurement for citizens is that it allows the public sector to more efficiently and effectively serve its citizens' needs.

Evaluation of mechanism successes/ failures

E-procurement has a number of successes:
- There are far fewer rent-seeking opportunities for Public Procurement Service staff.
- E-procurement eliminates the incentives for staff to be corrupt or be corrupted.
- E-payment systems involve simpler documentation and enable faster payments.
- E-procurement increases competition.
- E-procurement increases managerial efficiency, achieving economies of scale in procurement and leading to significant savings.

- E-procurement has enhanced transparency and public trust – by reducing the need for contact between officials and suppliers and by sharing information between government agencies and the public.
- The e-procurement system gives government agencies and suppliers a single point of contact for registration and information.

Weaknesses
- Computer viruses and worms are a serious threat to e-procurement. In Korea, an infection already shut down the entire system – resulting in financial losses to the Public Procurement Service and associated suppliers, and raising concerns about the system's reliability.
- There is a risk that e-procurement might result in widening the societal gap in information and communications technology capacity.
- There was initial resistance by staff to change due to the belief that computerization means privatization or downsizing.
- E-procurement creates the potential for conflict between the government and unions.

Generic lessons to be learned from the case

- Information technology can facilitate public sector modernization – increasing the efficiency and quality of public services, increasing satisfaction with public sector performance, empowering the public, and putting the government at the service of the people.
- Publishing government transactions online and providing easy access to them reduces opportunities for the discretionary use of public funds, increases the impartiality and integrity of such operations, reduces opportunities for corruption and increases the accountability of public officials.
- The feasibility of e-procurement requires a certain level of information and communications infrastructure.
- E-procurement can improve public sector management through better oversight of and co-ordination among agencies.
- E-procurement requires a cultural switch within departments, from an approach based on procedures and regulations to one more oriented toward transparency, accountability and outcomes.

- Encryption technology and digital certification are required to ensure secure transactions and protect online information.
- There is a need to review legal, administrative and even cultural differences in procurement processes between national and local governments and state-owned enterprises, and made necessary changes.
- President Kim consistently demonstrated strong interest in and commitment to building a strong information and communications infrastructure and advancing e-government.
- E-procurement reform is much more likely to be sustainable if it is introduced as part of nationwide e-government reforms, rather than as an isolated change. In Korea, e-procurement was among the 11 e-government reforms, increasing acceptance among the staff of the Public Procurement Service.

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Equity of Distribution Indicator, WaterAid

Accountability arrangement: WaterAid: Equity of Distribution Indicator

What does the mechanism involve?

The Equity of Distribution Indicator involves a survey of water points and their condition, together with their GPS (Global Positioning System) positions. These data are then translated into maps to produce a GIS (Geographical Information System) water database. Combining this with census statistics of population distribution then allows calculations of the number of water points per 1000 of the population, to give the improved community water point (ICWP) density. Variations in ICWP densities of different areas reveal the equity of distribution of the water points. The information is displayed via digital maps. The Equity of Distribution Indicator provides a way of measuring the difference in access to water services between poor and non-poor areas (for example, over a whole district). The strongest feature of the water point maps is that the distraction of water points within the district can be clearly visualized and inequalities easily spotted.

Steps for use of the Equity of Distribution Indicator are:

(i) Carrying out a water point survey using a global positioning system (GPS), noting location and condition of improved community water points and including information on the age and provider of each water point.

(ii) Translation of GPS data into maps.

(iii) Calculation of the Improved Community Water Point (ICWP) density, as the number of water points per 1000 people in the different areas of population. The location of water points is recorded using global positioning system technologies, and information on population distribution can be obtained from the National Statistics Office.

(iv) A GPS/GIS (Geographical Information System) database is created to record the number and location of water points.

(v) Calculation of the deviation between ICWP densities within a given area: this involves calculating the mean density of the enumeration areas (the sum of the ICWP densities divided by the number of enumeration areas) and then calculating the deviation within the area studied (the sum of the differences of enumeration area densities from the mean density, divided by the number of enumeration areas in the area studied).

(vi) The resulting figure gives the equity of distribution in the given area. The higher the Equity of Distribution Indicator (EDI), the smaller the degree of equity in the allocation of improved water between enumeration areas.

The Equity of Distribution Indicator (EDI) could be regarded as a reflection on the quality of management and control in the water sector. If the equity of distribution figure is low, this indicates that the capacity of the body undertaking the co-ordination process is high and that any money invested is likely to be allocated in a fair manner. Investments can then be targeted at the areas with the lowest densities. WaterAid developed the Equity of Distribution Indicator to assess how resources were distributed within the rural parts of the Salima district in Malawi; the indicator was also tested in Uganda and Zambia.

What specific infrastructure services are involved?

The EDI has been used to assess water supply.

Who initiated this mechanism?

Water Point Mapping (WPM) is an initiative that comes under the banner of 'Citizens' Action for Water and Sanitation' in six of WaterAid's country programmes: Bangladesh, Ethiopia, Ghana, India, Nepal and Uganda. The major

change objective of Citizens' Action for Water and Sanitation is that citizens should be able to engage in dialogue with service providers and government. This is so that these agencies are made accountable for the services that they are responsible for providing and/or for putting into place the legislation or policies necessary to support such service provision. The overall policy objectives are:

- To improve local government sector capacity and accountability
- To help service providers to become more accountable to the poor
- To help sector planning become accountable and participative
- To encourage greater scrutiny and accountability by parliament

Historical, social and political context

Water Point Mapping is intended to address inequities in access resulting from the political nature of resource allocation and the failures of targeting. Where decision-making on where and how to allocate resources is not transparent, it often leads to unequal outcomes. For example, past political affiliations tended to determine the provision of water points to local communities in Malawi; in addition, areas that are already well serviced receive more resources, while areas that are unserved remain that way. Mapping water points is intended to make investments in the water sector transparent. The lack of information on access to water points means it is hard to gauge where budgets are being spent.

What are the objectives?

The main objective of the tool is to provide a basis for a more equitable, efficient, accountable and transparent allocation of resources for water point construction and rehabilitation at district and sub-district level. Other objectives of water point mapping are to:

- Eradicate corruption and waste in planning, funding and reporting systems;
- Verify water supply coverage, access and equity in rural and urban contexts;
- Monitor the effectiveness of investments in service delivery;
- Improve the availability, depth and quality of data throughout the sector;
- Enable strategic planning and advocacy at national and local government levels; and
- Assist WaterAid in making more efficient and effective investments.

Examples of this mechanism's use

The mapping process started with Improved Community Water Points (ICWPs) in Salima district in Malawi in May 2002 and was subsequently replicated other districts of Malawi in 2005. The data from water point mapping in Salima district showed that the investments in new water points between 1998 and 2002 continued to be disproportionately channelled to those already served, at the expense of the unserved population, thereby widening inequity in distribution. In addition to water point mapping in rural areas, WaterAid Malawi has also started the process of mapping water vending kiosks in peri-urban areas around Lilongwe since 2004.

What use is the mechanism to service users, particularly the poor?

The lack of information available on water services means it is hard to gauge exactly where water budgets are being spent. This greatly hinders the prioritization of these basic services and hence equity in access. Greater information is a step towards ensuring that poor people and disadvantaged groups have access to water services.

How does the mechanism reach service users?

The immediate target group of water point mapping is the technical arm of district-level government. Ultimately, the expectation is that local politicians, civil society organizations and citizens will use the information to demand better services, expose inequity and tackle the vested interests which prevent money from being used for unserved and underserved populations.

Evaluation of mechanism success/failures

Strengths

- Water Point Mapping (WPM) is a credible and powerful tool for tracking the distribution and functionality of water supply infrastructure across a district. It can be used to compare village applications for water points with the existence of water points in given areas.
- WPM is based on socio-economic and technical information.
- WPM enables WaterAid to verify the effectiveness and efficiency of its own investments at the district level.

- The information displayed through water point mapping makes complex information more accessible and has the potential to open up policy debates (for example, on water point sustainability, reasons for non-functionality etc.).
- WPM can play a role in supporting decentralization processes by helping to create downward accountabilities between district officials and water users.
- WPM is gaining importance as a means to measure progress towards the Millennium Development Goals.

Weaknesses
- Water Point Mapping has not been incorporated into wider governmental planning and monitoring processes.
- The capacity of district personnel to use GIS-related technology (and to handle the resulting data) often needs building.
- There needs to be a stronger link between those conducting the process of mapping (survey, analysis and feedback) and the future users of the information.
- The lack of systematic mapping is a major bottleneck.
- The influence of WPM on the policy processes often depends on the progress of wider sector reform and decentralization processes.

Generic lessons to be learned from the case
- WPM has had an impact on the allocation of water points within and between districts in Malawi. But, so far, it has only had a marginal impact on nation-wide planning and monitoring processes with regard to water supply.
- Continued success depends on institutionalizing water point mapping within governmental planning and monitoring systems.
- Government backing and ownership is necessary for the success of the water point mapping tool.

The discrepancy between the potential and actual use of water point mapping information has been explained by a number of constraints that arise in relation to:
- the political context;
- the evidence base; and
- the links between the providers and users of water point mapping.

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PROOF (financial disclosure), Bangalore, India

Accountability arrangement: PROOF (financial disclosure), Bangalore, India

What does the mechanism involve?

PROOF (Public Record of Operations and Finance) is a public campaign launched in 2002, in Bangalore, India. The PROOF campaign aims to institute systems to ensure quarterly financial disclosure by the city's municipal corporation – Bangalore Mahanagara Palike (BMP) – and ensure that citizens participate in the process of evaluation of local government performance. The first financial report provided by Bangalore's municipal corporation was discussed at a public debate in August 2002. Since then, the municipal corporation has regularly and consistently shared quarterly reports with the general public.

What specific infrastructure services are involved?

For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings and primary, secondary and tertiary levels of service delivery?

Performance indicators have been created through the PROOF campaign and through discussions between the BMP and various other stakeholders; this is to enable further evaluation of local government performance, for example, for roadwork.

Historical, social and political context

– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

India has an active media and civil society, and has developed a number of important anti-corruption mechanisms. For example, public interest litigation emerged in India in the late 1970s and early 1980s as an innovation to

the Indian judicial system that aimed to make the judiciary more accessible to the poor and disadvantaged. Furthermore, Mazdoor Kissan Shakti Sangathan (MKSS) in Rajhasthan has developed the Right to Information law, empowering poor communities by combating corruption in famine relief and rural development works. Transparency International India and Lok Sevak Sangh are also involved, promoting moral and ethical education in Delhi schools and consulting with central government departments in Delhi to prepare a Citizens' Charter for government services.

Examples of this mechanism's use

The BMP provides its quarterly financial data to PROOF, which is then discussed in a public forum. With the data available, analysis workshops at various resident welfare associations, colleges and so on are organized where citizens participate in large numbers and raise queries. These queries are then handed over to the BMP and are addressed by the BMP officials.

Who initiated this mechanism?

PROOF is a collective campaign. The partnering organizations are the Centre for Budget and Policy Studies (budget analyses), the Public Affairs Centre (citizens' feedback mechanisms), Janaagraha (community mobilization) and Voices (community communications).

What are the objectives?

The vision of PROOF is: 'To build a better quality of life through planned and sustainable growth of the city, by active citizens' participation in governance'.

Other objectives of PROOF are to:
• Create the basis for performance measurement;
• Simplify engagement between BMP's elected representatives and the electorate;

- Improve the accountability of state government, and
- Improve the performance of BMP employees.

How does the mechanism reach service users?

The communication tools of the PROOF campaign include: community newsletters/publications, street theatre, radio, audio narrow-casting (the dissemination of information to a select audience), debates/discussions, workshops and seminars, community fairs/cultural events, the web and possibly television. PROOF has also organized training sessions on 'How to read government financial statements' (available in both Kannada and in English). The tools are bilingual and aimed at a variety of people including software professionals, lawyers, journalists, college students, senior citizens, members of various residents' associations, people from theatre, entrepreneurs, teachers and social workers from slum development projects.

What use is the mechanism to service users, particularly the poor?

PROOF is aimed at helping people develop confidence in their government through the regular analysis of government-released accounts. Under the PROOF campaign, training sessions are also conducted regularly to enable members of the public to read, understand and debate the financial statements released by the Bangalore corporation; the campaign also uses the media to create opportunities for public awareness and debate. This helps ordinary citizens to interact with the Bangalore municipal corporation on financial issues and participate effectively in public debates. PROOF pays particular attention to 'including the excluded' and focuses on specific community groups like people with disabilities, women, senior citizens, the homeless, the urban poor etc.

Evaluation of mechanism successes/failures

Strengths
- PROOF simplifies the process of understanding how government functions.
- The mechanism influences the BMP in a way that could result in increased efficiency.
- PROOF also improves the responsiveness and accountability of the BMP.
- Finally it provides a powerful opportunity for government and citizens to join hands and strengthen governance collectively.

Weaknesses
- The mass media has a tendency to exclude grassroot voices.
- The campaign depends on democratization of the media.

Generic lessons to be learned from the case
- Disclosure of accurate and timely information is a necessary condition for good governance.
- Radio was decided upon as one of the prime media to begin the process of dissemination for the PROOF campaign.
- Bangalore's municipal corporation was willing to supply quarterly financial performance figures in a user-friendly format.

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BMP http://www.blrbmp.com/

Accountability Arrangements to Combat Corruption

Independent Commission Against Corruption (ICAC), Hong Kong

Accountability arrangement: Independent Commission Against Corruption (ICAC), Hong Kong

What does the mechanism involve?
The Independent Commission Against Corruption (ICAC) has a staff of 1,300, 800 of whom work in an operations department investigating suspected corruption (from time to time its staff engage in undercover activities). The Corruption Prevention Department evaluates where various agencies are vulnerable to corruption and it has helped agencies take remedial measures – together with management experts, systems analysts, computer experts, accountants, lawyers, engineers and architects. The Community Relations Department educates the public and fosters support for the ICAC.

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings and primary, secondary and tertiary levels of service delivery?

The ICAC investigates a range of infrastructure-related corruption such as in airports and the provision of housing.

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

As far back as 1897, Hong Kong had laws against corruption and bribery. In the late 1940s, non-civil service members of the colonial government's inner cabinet voiced the need for more vigorous efforts to reduce corruption. As a result, the Prevention of Corruption Ordinance was passed in 1948 and four years later, the police force's Anti-Corruption Branch was set up. Notwithstanding these attempts to reduce corruption, the essential problem remained unchecked: there was a general perception that paying bribes to get things fixed quickly was a fact of life and most people were forced to pay bribes to survive. Efforts to control corruption in the police department in the 1970s led to modernization of service delivery and empowerment of citizens in local government (police had been involved in: taking bribes from drug traffickers, gamblers and prostitutes to 'look the other way'; 'fixing' traffic violations for immediate bribes; and extorting money from tea shops and street vendors).

Examples of this mechanism's use
The ICAC has prosecuted officials from the departments of fire, housing, immigration, labour, marine, medical and health, new territories administration, the post offices, prisons, public works, transport and urban services. Two high profile cases are discussed below:

The airport railway station construction bribery case: Twelve people received jail sentences for defrauding the developer and the contractor in relation to foundation works at the Airport Railway Hong Kong Station, northern site project. A sub-contractor and a site supervisor were also found guilty of offering bribes through a middleman, to a former inspector of works for covering up substandard piling works. The middleman was jailed for 12 months. The judge told the defendants that they had placed not only the building structure of the project and those using it in jeopardy, but also Hong Kong's reputation.

Public housing: In 1953, a fire broke out at the Shek Kip Mei squatter area and left more than 50,000 people homeless; this created the need for a massive housing project to resettle the displaced squatters. In 1982, the ICAC received information that there were structural defects in some blocks of the Kwai Fong Estate, built in 1971 – the concrete was under strength, caused by insufficient cement being mixed into the concrete. In 1985, the housing department announced that the strength of the concrete in a number of housing blocks – all built between 1964 and 1973 – were sub-standard. The investigation revealed that sub-standard building materials had been used, so that contractors could make a profit. Contractors also adopted 'sub-contracting' and substantial bribes had been paid to site supervisory staff in return for their turning a blind eye to sub-standard work. Apart from corruption, certain government officers had wilfully neglected their site supervision duties or abused their powers during the construction of public housing estates between 1964 and 1973. Two contractors were found guilty and were sentenced to three months' imprisonment and fined.

Who initiated this mechanism?

Corruption used to be endemic in Hong Kong. However, two high profile cases in the 1970s involving senior police officers changed the public's response to corruption. The public outrage at this time led the governor to set up a Commission of Inquiry, which found much 'syndicated corruption' or institutionalised corruption, especially in the police. As a result, the Independent Commission Against Corruption (ICAC) was established in 1974, independent of all government departments including the police.

What are the objectives?

The ICAC aims to:
- Pursue corrupt individuals through effective detection, investigation and prosecution;
- Eliminate opportunities for corruption by introducing corruption-resistant practices; and
- Educate the public on the evils of corruption and foster their support in fighting corruption.

How does the mechanism reach service users?

The ICAC use a variety of ways to reach and to form an enduring partnership with citizens. For example, the Community Relations Department set up local offices in corruption-plagued neighbourhoods to gather information about corruption from civil society. These offices have proved to be a useful alternative to the main reporting centre at the ICAC headquarters, as complainants are less worried about being seen going to an ICAC office.

Use is made of the mass media, which has been used to: appeal to the public to report corruption; warn that corrupt practices are likely to be discovered and that dire consequences will follow; and to plead for honest dealings for the benefit of society. The Community Relations Department has also created education packages (for the business sector, schools and tertiary institutes and government servants), publicity campaigns, filmstrips, television commercials, TV dramas, animation series, a radio call-in show, special pamphlets and exhibitions. An Ethics Development Centre, established under the auspices of the ICAC and with the support of leading chambers of commerce in the territory, was set up in 1995 to promote ethics and anti-corruption training on a long-term basis.

What use is the mechanism to service users, particularly the poor?

ICAC benefits service users by detecting, investigating and prosecuting corruption, and by educating the public on the evils of corruption and fostering their support in fighting corruption. Reducing fraud and corruption in Hong Kong helps to ensure that public funds are used for their intended purposes and to help alleviate poverty.

Evaluation of mechanism successes/ failures

Strengths:
- The Commission's independence, and the Commissioner's authority to appoint and manage, and to dismiss staff without explanation;
- The Commission's success depends to a great extent on political will and the existence of proper legislation against corruption that is properly enforced; and

- The Commission has created greater public awareness about the extent of corruption and has generated publicity for prosecutions for corruption.

Weaknesses:

- There is still a risk in reporting corruption leading to a general preference for anonymous complaints;
- Lodging a complaint is perceived to be a difficult and complicated thing;
- There are questions over the cost effectiveness of preventing corruption; and
- The value of developing Corporate Codes of Conduct for the private sector is being debated.

Generic lessons to be learned from the case

- Anti-corruption bodies require:
  - strong political will;
  - a strong framework of laws;
  - independence;
  - significant financing;
  - direct citizen oversight; and
  - considerable legal powers.
- It is important in fighting systematic corruption to 'fry the big fish' – that is, to prosecute and punish high-level perpetrators.
- Anti-corruption strategies should cover investigation, prevention and education, and active community involvement.
- It is possible to change a culture of cynicism and tolerance of corruption.

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Integrity Pacts, Seoul, South Korea

Accountability arrangement: Integrity Pacts

What does the mechanism involve?

An 'Integrity Pact' is a tool developed by Transparency International (TI) during the 1990s. It is essentially an enforceable agreement made between public officials and bidders or providers of goods and services to behave with integrity in relation to their obligations under a project.

An Integrity Pact contains important mutual commitments made by public officials in charge of a procurement and bidders for construction works or providers of goods and services. Such commitments include the following:

• A formal and voluntary commitment by the bidders: not to bribe or collude; to provide full disclosure of all payments; and to report any violations by other bidders during the bidding and during contract execution.
• A corresponding commitment by government officials not to demand or accept any bribes, and to prevent the extortion and acceptance of bribes by other officials.
• A commitment by both parties to guarantee: full transparency of the documents; public disclosure of the award, the major elements of the evaluation and reasons for selecting the successful bidder; and resolution of any conflict by national arbitration.
• Heavy sanctions by the government office in question against any official or bidder violating the non-bribery commitment. Sanctions include restrictions of qualification to bid for public contracts, termination of contracts or litigation.

What specific infrastructure services are involved?

The integrity pact has been used for a variety of infrastructure services. For example, in South Korea, the integrity pact has been applied to projects scheduled by the Head Office of Seoul Metropolitan Government (SMG), three project offices (the Office of Waterworks, the Office of Infrastructure Management and the Office of Subway Construction) and to projects scheduled by the Office of Park Management from the latter half of 2000. For example, integrity pacts have been used regarding private sector involvement in water meter reading, contractors for waste collection and the operation and maintenance of a sewerage treatment plant.

Historical, social and political context

– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Adoption of the integrity pact has in part been due to the international trend of adopting anti-corruption measures to ensure transparency in the business sector, for instance, the WTO and the ratification of the Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Officials in International Business Transactions, as well as the use of integrity pacts by companies and nations in Europe.

Examples of this mechanism's use

Integrity pacts have been used in a variety of contexts – in Ecuador, Panama, Argentina, Germany, Columbia, Nepal and Pakistan. For example, the use of an integrity pact by the Karachi Water and Sewerage Board resulted in savings of the order of Rs.187 million (US$3.1 million) for the Karachi Water and Sewerage Board (KW&SB).

In Korea, integrity pacts are used to safeguard public procurement, privatization and government license or concessions. There are five integrity pact ombudsmen who review, inspect and monitor:
- documents related to the project proposal;
- the validity of project selection;
- the bidding;
- the contract; and construction inspection.

For example, integrity pact ombudsmen have been involved in:
- The bid monitoring of the fixed construction of water supply pipes in the Dae-hyun mountain (610 million won or £339, 895).
- The construction of an ecological pond park in the western district of Han river along with physical training centre (2,871 million won or £1, 599, 738)
- The repair construction of Chun-ho bridge (30,495 million won or £16, 971, 935)
- The construction of the exhibition room of the municipal museum (30,057 million won or £16, 747, 938).
- Construction of the sewage disposal plant in Kayang and Nanjido (1,157 million won or £644, 687).

Who initiated this mechanism?
The integrity pact system in Korea was implemented in 2000 through a public-private partnership system between Seoul Metropolitan Government and NGOs, in particular with the People's Solidarity for Participatory Democracy (PSPD), one of the largest and most active civil organizations in Korea. Integrity pacts have since been adopted by local government offices and organizations throughout South Korea.

What are the objectives?
The primary objective of the integrity pact is to eradicate corruption in the bidding process in construction and procurement. Other objectives of integrity pacts are to:
- reduce corrupt practices in contractual processes in the public sector;
- make public administration procedures transparent;
- root out corruption in all public sector contracts, which often lead to faulty construction and waste of government budgets; and
- alleviate heavy cost burdens borne by businesses having to offer bribes.

How does the mechanism reach service users?
In South Korea, a crucial factor in the success of an integrity pact is the monitoring of the bid evaluation and award process by civil society. Information on the bidding is made highly transparent by publicizing it on the internet (in the OPEN system – Online Procedures Enhancement for Civil Applications). Integrity pacts are also monitored by five ombudsmen, who have powers to investigate suspected cases of corruption in bidding, selection of contractors and construction. If citizens suspect illegal or unfair procedures, they can make a request for an inspection by the ombudsmen, provided that they have a petition of signatures from 200 resident. The ombudsmen will then conduct an independent investigation on the matter.

What use is the mechanism to service users, particularly the poor?
Integrity pacts result in fairer and more transparent short-listing and bid evaluation processes, which are intended to raise confidence in the public procurement process. This should improve the quality of bids, reduce costs and improve the standard of construction. The savings that result from the integrity pact can then be allocated to other sectors such as education, health and other vital public services.

Evaluation of mechanism successes/failures

Strengths
- The fact that client, consultant and contractor are prepared to sign an integrity pact is likely to improve transparency and reduce levels of corruption throughout the project.

Weaknesses
- One problem is that very few companies are prepared to act unilaterally with integrity in a market where corruption is widely known to have taken hold.
- Integrity pacts require a great deal of preparatory work, such as awareness raising, as well as the process of preparing acceptably worded documentation.
- No distinction is made in integrity pacts between relatively minor infringements and more significant ones.

Generic lessons to be learned from the case

- Integrity pacts have been used in over 14 countries; they are essentially enforceable agreements between parties to behave with integrity in relation to their obligations under a project.
- A legal framework is important to ensure the effectiveness of the integrity pact.
- It is important to guarantee equal standing of all parties signing the pact.
- Trust between the companies and the government is important for the successful implementation of the integrity pact.
- Specific safeguards should be introduced in integrity pacts to prevent malicious allegations of malpractice being levelled against another party.

- Integrity Pacts have been donor driven, and are directed at those countries where there is known to be a genuine political interest at the highest level in tackling corruption.
- Alongside integrity pacts, it is important to develop an internal training programme and monitoring in support of a clearly defined ethical policy.
- Integrity pacts could close some of the loopholes that exist in current procurement processes.

■

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News Scan Database, Bangladesh

Accountability arrangement: News Scans, Bangladesh

What does the mechanism involve?
In Bangladesh, a number of stories concerning corruption are published in the newspapers. There are around 1,535 publications in the country: 344 dailies, 651 weeklies, 171 fortnightlies, 316 monthlies, 42 quarterlies, three bi-annuals, and eight annuals. A great number of Bangladeshi people read these newspapers. A number of papers are also pasted on public notice boards so that those who can't afford to buy papers can also read them.

Transparency International Bangladesh (TIB) developed the 'News Scan Database' in 2000, a database of corruption stories taken from newspaper archives. This tool is intended not only to measure the nature and extent of corruption in Bangladesh, but also to encourage the media to further investigate and report instances of corruption.

The main aspects of the News Scan are:
- Selection of newspapers: newspapers selected include Bengali and English dailies together with national and local dailies. Careful consideration is given in selecting dailies in terms of their publication network and news coverage.
- Selection of corruption stories: the selected newspapers are scrutinized to identify corruption cases consistent with TIB's definition of corruption. TIB definition's of corruption includes: bribery, misuse of resources, abuse of power, negligence to provide services, embezzlement, extortion, fraud, nepotism, abuse of influence, asset stripping and procurement irregularities.
- Data capture: the information from each cutting is entered into the Data Capture Form (DCF), which includes the name of the newspaper, the publication date and reporter's name, types of corruption, name of the organization, geographical location, type and level of actor(s) involved, types of transactions, victim and effects of the corruption, amount of loss incurred by government/citizen, time of occurrence, action taken and by whom.
- Data entry: information collected on the DCF is then transferred to the SPSS (Statistical Package for Social Science) computer program.
- Analysis and report generation: the data is then analysed using the SPSS program.

Every six months, TIB releases a report of its findings. The reports: rank sectors according to the number of reports of corruption; provide more detailed information on kinds of corruption (abuse of power, bribery, embezzlement, extortion, fraud, influence peddling, misuse of resources, nepotism, and refusal to provide services); analyse who is corrupt (for instance, elected officials, public sector workers, officials working in autonomous organizations, NGO employees and other officials working in the private sector); estimate the financial loss incurred by government due to corruption; describe the action taken against the reported cases; and assess the causes of corruption.

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, and primary, secondary and tertiary levels of service delivery?

The News Scan covers irregularities in 38 sectors, departments or directorates. These areas are selected based on news coverage.

The study areas include:
- Bangladesh Railway, and Roads and Highways
- Water resources: the Water Ministry, irrigation projects, the Water Development Board
- Local government: WASA (Dhaka Water and Sewerage Authority), the Local Government

Engineering Department, the Development Authority and the Local Government Ministry
- Law enforcement
- Public works and housing
- Land administration
- DESA (the electric supply authority)

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Bangladesh is one of the least developed countries in the world: Bangladesh suffers from over-population, poverty, malnutrition, illiteracy and lack of resources. Several reports from donors and international organizations on Bangladesh revealed that the country is one of the most corrupt in the world. Berlin-based Transparency International (TI) ranks it as the most corrupt country (TI Corruption Perception Index 2004). Bangladesh suffers from poor urban governance in terms of the deterioration of law and order, dysfunctional watchdog agencies and dissatisfaction with service delivery institutions. Transparency International Bangladesh's Nationwide Household survey (1997) cited the main reasons for corruption in the country as a desire 'to get rich quick' (76 per cent), 'moral degradation' (58 per cent) and 'lack of accountability' (51 per cent).

Accessing services (such as education, health, water supply, sewerage and electricity) takes time and it is usually quicker to offer unofficial payments (bribes), or to use the influence of powerful intermediaries (political leaders, influential friends and *mastaans* – muscle men) to get access or resolve any other problems in service delivery. The Bangladeshi Government's Public Administration Reform Committee (2000: 113) notes that 'the poor quality of some public services, namely, education, health, utilities, water and power, reflects the absence of accountability, poor value for money and a lack of effective redress of grievance for the people'.

'There is broad consensus among users that an important reason for the poor quality of services and widespread corruption is that civil servants and service providing agencies are not held accountable for the services they provide' (World Bank, 2002b: 46).

A recent study of the public sector in Bangladesh, *Taming Leviathan* (World Bank, 2002), diagnosed the problems with the public service as pervasive patron-clientism, low levels of competence, over centralization of power, limited promotion based on merit, lack of customer focus, limited channels for complaint, poor motivation and low morale, lack of trust, lack of performance criteria and resistance by the administration to change. One recommendation for enhancing accountability in the public sector is to establish mechanisms to enhance the accountability and improve responsiveness to users (through stakeholder consultation, participation in decision-making and the use of performance indicators).

Examples of this mechanism's use
Examples of corruption are:
- Officials in Roads and Highways were accused of misappropriating money in the tender process for construction works. There were reported cases on issuing illegal licenses, fitness certificates or route permits in exchange for bribes.
- In the Power Service Sector, officials and engineers were accused of involvement in various irregularities like taking bribes from the public in order to reduce bills or make unauthorized and illegal connections.
- There have also been reported cases of embezzlement and abuse of power in the Water Development Board (WDB), where officials have by-passed the tender process and selected constructors on the basis of bribes. Project directors, engineers and other officials have also been accused of misappropriating public funds in various construction projects.

Who initiated this mechanism?
Transparency International (TI) is a worldwide non-profit organization dedicated to improving governance by addressing issues such as corruption, transparency and accountability. In 1996, a group of concerned citizens decided to organize a chapter of Transparency International in Bangladesh (TIB). TIB's activities include a monitoring corruption in Bangladesh, the organization of workshops to mobilize civil society, briefing papers on some specific institutions, forming Committees of Concerned Citizens (CCCs), implementing report cards on public service delivery systems (report cards use citizen feedback to rate the performance of public-services agencies), producing Facts Finding Exercise (FFE) reports on some government watchdog agencies and so on. TIB developed the News Scan with initial funding from USAID.

What are the objectives?
The News Scan database can play a role as a tool in raising awareness, encouraging investigative journalism and (to a lesser extent) monitoring public institutions. The specific objectives of the mechanism are:

- To determine the efficiency/inefficiency of different government institutions
- To measure the level of performance of government officials
- To measure corruption
- To identify the effects and victims of corruption
- To measure the monetary losses of the government and citizens as a direct result of corruption
- To encourage newspapers to play a critical role in fighting corruption
- To raise awareness of corruption amongst the general public and concerned groups
- To draw the attention of policymakers to issues of governance
- To enable TIB to play an effective role in curbing corruption and improving transparency and accountability in the public service delivery sector

How does the mechanism reach service users?

Every six months TIB releases a report of its findings from the 'News Scan Database'.

What use is the mechanism to service users, particularly the poor?

It was observed that people often do not remember the number and variety of stories published about corruption in the newspapers. It is intended that the News Scan Database will create public awareness about the extent and depth of corruption in Bangladeshi society by compiling and analyzing different news stories about corruption over a period of time. It is hoped that an increased awareness will mean that when faced with corruption people will:

- not to pay bribes;
- inform the concerned authority of the irregularities of officials/employees; and
- protest against corrupt officials/employees.

Evaluation of mechanism successes/ failures

Success

- The News Scan is a mechanism to get corruption on the public agenda.
- Transparency International Bangladesh also encourages investigative journalism on issues of corruption.
- Increased awareness of corruption potentially acts as a check to officials in public office.

Failures

- Government employees (typically those most often identified as being the most corrupt) have criticized the findings of the tool.
- The success of the tool depends on the Bangladeshi media remaining relatively free.
- The reach of the tool depends on literacy and so is potentially skewed towards the literate and middle-income groups.

Generic lessons to be learned from the case

- According to a World Bank report, corruption is thought to be minimal in countries that have free access to information.
- The media is a useful tool for curbing and raising awareness on corruption, to encourage people to stop corrupt practices, to create transparency and to hold people to account.
- Controlling corruption, therefore, requires a free press that has the resources to investigate rumours and other evidence of corruption.
- In the context of many developing economies, it may take many years to develop the press pluralism, capacity and freedom necessary to act as a tool for controlling corruption.
- Investigative reporting requires training and resources that few newspapers and magazines can afford.
- The media can also be used to gain visibility for anti-corruption coalitions.
- Access to information is needed for a healthy democracy and freedom of the press facilitates the democratic process.

■

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Right to Information, India

Accountability arrangement: Right to Information

Description of anti-corruption mechanism

The Right to Information (RTI) has been recognized the world over as an important instrument for checking corruption and misuse of power. Parivartan, an anti-corruption NGO based in Delhi, India, along with a number of people living in slum areas in the city have been accessing records of public works in various parts of Delhi where corruption is suspected in the delivery of public works. These records have been obtained under Delhi's Right to Information Act. The documents requested include copies of work order registers, measurement books, sketches, details of estimates and completion certificates. Under the Right to Information Act, it is also possible for applicants to obtain a sample of any materials used in construction. A fee of Rs50 (Rs = the Indian rupee) (£0.59) is usually charged per application, with a fee of Rs5 per page of information; however for any information relating to tender documents, an application fee of Rs500 is charged.

The Act provides that if the information is not provided within 30 days, or if the information provided is wrong, the officer responsible for providing the information will be held personally liable and his or her salary will be deducted at the rate of Rs50 per day of delay, up to a maximum of Rs500 per application and Rs1000 in cases of wrong information.

These documents are often written in English and/or have complex technical language; Parivartan translate the documents into Hindi using uncomplicated language that non-experts can understand.

What does the mechanism involve?

Parivartan obtains copies of records of the civil works carried out by local government agencies in the previous financial year using Delhi's Right to Information Act. After compiling this information, Parivartan holds a series of street corner meetings to inform people of the amount spent in their locality on public works, the works purported to have been carried out under each contract, and the amount spent on each of the works, as per government records. It is then established whether the works have been carried out and if they are of satisfactory quality. Parivartan volunteers, along with the residents, also visit each of the work sites and jointly verify the existence, status and quality of the work. Public hearings (*jan sunwai*) are then organized to discuss publicly the works so audited. These public hearings enable residents, government officers and political representatives to give evidence regarding the stated expenditure, the status and quality of the works; in this way government records on expenditure, the status and quality of the works recorded are verified as having been carried out.

These hearings have exposed large-scale corruption in public works. An independent panel is invited to participate in the proceedings and to give their conclusions on the basis of the *jan sunwai*. At the end of the *jan sunwai*, certain recommendations emerge to ensure better utilization of funds in future. Parivartan also encourages individuals to obtain copies of records of the civil works carried out by government agencies using Delhi's Right to Information Act.

What are the aims/objectives?

The Right to Information (RTI) and the jan sunwais or public hearings aim to identify corruption in the delivery of public services and, when found, to hold the relevant government officers accountable.

What specific infrastructure services are involved?

Information is collected on all civil works carried out in the previous financial year including those performed by:

- Delhi Vidyut Board (DVB) – responsible for electricity
- Delhi Jal Board (DJB) – responsible for water and sanitation
- The Municipal Corporation of Delhi (MCD) – responsible for waste management, roads and paving

Examples of this mechanism's use

Parivartan have documented a number of examples of the use of the Right to Information (RTI) and of the corresponding *jan sunwais* or public hearings:

1. The information obtained from the Municipal Corporation of Delhi (MCD) stated that a road in Pandav Nagar had been repaired several times. However, according to all the residents living on both sides of this road, the road had not been repaired for several years. A copy of the stock register was obtained through RTI, which showed that bitumen drums and cement bags had been issued several times in the past for the repair of this road. This meant that all the material and money that officials claimed to have been spent on this road had been siphoned off.

2. A number of residents in Patparganj fell ill because their drinking water supply was being polluted by sewage. Complaints were made to the local Delhi Jal Board (DJB) office, but nothing happened. An application was filed under the RTI. The residents wanted to know the status of their complaints and the names of the officials responsible. The necessary repairs were carried out within two days of filing the application. The Delhi Jal Board even carried out testing of the drinking water at different points in this area and submitted the test reports as a reply to the RTI application.

3. A pipeline was replaced in Pandav Nagar; however, the pipeline was still leaking. The residents made several complaint,s but nothing happened. The residents then filed an application under RTI seeking the following details:
   - Status of grievances filed earlier and names of officials who should have attended to their complaints and had not done so;
   - A copy of the contract for the pipeline that was laid;
   - A copy of the completion certificate issued for the said pipeline and a copy of the bill; and
   - Names of the officials who issued the said completion certificate.

   Within three days of filing this application, the pipeline was repaired.

4. Ashok Gupta applied for a new electricity connection on 3 February 2001, but, despite many visits to the DVB office, the connection was not made. Others in his neighbourhood who had applied after him received their connections because they had paid the customary bribes. Ashok did not want to pay the bribes. Ultimately, he filed an application under the RTI in February 2002 and on 2 March 2002, the new connection was made.

Who initiated this mechanism?

Parivartan is an NGO that describes itself as 'a movement against corruption'. Its aim is to find lawful and ethical solutions to the problem of corruption, as well as to ensure that people (particularly the poor) can get their work done in government departments without paying bribes. Parivartan works to make people aware of their rights, and the duties of government departments, and encourages people to work together on issues of public importance.

Historical, social and political context

India is a democratic country in the sense that there are democratic elections and a free press; however, Parivartan suggests that there is a lack of access to information and an inability to affect the status quo on the part the poor. The organization claims that the 'struggle for the right to information is [a struggle] for the right, not only to participate in democracy, but also to survive'.

Jan sunwai or public hearings have also been used in rural Rajasthan by the Mazdoor Kisam Shakti Sangthan (MKSS) – that is, the Association for the Empowerment of Workers and Farmers – since 1994-95 to increase the participation of ordinary people in the process of governance and to reduce corruption/the misappropriation of funds. The MKSS wanted to know how much money was allocated to individual communities for development and how much was in fact spent as intended. The organization found evidence of fictitious works and unimplemented projects. This grew into a national movement and campaign for comprehensive right to information legislation at state and central levels, increased transparency in accounts and the return of missing money. In 2001, the government of Rajasthan passed an access to information law and five other Indian states have since passed similar laws.

How does the mechanism reach service users?

The volunteers of Parivartan hold meetings on street corners in the slum areas of Delhi and *jan sunwais* to enable people to testify whether public works have been completed. Local women tend to play a crucial role in each *jan sunwai* and actively vocalize their concerns. Apparently, this is because women are the ones who tend to stay at home the whole day and in the absence of facilities such as toilets it is they and their daughters who suffer the most.

Parivartan has had success at mobilizing residents by singing songs that demand transparency and accountability 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 being faced by the poor, including the high levels of corruption they have to contend with. Volunteers also use *muhphat* (puppet shows) to voice people's expectations and demands for clean water, sanitation and basic infrastructure. Other songs sung described the rights of citizens and urge them to call the government to *hisab* (account) – the rational being *'hamara paisa hamra hisab'* (our taxpayers money, our accounts).

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.

What use is the mechanism to service users, particularly the poor?

Parivartan shares with the residents of an area, details of public expenditure made and works carried out as per the records of government. The community can then testify to the veracity of the government's records on expenditure and the status and quality of works as having been carried out. Where discrepancies are found, these are discussed in the *jan sunwais* or public hearings.

The work of Parivartan is important in ensuring both the proper utilization of funds and ensuring the active participation of the poor in monitoring the execution of works carried out in their area.

The activities of Parivartan have led to the Delhi Municipal Corporation changing its practices regarding public works. For example it is now common practice that:

- A board displaying basic information about the work (for example, the name of the work, 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.

Evaluation of mechanism success/failures

Successes
- With large numbers of people monitoring the execution of works, contractors have now realized that it is not possible for them to leave works half done or not to do the works at all.
- Officials tend to be far more responsive and courteous in their dealings with the public after a jan sunwai. This is presumably because they realise that the public can scrutinize records any time and it is not easy for them to engage in corruption.
- After *jan sunwais*, residents realize that the government can be held accountable by the public and they feel empowered to demand that accountability from government.
- Contractors and engineers have suggested to Parivartan that rather than holding a 'post-mortem' of their works in a jan sunwai, it makes more sense for the public and Parivartan to monitor construction and resolve problems before payments are made for any work.
- Parivartan report that government officers tend to put a number of obstacles in their way in terms of providing information sought under the Right to Information Act. One tactic used to overcome delays in responding to requests is for applicants to employ satyagraha – passive resistance (developed by Gandhi). This tactic involves waiting indefinitely (in or outside the office of the official concerned) until applications are accepted and actioned.

Weaknesses
- In some instances, the information requested has not been provided within the 30-day time limit, yet sanctions for officials (deducting their pay) are not enforced. Furthermore, appeals to the Public Grievance Commission have also failed to be dealt with within the 30-days time limit.
- The fee per page of information is very high at Rs5. As some of the information sought is bulky, the fee comes to an exorbitant amount and this acts as a deterrent to applicants.

- In India, ration shops sell essential commodities at government subsidized prices. People who have sought details of rations issued under the Right to Information Act have been intimidated and terrorized by local ration dealers and by Food Department officials to withdraw their complaints.
- Some contractors and government officials have threatened Parivartan workers.
- *Jan sunwais* have also been disrupted by government workers/contractors.
- Parivartan has found it necessary to use the RTI Act very aggressively, i.e. to take all its violations to appropriate forums for redress so that the issues can be resolved and proper systems can be put in place.
- Although officers tend to be very polite and co-operative at/after a *jan sunwai*, in practice little co-operation is forthcoming.

Generic lessons to be learned from the case
- Based on the experience of MKSS in rural Rajasthan, the Right to Information and associated *jan sunwais* or public hearings have been used to increase the participation of ordinary people in the process of governance.
- Involving residents in monitoring public works can bring about a cultural change in the functioning of government, which used to be accustomed to working in an atmosphere of secrecy.
- It is important to give people a degree of control over local government expenditure.
- Parivartan demonstrates the importance of creating a platform where the people can raise their voices collectively.

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http://www.parivartan.com

Participatory Corruption Appraisal, Indonesia

Accountability arrangement: Participatory Corruption Appraisal, Indonesia

What does the mechanism involve?
In 2000-2001, the Partnership for Governance Reform in Indonesia and the World Bank jointly organized and developed an action and research project called 'Corruption and the Poor'. The project was undertaken in three urban slums in Makassar, Yogyakarta and Jakarta in Indonesia and aimed to explore how corruption affects the urban poor in the country through use of the Participatory Corruption Assessment (PCA) techniques. In each location, the project team talked to groups of 30-40 men and women on low incomes about their experiences with corruption. This was followed by individual interviews to elicit exactly where and how corruption affected poor people's lives.

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, and primary, secondary and tertiary levels of service delivery?

The public services that the poor rely on most were investigated in each of the three research sites; these services include the police, schools, electricity provision, garbage collection and social safety net programmes.

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Corruption, collusion and nepotism (sometimes known as KKN) have been a major concern for Indonesian society since 1965, when the country was governed under the Orde Baru regime (i.e. the Suharto years 1966-1998). The Asian economic crisis of 1997 is believed to have been triggered or worsened by matters of corruption, collusion and nepotism. For example, President Soharto (1967-1988) gave monopoly powers, protection and economic resources to his relatives and cronies; corruption affected almost every aspect of society including the executive, judiciary and legislature. The main perpetrators of corruption in Indonesia are perceived to be the government and private sectors; society, meanwhile, is the main victim. Bribery between bureaucrats and the general public has become commonplace, making corruption very hard to curb. The traditional checks and balances between state and society were dysfunctional in Indonesia.

Examples of this mechanism's use
The Participatory Corruption Appraisal found that:
- Unofficial and official suppliers charge different prices to customers for installation of electricity. Bribes were charged to get (fast) access (Rp50,000 (Rp = Indonesian rupiah) (£2.88) to get a connection in three months or Rp700,000- £40.28- for three days) and found irregularities with electricity bills, whereby respondents had to pay more than the meter showed.
- Residents were told to pay for local street lamps themselves, although this is the responsibility of local government (residents pay street lamp tax to local government).
- Business owners paid a garbage fee (Rp1,500) but waste was not removed.
- Complicated procedures for procurement of land documents means that 'almost everybody involved gave money in envelopes' (civil servant, Jakarta).

Who initiated this mechanism?

Participatory Corruption Appraisal was first introduced in Indonesia as part of a World Bank-funded initiative. The project was carried out jointly by the Partnership for Governance Reform in Indonesia and the World Bank. The World Bank's contribution was financed primarily through the Danish Governance Trust Fund.

What are the objectives?

The Participatory Corruption Appraisal aims to:
- Reveal the types of corruption confronted by poor people in their everyday lives and record how the individuals concerned choose to handle it;
- Understand the harmful effects of corruption on the lives of poor people;
- Communicate information to policymakers and the general public;
- Help communities to reduce corruption; and
- Develop a methodology that enables poor urban communities to express how corruption affects their lives and identify strategies for tackling that corruption.

How does the mechanism reach service users?

The activity took place in two phases:

1. The research phase – this consisted of (a) a visit to the communities for fieldwork, and (b) a second visit to report back the findings to the community.

    Research techniques included:
    - Community mapping
    - Wealth classification
    - Collection of data on bribe payments
    - Assessment of perceptions about bribe payments – for example, were people happy, sad or angry
    - Stakeholder meetings involving NGOs and citizens' associations, as well as media
    - Problem presentation and ranking of corrupt institutions
    - Focus group discussions
    - Interviews to provide individual case studies and community-wide cases
    - Flow diagrams on causes and effects of corruption in service delivery
    - Brainstorming on solutions – what causes behaviour and how to change that behaviour?

2. The action phase – which consisted of several, location-specific follow-up activities involving local NGOs, the media and the community. Activities included the use of popular theatre, community-based education, working with the mass media (print, radio and TV), comic strips and alternative media channels to disseminate anti-corruption messages and establishing corruption and public policy monitoring groups at the community level.

The PCA methodology is based on three principles:
- Participation – individuals in the community are invited and freely agree to participate in the sessions
- Local ownership – all information gathered from the community is given back to the local community, and the community is then involved in deciding what should be done with that information
- Action/research – the research is intended to lead to action that improves the situation, and such action is the documented to learn more about the efficacy of such action.

What use is the mechanism to service users, particularly the poor?

Poor community members in Yogyakarta, Jakarta and Makassar came up with two key uses of the Participatory Corruption Appraisal in terms of limiting corruption:

(1) Act as a group. As a follow-up to the action/research project, public and community-based groups and in Makassar and Yogyakarta established networks of over 40 NGOs, as well as universities and professional organizations, to take local action against corruption and help urban communities to fight against corruption at the lower levels of the public service delivery. Such groups/networks also protect individuals against reprisals by public officials and enable the marginalized to gain more of a voice.

(2) Increase the flow of information to put corruption issues on the local agenda. For example, information can be shared in local communities through radio programmes, theatre groups, newspapers, notice boards and community meetings.

Evaluation of mechanism successes/ failures

Successes

- The Participatory Corruption Appraisal revealed the pervasiveness of corruption in virtually every aspect of poor people's lives, ranging from schools to garbage collection and social security programmes.
- The Participatory Corruption Appraisal demonstrated the complexity of corruption and its many consequences – economic, social and moral.
- The Participatory Corruption Appraisal exposed the sense of powerlessness of the poor vis-à-vis public officials and community leaders, where a combination of a lack of information and knowledge, plus a strongly-felt dependence on the providers of services, usually prevents the poor from voicing their concerns.

Failures

- The methodology has not yet been tried in rural areas.
- It is difficult to get information about corruption because people may be unwilling to talk about their own corrupt behaviour or others' corrupt behaviour in case this results in some form of retribution.

Generic lessons to be learned from the case

The Participatory Corruption Appraisal identified four major costs of corruption:

- There are financial implications of corruption, especially if people are on tight budgets; this puts a higher burden on the poor than on the rich;
- Human capital – corruption erodes access to and the effectiveness of social services including schools, healthcare services, food subsidy schemes and garbage collection, which affects poor people's physical well-being and their skills;
- Moral decay – corruption erodes the rule of law and reinforces a 'culture of corruption'; and
- A loss of social capital – corruption damages trust and community cohesion.

Further lessons include:

- Information is a key component in preventing corruption. Participation by community members can increase the oversight of public officials and so increase information and transparency.
- Accountability mechanisms need to be introduced to make public officials accountable for the money that they manage.

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Participatory Budgeting, Brazil

Accountability arrangement: Participatory Budgeting, Brazil

What does the mechanism involve?
Participatory Budgeting has been used in a number of Brazilian cities and most successfully in the cities of Porto Alegre and Belo Horizonte, where citizen assemblies in each district of a city determine priorities for the use of a part of the city's revenues – typically more than 10 per cent of the overall budget.

The participatory budget typically involves two rounds of plenary assemblies, in addition to preparatory meetings in micro-districts of the city. In the first round of assemblies, local government officials present the audience with general information about the city budget. Meetings are then held in each neighbourhood, where residents draw up their own lists of priorities for investment in infrastructure. In the second round of assemblies, each district elects delegates to come up with district-wide 'priority lists' of infrastructure projects in each investment category. The concept of participation has now been extended from budgetary matters to many more aspects of local government management, including policy planning.

What specific infrastructure services are involved?
Participatory Budgeting participants make decisions on infrastructure investment such as water supply, sanitation, drainage, the provision of access roads and paving, transport, solid waste management, street lighting and community buildings.

Examples of this mechanism's use
Participatory Budgeting has revealed that the people's priorities differ from those anticipated by local government; for example, in Porto Alegre, the preferences for resources allocation through Participatory Budgeting are mainly street paving, sewerage, housing and community equipment; in Belo Horizonte, the preferences are for housing, sewerage, street paving, shantytown urbanization, health and education.

Historical, social and political context
– *political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.*

The adoption of Participatory Budgeting by local governments in Brazil to decide on education, health and social welfare policies is associated with a number of factors including:
- The re-democratization of Brazil (A process that started during the years 1974 – 7 - Brazil got a new constitution in October 1988.);
- Political and financial decentralization to sub-national governments;
- The victory of PT (the Workers Party) in mayoral elections;
- The expansion of resources to sub-national governments, which was brought about by the 1988 constitution; this was crucial in allowing local governments to adopt innovative policies such as Participatory Budgeting;
- A social revolt against corruption, lack of transparency in budgetary matters and capture of public resources as a result of major political scandals involving members of the federal budgetary committee in 1993; and
- The role of the media in following up these inquiries and corruption cases.

Who initiated this mechanism?
Participatory Budgeting has been associated with leftist parties, especially the PT (Workers' Party), involved in local governments. However, Participatory Budgeting is not restricted to PT local governments like Recife and Fortaleza. Furthermore, there were a number of attempts

at increasing participation by citizens in local budgeting before re-democratization in Brazil. While the military regime was still in power (1964-1985), a small number of municipalities governed by a segment of the then MDB (Brazilian Democratic Movement) adopted participatory policies as a way of putting pressure on federal and state levels of government controlled by the military.

What are the objectives?

Participatory Budgeting is intended to:

- Increase citizens' participation, especially by those social groups at the local level that have traditionally been excluded from the government's decision-making process and policies;
- Strengthen democracy and local government accountability; and
- Involve the population directly in the formulation and execution of the city's capital projects budget.

How does the mechanism reach service users?

The process of Participatory Budgeting requires human and financial resources from the city administration to ensure that it works. The process relies on the involvement of local neighbourhood associations, NGOs and labour unions in order to formulate budget priorities and to oversee the works that are being carried out. The Participatory Budgeting process took a while to take off in Porto Alegre, so the local government contracted community organizers to visit neighbourhoods that were not mobilized, to seek out new leaders and disseminate information on Participatory Budgeting.

Research has shown that Participatory Budgeting is well-known by the local population in Porto Alegre and Belo Horizonte. For example, in Porto Alegre, the government distributes pamphlets and publishes a booklet with a list of all the approved works described in detail, as well as a list of the names and addresses of every delegate in order to provide transparency and accountability. Both cities have websites with information regarding the results of Participatory Budgeting and its procedures, as well as information on the local executive: www.belohorizonte.mg.gov.br and www.portoalegre.rs.gov.br.

What use is the mechanism to service users, particularly the poor?

Even though support for the Participatory Budgeting in Porto Alegre and Belo Horizonte has been high, the great majority of poor citizens do not actively participate in the programmes. Nevertheless, Porto Alegre and Belo Horizonte have established distribution criteria to ensure that poorer areas receive more funding than the well-off ones, regardless of what the assemblies want. Therefore, each district's share of total investment is weighted by district-level measures of its poverty and infrastructure needs, to guarantee a progressive distribution of investments. Other difficulties persist in broadening participation: the very poor, young people and the middle-classes are under-represented

Evaluation of mechanism successes/ failures

Strengths

- Participatory Budgeting leads to better and more active citizenship.
- Participatory Budgeting makes the choices about how the budget is spent more transparent.
- Participatory Budgeting increases participation and decision-making avenues in local government.
- Participatory Budgeting ensures infrastructure delivery for social groups historically excluded from the decision-making process.
- Participatory Budgeting encourages co-operation in the delivery of collective goods.

Weaknesses

- Participatory Budgeting can create tensions in the relationship between the main actors in decisions regarding the allocation of public resources – for example, between elected representatives, councillors and the municipal parliament, and the local forums.
- The Participatory Budgeting process took a while to take off in Porto Alegre due to an initial lack of financial resources, a government structure that was in disarray and a lack of mobilization of the poor.
- The success of Participatory Budgeting seems to depend on the political will, and is usually associated with left wing governments – for example, it has not been as successful in cities like Brasília, São Paulo and Santos.

- Participatory Budgeting can fragment decision-making; short-term demands may jeopardize urban planning and long-term projects.
- Communities may stop participating once their demands have been met.
- Collaboration with government may put community movements' independence at risk.
- There may be a lack of decentralization of budgets to local authorities, which may also be combined with a high degree of decentralization of responsibilities to the local level.

Generic lessons to be learned from the case
- Participatory Budgeting requires resources and a real and sustained commitment by city management to transparency.
- Participatory Budgeting requires continuous publicity and education of the citizens who are being asked to participate.
- The expansion of resources to sub-national governments brought about by the 1988 constitution was crucial in allowing local governments to adopt innovative policies such as Participatory Budgeting.

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Partnering Against Corruption Initiative (PACI)

Accountability arrangement: Partnering Against Corruption Initiative (PACI)

What does the mechanism involve?
Nineteen leading international companies from 15 countries, with aggregate annual revenues in excess of US$70 billion, signed the 'Business Principles for Countering Bribery in the Engineering and Construction Industry' at the World Economic Forum (WEF) meeting at Davos, Switzerland, in January 2004. Any organization that adopts the Business Principles makes a commitment to:
- adopt a 'zero tolerance' policy on bribery; and
- develop a practical and effective programme of internal systems and controls for implementing its anti-bribery policy.

In practical terms, this commitment means either implementing anti-bribery practices based on the Business Principles for Countering Bribery in the Engineering and Construction Industry or, for companies with established programmes, using the principles to benchmark existing practice.

What are the objectives?
The aim of these PACI principles is to provide a framework for good business practices and risk management strategies for countering bribery. Other objectives are intended to:
- eliminate bribery;
- demonstrate a company's commitment to countering bribery; and
- make a positive contribution to improving business standards of integrity, transparency and accountability wherever they operate.

The initiative also seeks to:
- Offer a neutral platform enabling companies to consolidate their efforts to counter bribery and corruption.
- Extend these ongoing efforts to implement measures to fight corruption and bribery to a wider group of companies.
- Communicate to a wider public the active commitment of leading companies to the principles of countering bribery and corruption.
- Identify and implement mechanisms to turn the principles into a tangible instrument.
- Integrate anti-corruption experts, NGOs, international organizations and governments into the activities of the PACI in order to develop a wider and more comprehensive effort to fight corruption and bribery.

Who initiated this mechanism?
The PACI is 100 per cent funded by voluntary contributions by the PACI Task Force members[1].
The PACI is led by the PACI Board[2] and its operations are managed by the World Economic Forum (WEF).

What specific infrastructure services are involved?
The companies involved are from the energy, mining and metals, engineering and construction industries.

Historical, social and political context
At the World Economic Forum's (WEF) Annual Meeting at Davos, Switzerland, in January 2003, some leading engineering and construction (E&C) companies formed the WEF Governors' Engineering and Construction Task Force in order to tackle corruption in the sector. The Task Force, working in close collaboration with Transparency International (TI) and the Basel Institute on Governance, met several times during 2003. As a result of agreements achieved at these meetings, 19 leading international companies from 15 countries, with aggregate annual revenues in excess of US$70 billion, signed the 'Business Principles for Countering Bribery in the Engineering and

Construction Industry' at the WEF meeting at Davos the following year in January 2004. This document was closely modelled on the 'Business Principles for Countering Bribery' developed in 2002 by Transparency International, in conjunction with Social Accountability International and several leading multi-nationals.

Examples of this mechanism's use

The Partnering Against Corruption – Principles for Countering Bribery – Initiative (the 'PACI Principles') were derived from Transparency International's Business Principles for Countering Bribery ('TI BPCB'). PACI encourages member companies to sign a support statement that officially acknowledges their commitment: to implement a 'zero tolerance' policy with respect to bribery and corruption; and to the development of an internal implementation programme.

Based on the PACI Engineering and Construction Task Force and Transparency International engagement, the World Bank has agreed to include anti-bribery language as part of the bidding process for infrastructure projects financed by the World Bank. A similar approach is being pursued with the Asian Development Bank and the Japanese Development Bank.

What use is the mechanism to service users, particularly the poor?

The PACI Principles are designed to provide companies with practical guidance on how to combat bribery and other forms of corruption in international business. The Principles are a response to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and other similar governmental and private sector initiatives (such as The International Chamber of Commerce (ICC) Rules of Conduct to Combat Extortion and Bribery and the anti-bribery provisions of the revised OECD Guidelines for Multinationals). This initiative benefits service users in that the principles recognize that corruption and bribery hinder economic progress and good governance.

How does the mechanism reach service users?

The Partnering Against Corruption – Principles for Countering Bribery were developed by a multinational task force of companies working with the World Economic Forum,

Transparency International, and the Basel Institute on Governance. The PACI Principles build on general industry anti-bribery principles developed in 2002 by Transparency International and a coalition of private sector interests, non-governmental organizations and trade unions.

Evaluation of mechanism successes/ failures

Strengths
- Engineering and construction companies have traditionally been unwilling to take a public stand against corruption.

Weaknesses
- The Engineering and Construction Task Force needs to develop more concrete guidance and practical tools for programme implementation that address organizational responsibilities, treatment of subsidiaries and other related parties, training, audit controls and other standard elements for internal control.
- If bidders' lists require anti-bribery policies as a condition, some companies may adopt them; however, many others will in practice continue to bribe.
- It is necessary to ensure that companies implementing an effective anti-corruption programme are rewarded, and not penalised, for doing so. For instance, the Business Principles may disadvantage those that refuse to bribe.
- Mechanisms need to be developed to ensure that the companies that have adopted the Business Principles are actually implementing a genuine anti-corruption programme.
- Proper inspection and enforcement mechanisms should be put in place within projects to ensure that companies do not bribe.
- It is important to increase the number of international construction companies that adopt the Business Principles.

Generic lessons to be learned from the case
- The Principles were developed by the private sector working in close association with an NGO (Transparency International) and the Basel Institute on Governance.
- Anti-bribery principles need to be applied industry-wide. For example, international financing institutions such as the World

Bank and their public sector clients might request bids for projects only from companies that have adopted the Business Principles.

Appendix 1

The 19 signatories are:

- Fouad Alghanim, chairman and chief executive officer, Fouad M.T. Alghanim & Sons Group, Kuwait
- Pius Baschera, chief executive officer, Hilti AG, Liechtenstein
- Nicholas Billotti, president and chief executive officer, Turner International, USA
- Alan Boeckmann, chairman and chief executive officer, Fluor Corporation, USA
- Brian Bruce, chief executive, Murray & Roberts Holdings, South Africa
- Stuart Graham, president and chief executive officer, Skanska, Sweden
- Carl Grim, chief executive officer, Aveng Limited, South Africa
- Gian-Maria Gros-Pietro, chairman, Autostrade, Italy
- Samer Khoury, executive vice-president, Operations, Consolidated Contractors Company (CCC), Greece
- Samir Lahoud, chairman, Lahoud Engineering, Lebanon
- Jacques Lamarre, president and chief executive officer, SNC-Lavalin Group, Canada
- Nicolas Mariscal, chairman of the Board, Marhnos, Mexico
- Takeo Obayashi, chairman, Obayashi Corporation, Japan
- Dinesh Paliwal, group executive vice-president and head of automation technologies worldwide, ABB, Switzerland
- Enrique Pescarmona, president, Corporacion Impsa, Argentina
- Ralph Peterson, chairman, president and chief executive officer, CH2M HILL Companies, USA
- Razali Abdul Rahman, chairman, Peremba Group of Companies, Malaysia
- Peter Steiner, chairman of the Board, Karl Steiner Holding, Switzerland
- Adrian White, group chairman, Biwater, United Kingdom

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End Notes

[1] Task Force Members include Amec (United Kingdom), the Halcrow Group (United Kingdom), Hochtief (Germany), the SNC-Lavalin Group (Canada), Obayashi Corporation (Japan) Skanska (Sweden), Consolidated Contractors Company (Greece), Hilti Aktiengesellschaft (Liechtenstein) Automation Technologies Worldwide, ABB (Switzerland).

[2] The PACI board members are Alan L. Boeckmann, chairman and chief executive officer, Fluor Corporation, USA; Jermyn Brooks, member of the board of directors, Transparency International, Germany; Hassan Marican, president and chief executive officer, Petronas, Malaysia; Wayne W. Murdy, chairman and chief executive officer, Newmont Mining Corporation, USA; Mark Pieth, chairman, Working Group on Bribery, OECD, Paris; Richard Samans, managing director, Global Institute for Partnership and Governance, World Economic Forum.

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Programme for Transparent Contracting, Poder Ciudadano, Argentina

Accountability arrangement: The Programme for Transparent Contracting, Poder Ciudadano, Argentina

What does the mechanism involve?
The Programme for Transparent Contracting combines two phases:

1) A public hearing, whereby the municipal authorities convene citizens, businesses, experts and representatives of the opposition to express their objections and suggestions about the planned terms of a particular contracting process; and

2) Signing an integrity pact (IP), wherein the municipal authorities and all businesses competing in the bidding process make mutual commitments to prevent the payment of bribes. The IP's contents are important, and include the following:
   • A formal and voluntary no-bribery commitment made by the bidders not to bribe or collude, to provide full disclosure of all payments and to report any violations by other bidders during the bidding and during contract execution.
   • A commitment to guarantee full transparency of the documents; public disclosure of the award, the major elements of the evaluation and reasons for selecting the successful bidder; and resolution of any conflict by national arbitration.
   • A corresponding commitment by the municipal authorities not to demand or accept any bribes, and to prevent the extortion and acceptance of bribes by other officials.
   • Heavy sanctions by the government office against any official or bidder violating the non-bribery commitment: damages to the municipality may be of

the order of 10 per cent of the contract value and could include blacklisting for five years.
   • Public disclosure of the award decision, including the major elements of the evaluation and the reasons for the selection of the successful bidder.

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, and primary, secondary and tertiary levels of service delivery?

The Programme for Transparent Contracting has been used most notably in the context of waste collection services.

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Poder Ciudadano (Transparency International Argentina) offered their Programme for Transparent Contracting to 40 local governments in the Province of Buenos Aires; however the Mayor of Morón was the only one to express an interest. Under the previous government, Morón had become synonymous with corruption. For example, municipal officials were known to have been the owners of the company chosen to deliver the municipality's waste collection service. In order to promote civic participation and transparency, the mayor decided to implement a number of anti-corruption initiatives under the programme for transparency and modernization of the municipality. These included:
   • the inauguration of an anti-corruption office;
   • making a free telephone line available so that citizens can report cases of corruption;

- surveys that enable citizens to evaluate the work of the municipal government on a regular basis;
- a monthly bulletin, *El Municipio*, published by the municipality and distributed to all households, which informs the citizens of major projects and reports on their development; and
- the Poder Ciudadano Programme for Transparent Contracting. This was the first time that this programme, which included the public hearing and the integrity pact, was implemented in Argentina.

Examples of this mechanism's use

Public hearings and integrity pacts were first used for monitoring the procurement process for waste collection services at the municipal level in the city of Morón, a municipality of over 350,000 inhabitants located in the centre of the Buenos Aires Metropolitan Area.

The municipal authorities agreed to discuss the draft tender document with the bidders and interested citizens during an extraordinary session of the city council. Poder Ciudadano monitored the preparation of this public hearing and ensured maximum coverage in the print and electronic media, at both the local and national levels. In addition, a group of independent local experts (lawyers, engineers, economists and so on) proposed by Poder Ciudadano were invited to review the documents and present their opinions at the public hearing. The draft tender document was put on the municipality's website and was available in print from the office of Poder Ciudadano.

All four bidders accepted the conditions imposed by the integrity pact without objection, and signed in September 2000. Poder Ciudadano monitored the integrity pact, the bid evaluation, the award decision process and the implementation of the contract. The integrity pact gave the losing companies a concrete mechanism with which to monitor how the winning bidder addresses the terms of the contract.

Who initiated this mechanism?

Poder Ciudadano (Transparency International Argentina) developed the Programme for Transparent Contracting and has played a leading role in introducing innovative changes in the way municipalities function.

What are the objectives?

The general objectives of the Programme for Transparent Contracting are to:

- Create a transparent environment for municipal bidding processes;
- Make citizens aware of the control mechanisms available;
- Encourage citizens' participation in public decision-making;
- Instil in people the democratic habit of demanding accountability from public authorities; and
- Create confidence between public authorities, the private sector and civil society.

Specific objectives are to:
- Involve citizens and bidders in the establishment of common rules for a public bidding process by means of providing free access to the draft tender document before the start of the bidding process;
- Encourage the municipal authorities to share information with the people affected by the contracting decision;
- Involve independent outsiders in an in-depth analysis of the tender document;
- Publicly discuss the conditions of participation and selection in order to avoid the designing of a contract in a manner that gives undue advantage to one or several bidders;
- Make the terms of the contract non-negotiable after it has been awarded;
- Enable the municipality to obtain the desired result at a competitive price and in accordance with the specifications; and
- Create conditions whereby bidding companies will abstain from bribing in the bidding process by providing assurances that their competitors will also refrain from bribing.

How does the mechanism reach service users?

The main strategy of the implementation process was to guarantee free access to the draft tender document, and to allow for the modification of the document before the initiation of the bidding process; this was in order to promote the participation of the bidders, the unionized workers currently under contract to the municipality and the tax-paying citizens of Morón. Furthermore:
- The public hearing was announced in several major national and local newspapers (*La Nación, Clarin*), on public radio and on TV;
- The participants were invited 30 days prior to the event;
- Independent local experts (lawyers, engineers, economists and so on) proposed

by Poder Ciudadano were invited to review the documents and present their opinions at the public hearing; and

- The draft tender document was put on the website of the municipality, and was available in print from the office of Poder Ciudadano.

During the public hearing, the mayor declared the municipality's commitment to conduct the bidding process in a transparent manner. With an audience of nearly 500 people, and with more than 60 individuals testifying, there was strong civic participation. Ten days after the public hearing, the Municipality of Morón published the final tender document on the internet, explaining the changes made after the discussion process.

What use is the mechanism to service users, particularly the poor?

The results of the implementation of the Programme for Transparent Contracting in the Municipality of Morón include:

- *Savings:* The value of the contract was reduced by 35 per cent. The Spanish company chosen offered better service for less money.
- *Transparency:* A forum was created whereby the bidders, external experts and members of the public who were interested were able to present comments and objections regarding the nature of the service wanted and the terms for bidding, before being confronted with the consequences of the decision-making process.
- *Consensus:* Critical decisions about the service and the process of the bidding, for example, the arbitrator, were made by consensus.
- *Better service:* The involvement of citizens and external experts resulted in a better service, and in the extension of the tender documents to include environmental concerns, including a recycling plan for the waste collected.
- *More control:* The signed integrity pact has provided an important control mechanism for the bidders who were not successful to monitor how the winning bidder goes on to address the terms of the contract; it also

establishes of an independent arbitrator in cases of complaint.
- *Confidence and empowerment:* The implementation of the tool made the Municipality of Morón more transparent and empowered the citizens of Morón to monitor the meeting of the terms of contract.

Evaluation of mechanism successes/failures

Strengths
- The Programme for Transparent Contracting methodology has since been applied at the provincial level and in other municipalities of Buenos Aires Metropolitan Area.
- Morón has become an 'Island of Integrity', in a region with high levels of corruption and where the population has almost completely lost confidence in public administration.
- The success of the Programme for Transparent Contracting depended on the creation of other transparent and trust-building mechanisms by the Municipality of Morón.

Weaknesses
- Citizen's organizations run the risk of co-option in working with municipalities.
- Adoption of the Programme for Transparent Contracting is dependent on the political will of the municipality concerned.
- The mechanism requires more investment of time and resources, and systematization to monitor its progress.
- The Programme for Transparent Contracting does not necessarily reflect the agenda from the perspective of the poor and marginalized groups.

Generic lessons to be learned from the case
- Poder Ciudadano has combined the use of public hearings and the integrity pact to demonstrate that cities can save substantial sums of money through this process.
- The tool has great potential for citizens to monitor local government spending.
- Clients' views about service quality are now part of the performance assessment exercises of public officials.

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Poder Ciudadano, TI National Chapter, Tel: (+54 11) 4375 4925/26 www.poderciudadano.org.ar, www.moron.gov.ar, http://www.transparency.org

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Accountability Arrangements to Combat Corruption

A Collection of Cases of Alleged Private Sector Corruption in Infrastructure Service Delivery, Europe

In 2004, the Serious Fraud Office in the UK investigated allegations that British bridge manufacturer **Mabey & Johnson** paid bribes to win a lucrative contract to build 116 bridges in Papua New Guinea. The company stated that it does not pay bribes or any other form of unlawful inducement. It also stated that it has a comprehensive anti-corruption policy with procedures that are vigorously enforced. [1]

In July 2003 it was reported that the UK Department of Trade and Industry investigated a complaint against **National Grid Transco**. The power company was accused of improperly profiting from its investment in Zambia's Copperbelt Energy, a former state company that was privatized by the African country under controversial circumstances in 1997. National Grid denied any wrongdoing. [2]

In Milan in Italy in 2002 a senior executive of **Vivendi** was convicted of planning to bribe local politicians in the both the majority and opposition parties of Milan city council in order to win the £200 billion tender for a wastewater treatment plant in the south of Milan, Italy. [3]

In September 2002, **Thames Water** was asked to renegotiate a contract to operate an $891 million Turkish water plant after irregularities were alleged in the plant's commissioning. [4]

The energy subsidiary of **Suez, Tractebel**, was investigated for alleged bribery in connection with electricity privatizations in Kazakhstan and Peru. Source: (2000) Heat Assessment: Corruption How the Money Flows in Kazakhstan. *Intelligence Newsletter* 7 July 2000; (2000) Belgium reportedly ready to indict ex-Kazak prime minister in Tractebel probe. *AFX European Focus* 20 March 2000. [5]

The following list of companies and the reported bribe amounts (in US dollars) paid to the former chief executive of the multi-billion dollar Lesotho Highlands Water Project in exchange for favourable contract decisions:
- ABB (Swedish/Swiss) – $40,410
- Acres International (Canadian) – $185,002
- Impregilo (Italian) – $250,000
- Spie Batignolles (French) – $119,393
- Sogreah (French) – $13,578
- Dumez International (French) – $82,422
- Lahmeyer Consulting Engineers (German) – $8674
- ED Züblin (German) – $444,466
- Diwi Consulting (Germany) – $2,439
- LHPC Chantiers (international consortium) – $63,959
- Highlands Water Venture (international consortium, including Impregilo, the German firm Hochtief, the French firm Bouygues, the UK firms Keir International and Stirling International, and South African firms Concor and Group Five) – $733,404
- Lesotho Highlands Project Contractors (international consortium which includes Balfour Beatty, Spie Batignolles, LTA, Züblin) – $57,269

Azurix, an Enron subsidiary, was allegedly awarded a contract for a World Bank water project in Ghana on a 'non-transparent basis'. The company denies press allegations that it paid a $5 million bribe to senior officials to secure the contract. However, in March 2000, the World Bank cancelled a $100m loan because of corruption concerns. [6]

Water companies **Suez Lyonnaise** and **Thames Water** were accused of corruption in their water concessions in Jakarta, Indonesia. Nine other parties facing legal action include companies, politicians and business people associated with President **Haji Mohammad Suharto** (1967-1988): PT Garuda Dipta Semesta (GDS), PT Kekar Pola Airindo (KPA), former public works minister Radinal Moochtar, former Jakarta governor Surjadi Soedirdja, former president Soharto's oldest son Sigit Hardjojudanto and businessmen Anthony Salim and Fachry Thaib. [7]

In 1998 the three largest construction groups in France – **Bouygues, Suez-Lyonnaise** and **Vivendi** – participated in a corrupt cartel over building work for schools in the Ile-de-France region (around Paris) between 1989 and 1996. Contracts worth 28 billion francs (about $500 million) were shared out by the three groups. Jacques Durand, commercial director of the Vivendi construction company, GTM was indicted on 22 October 2005 for corruption, bribery, favouritism and anti-competitive practices. [8]

In 1996 in Grenoble, France, the mayor and an executive of **Lyonnaise des Eaux**, were together convicted of respectively accepting and paying bribes in the context of the letting of Grenoble's concession to run its water supply and sewerage. [9]

Spie Batignolles and **Sogreah** were involved in Kenya's Turkwell Gorge Dam which, because of bribes reportedly paid to Kenya's president and energy minister, cost more than twice what the European Commission said it should have. [10]

Lahmeyer and **Impregilo** had contracts on Guatemala's Chixoy Hydroelectric Project. Various sources estimate that between $350 and $500 million dollars were lost to corruption on this project. 'The dam was the biggest gold mine the crooked generals ever had,' according to Rafael Bolanos, dean of the School of Civil Engineering at Guatemala's San Carlos University. [11]

During 1994 and 1995 **Eurowasser** – a consortium comprising **Lyonnaise des Eaux**, **Dumez** and **Thyssen** in East Germany bought wastewater treatment plants in Eastern Europe. One of the deals allegedly saw a Debrecen City Council member changing sides as to who was to be awarded the contract – after being offered a job by Eurowasser. [12]

In March 1994, it was reported that **Biwater**, a British firm, was one of the five firms that benefited most from the scheme of aid financing that was at the centre of the Pergau dam affair over which Malaysia banned British firms from bidding for contracts. [13]

Impregilo, **Dumez** and **Lahmeyer** were three of the leading firms involved in the Yacyretá Dam in Argentina and Paraguay, which Argentina's President Carlos Menem has called a 'monument to corruption.' Yacyreta's projected cost was $2.7 billion; the final cost was $11.5 billion. [14]

ABB and **Dumez** worked on Itaipú Dam (Brazil/Paraguay), a project that has been described as 'possibly the largest fraud in the history of capitalism.' The dam was originally projected to cost $3.4 billion, but skim-offs brought the final cost to around $20 billion. ABB also worked on Tucuruí Dam in Brazil, another project tainted by major corruption. [15]

Disclaimer

We do not take any responsibility for the accuracy or otherwise of published reports.

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Public Service Accountability Monitor (PSAM), South Africa

Accountability arrangement: Public Service Accountability Monitor (PSAM), South Africa

What does the mechanism involve?

The Public Service Accountability Monitor (PSAM) is an independent research and monitoring institute dedicated to strengthening democracy in South Africa. The activities of PSAM include: a case monitoring project; a performance monitoring project; a public officials survey; and civic empowerment.

Case monitoring project

This project has established and maintained a database of cases of misconduct, conflicts of interest, corruption and maladministration for selected national government departments. Its methodology involves identifying reports of such cases by constant monitoring of the press and official documents such as the Auditor General's reports, minutes of oversight committee meetings and the annual reports of government departments. The cases are then compiled into lists and sent to the heads of the responsible departments, along with a request for details of the corrective action taken in the case. This gives the departments the opportunity to demonstrate how well they are performing in respect of their handling of disciplinary cases and recovery of public funds in the Eastern Cape (and selected national) cases of misconduct, corruption and maladministration.

Performance monitoring project

The PSAM's performance monitoring project collects and inputs to databases information on the performance of Eastern Cape and selected national government departments. The information includes: budget allocations and resources available to these departments; their plans to utilize these resources and the problems that they experience in the course of implementing these plans; and whether the services delivered provide value for money. In addition, records are kept of all promises and commitments made by government ministers and departmental officials in respect of service delivery in order to establish whether these are redeemed.

Public officials survey

In 2001, the PSAM conducted a benchmark survey of Eastern Cape government officials' knowledge of regulations and codes of conduct and attitudes towards transparency and accountability. It also attempted to measure officials' experiences and perceptions of corruption.

Civic empowerment

This project launched a website in 2002 advising citizens of their rights, the responsibilities of public officials and mechanisms for reporting their complaints. In 2003, the PSAM helped form the Eastern Cape Human Rights Working group, which has set out to co-ordinate strategies for monitoring the delivery of public services and the realization of socio-economic rights in the province. The project has facilitated and hosted quarterly meetings of this group and was responsible for production of the Know Your Rights/Wazi Amalungelo Akho booklet, which provides advice on a range of rights and public services.

What specific infrastructure services are involved?

For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, and primary, secondary and tertiary levels of service delivery?

The PSAM currently covers the key service delivery departments of the Eastern Cape

Province (education, finance, health, housing, public works and social development).

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

South Africa's Eastern Cape Province suffers amongst the highest levels of poverty and unemployment in the country. There is a desperate need for infrastructure development in order to improve people's quality of life and to create jobs, but there are limited public resources available for this purpose.

Chapter 10 of the South African Constitution binds all public officials to the following basic values and principles; a) A high standard of professional ethics ..., b) efficient, economic and effective use of resources ..., c) a development-orientation, d) the impartial, fair, equitable and unbiased provision of services, e) public participation in policymaking, f) accountability, g) transparency and the provision of accessible and accurate information to the public, and h) good human-resource management and career-development practices.

Anti-corruption legislative provisions for the Eastern Cape are set out in:

- the Provincial Financial Regulations and Provincial Treasury Instructions as set out in the Provincial Exchequer Act, 1994, Eastern Cape; and
- the Public Service Act, 1994.

Specific initiatives in the Eastern Cape supporting anti-corruption policies and strategies in the public sector include: the Network Against Corruption (NAC), set up in 2000 and composed of the Auditor General, the Heath Special Investigating Unit, the Independent Complaints Directorate, the Public Protector, the Public Services Commission and the South African Police Service; and the Anti-Corruption Forum (ACF), launched in 1999, which co-ordinates the implementation of anti-corruption strategies in the province and strengthening the institutional capacity of departments to combat corruption. However, neither the ACF or NAC has met nor has any public anti-corruption activity been undertaken by either the Eastern Cape executive or legislature.

Examples of this mechanism's use
The PSAM public officials' survey of 169 public servants in the Eastern Cape, 2002, found that 58 per cent of respondents believed it was not wrong or that it was understandable for citizens to offer officials gifts for services; almost half of the Eastern Cape government officials surveyed believed that it was understandable for them to accept gifts from citizens in return for services. At the same time, 22 per cent of those surveyed believed bad public service pay justified extra payments and 23 per cent stated that extra payments or favours improved government. Other findings of the survey included the following:

- 3 out of 10 officials had witnessed political patronage, nepotism or theft of public resources;
- a third of officials had witnessed the award of jobs or contracts to political allies and 29 per cent had witnessed theft;
- 14 per cent had witnessed attempted bribes and 12 per cent the acceptance of a bribe;
- 23 per cent believed that most or all provincial officials were corrupt;
- 64 per cent were unaware of mechanisms for reporting corruption; and
- 41 per cent of respondents were afraid that syndicates would attempt to intimidate them if they reported corruption.

One example of the case monitoring, documented by PSAM, is that of the Auditor General's 1999/2000 report, which was critical of the Department of Public Works. After conducting a financial audit of the Department of Public Works for the 1999/2000 financial year, the Auditor General concluded that the state of financial management in the department was so poor that he could not express an opinion on the reliability of its financial statements. The department had continued to pay officials who had resigned by a minimum amount of R620,000 (equivalent to £4495.93). The existence of one third (198) of the officials chosen as part of a sample of the department's staff (594) could not be physically verified during the audit. In addition, the department also failed to keep proper personnel and leave records and supporting documents for payments it had made.

A review of the performance of the Eastern Cape Department of Roads and Public Works (financial year 2003/4) for the performance

monitoring project, found that through an analysis of budget allocations and expenditure:

- The department had increased its spending during the financial year under review;
- The department's planning and budgeting continues to be inadequate;
- The department's reporting is poor, while its annual report for 2003/04 contained inaccurate statistics;
- The management of state properties by the department is extremely poor;
- Staff shortages make the department over-reliant on consultants for infrastructure projects;
- The internal control environment within the department continues to be weak; and
- The department fails to adequately account to oversight bodies.

Who initiated this mechanism?

Based at Rhodes University in Grahamstown since 1999, the PSAM is a non-profit independent monitoring unit that works to build African institutions and ensure government accountability for socio-economic rights and the effective use of public resources. PSAM focuses on the provincial government administration of South Africa's Eastern Cape Province and gathers information on the management of public resources and the handling of misconduct and corruption cases by government departments. This information is collected and published to give members of parliament, civil society organizations and ordinary citizens the necessary tools to hold government ministers and public officials accountable for their performance. The PSAM is funded by the Ford Foundation, Open Society Initiative, while Rhodes University hosts the website.

What are the objectives?

The PSAM hopes that by providing information on the management of public resources, the delivery of public services and handling of misconduct and corruption it will assist parliament and South African citizens in holding government officials accountable for their performance.

The aim of PSAM is to ensure that public officials deliver their services in accordance with public expectations and in line with available public resources.

The objectives of PSAM are to:

- publish an online database of reports of misconduct within Eastern Cape Provincial public service departments;
- follow-up each individual case in an objective fashion and obtain responses from the heads of departments to these incidents;
- identify the regulations breached in respect of each case and the level of compliance or non-compliance with disciplinary procedures in each case; and
- create an organizational culture of efficiency, transparency and accountability within Eastern Cape Provincial public service departments.

How does the mechanism reach service users?

PSAM disseminates its research findings on public sector misconduct, including corruption and maladministration/non-compliance with disciplinary procedures, through:

- Press releases to the media
- PSAM reports and papers
- Annual performance reports assessing the degree of efficient service delivery within individual provincial departments
- Workshops to report research and monitoring findings to public sector management
- Capacity-building workshops and educational seminars with public officials and public sector trade unionists
- Workshops to report research and monitoring findings to civil society organizations and advocacy groupings
- Transcripts/other information uploaded onto the PSAM website
- Annual PSAM bulletin

What use is the mechanism to service users, particularly the poor?

PSAM activities are designed to help civil society and parliamentary oversight bodies hold government accountable for its management of public resources. A pre-condition of this is that the public be adequately informed about the level of service that they are entitled to and reliably informed about the actual level of service delivery and the performance of individual departments and officials within the public services. The PSAM generates this kind of information.

Evaluation of mechanism successes/failures

Strengths
- Civil society participation is necessary to ensure that public officials manage resources in an efficient, transparent and accountable fashion.
- The constitutional obligation is on public officials to provide accountable public services.
- The programme employs training and support interventions, as well as highlighting cases of malpractice.

Weaknesses
- There is a need to improve co-ordination with other anti-corruption/governance NGOs in addressing specific anti-corruption issues.
- There is a need to improve policy advocacy.
- The civil society sector has found it difficult to develop partnerships with government.
- The onus is on the public to ensure that officials live up to their expectations.
- Standards of efficiency and public service delivery can only be as high as the expectations voiced by civil society interest groups.

Generic lessons to be learned from the case

- Corruption as a way of life is one of the many enduring legacies of apartheid.
- There is a legal mandate in South Africa for civil society participation in the local governance process.
- South Africa's anti-corruption laws and institutions, whistleblower hotlines, and businesses and NGOs all support the government's anti-corruption strategy.
- Resources are needed to investigate businesses and government.
- The NGO members of the Civil Society Network against Corruption (CSNAC), a network of anti-corruption civil society organizations, currently operate as a loosely organized and informal coalition.

■

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http://www.psam.org.za
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Public Procurement Transparency, Ecuador

Accountability arrangement: Licitenet.com

What does the mechanism involve?

Licitenet.com was launched on 16 November 2001 and is an online database created to inform the public about the process of public procurement in Ecuador. It is a joint initiative between the private sector, such as Gente por el Cambio and Ecuador Positivo, and civil society, in particular Corporación Latinoamericana para el Desarrollo (CLD), Transparency International Ecuador. The purpose was to create a viable system offering relevant information both to the public and to state contractors, as well as to provide a forum for the discussion of public procurement in Ecuador. Anyone can access the database and inquire about specific procurement processes throughout Ecuador.

The specific goal of Licitenet.com is to reduce the discretionary power exercised by officials at different stages of the public procurement process. These stages include: the submission of specifications or pre-contractual tender documents; the obligatory fee to review the specifications; the requirement of disclosure only for processes that exceed US$112,000; and the detailed conditions of each purchase, the leeway of deadlines and so on.

What specific infrastructure services are involved?

For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, and primary, secondary and tertiary levels of service delivery?

The mechanism involves the acquisition of goods and services by state institutions.

Historical, social and political context

– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

In Ecuador, the government does not readily offer access to information on public procurement. For years, business associations and other organizations have expressed concern about the high level of corruption in public procurement in Ecuador.

Examples of this mechanism's use

Licitenet.com started operation on 3 September 2001 and was officially launched on 16 November 2001. Anyone can visit the Licitenet.com site and can make inquiries about procurement processes that are underway, completed or pending approval. The website has been hugely popular, with about 202,500 hits since its launch.

Who initiated this mechanism?

The following institutions assisted in the project's development:

- State Attorney General's Office, www.pge.gov.ec
- Quito Chamber of Commerce, www.ccq.org.ec
- Quito Chamber of Construction, www.ccquito.org
- Guaayaquil Chamber of Commerce, www.lacamara.org
- Association of Municipalities of Ecuador, www.ame.org.ec
- Corporación Latinoamericana para el Desarrollo (CLD), Transparency International Ecuador

Licitenet.com initially cost US $40,000 (in terms of site development, hardware and employment of CLD personnel). Its operating costs are US $5,000 per month. The major donors to the project were:

- AVINA Foundation, www.avina.net
- Grupo Empresarial Gente por el Cambio (GPC)
- Grupo Empresarial Ecuador Positivo (E+)

What are the objectives?

The general objective of Licitenet.com is to establish a website portal to allow citizens to monitor the acquisition of goods and services by public bodies in Ecuador. The purposes of the database are to create more transparency within public procurement, to allow the public to follow and monitor procurement of relevance to their community, and to decrease the discretionary powers of public officials in this area.

The specific objectives of the project are:

- To encourage transparency and competitiveness in public procurement;
- To use the internet to create a culture of citizen consultation and interest in public procurement;
- To produce statistics on trends in public procurement in order to develop proposals for improvements in the current system; and
- To provide a value-added service to the private sector.

How does the mechanism reach service users?

Licitenet.com provides information to its users with regard to different public procurement processes, including those that are current, closed or pending adjudication. The website displays links to these three areas, through which users can ask for specific information by using the following search criteria:

- Date of Bidding
- Name of the institution issuing the tender
- Place of execution
- Type of project or service
- Type of contract
- Type of participant

In this way, users can access information about the bidding processes in certain types of project or service. For example, a search for road building will bring up all the current bidding processes for road building at the national level. The user can also narrow the search by submitting the search query for a certain place of execution. The user can gain more detailed information on the particular bidding process chosen, specifying information about the type of contest, the requirements for participating, the amounts bid, the important dates related to the process, the origin of the funds and so on.

What use is the mechanism to service users, particularly the poor?

The project aims to demonstrate that making information available to the public leads to cost savings and transparency for state institutions. It also aims to highlight the different failings that make current systems of procurement bureaucratic and inefficient. Ultimately, it is hoped that this will foster the development of better public services (that will benefit the poor and disadvantaged groups) and will prompt the state to acknowledge that legislative reforms are necessary.

Evaluation of mechanism successes/ failures

Successes
- There are a high number of 'hits' on the Licitenet.com site.
- Citizens have been the main users of the site.
- There has been international and national acclaim: for example, the Latin American Integration Association (ALADI) has adopted Licitenet.com as its main source of information on state procurement in Ecuador.
- Work is being undertaken with the National Telecommunications Council to automate the entire process of public procurement in Ecuador.
- A number of different business associations have worked on the project free of charge.

Weaknesses
- 37 companies are subscribing to the service, which is fewer than was hoped.
- The site has not reached the expected level of use.
- Current legislation on public procurement requires the publication of calls for tenders only if they surpass a set benchmark (US$112,000 in 2002). Smaller contracts are granted at the discretion of each institution. Consequently, a lot of information

on smaller procurement deals is not
available on Licitenet.com. To this end,
new agreements are being negotiated
with organizations such as the Ecuador
Association of Municipalities and the
Corporation of Provincial Governments to
help boost the site's coverage.
- There is a general distrust among the
general public of technological solutions.

Generic lessons to be learned from the case

- It is necessary to build a strong relationship
between NGOs, the private sector and state
institutions in order to tackle corruption.
- Licitenet.com required the formation of an
alliance with international e-procurement
experts.
- The most expensive aspects of the project
were the designing and perfecting of the
technical tools and the software.
- Licitenet.com has gained favourable media
coverage.

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Radio Against Corruption: To Be Alive, India

Accountability arrangement: Radio against corruption

What does the mechanism involve?
To Be Alive is a community-focused programme broadcast on state radio in the poor, rural region of Kutch, Gujarat's largest district. The reporters, who are semi-literate, were trained to challenge people in power. The programme, broadcast through the government network All India Radio, has become something of a 'public watchdog' that warns those tempted to abuse their position that somebody is watching.

What specific infrastructure services are involved?
To Be Alive has exposed a range of corrupt practices. For example, it sparked a government inquiry into primary health centres across the country where illegal charging was believed to be taking place.

Who initiated this mechanism?
Stalin K, a human rights activist, created the radio programme to expose corruption in India's western Gujarat province.

Historical, social and political context
Stalin K came up with the idea for the programme in 2001 after Gujarat suffered one of the worst earthquakes to hit India in half a century. More than 20,000 people were killed, and more than a million were made homeless. Over the following months, he put together To Be Alive to look into issues relating to compensation, government handouts and shelter programmes. A few months later, Stalin K launched a follow-up programme investigating abuses of power.

What are the objectives?
The radio show To Be Alive aims to:
- play an important role in educating its audience on major issues including corruption and human rights;
- educate poor people about their rights; and encourage citizen participation.

Examples of use of this mechanism
One case investigated by To Be Alive involved a local politician who embezzled compensation money destined for the quake victims in a remote Kutch village. When confronted by Stalin K's reporters, the politician, who was being secretly recorded, denied everything. When the report was aired, he lost all credibility and was voted out of office the following year.

Another case involved a doctor who was charging women for delivering their babies at a community health centre, when the service is supposed to be free for poor people.

How does the mechanism reach service users?
People can listen to the radio programme relatively easily as small, battery-powered radios are very common.

What use is the mechanism to service users, particularly the poor?
The programmes are made by local people. 'They are "poorly educated" but they are extremely creative and intelligent people,' says Stalin K. 'They write, record and edit the programmes.' Despite their lack of formal education, for both women and men, the medium of radio proved liberating and they learned quickly.

Stalin K recalls one of his first training sessions, which involved demonstrating how to sit on a chair. Now, five years on, he has to remind his reporters to be respectful towards people in authority. 'You can see the transition: from a place where they did not even want to sit on a chair in front of a bureaucrat, they have become so empowered that they have started talking rudely to these people,' he says. '… they realised that government officials – irrespective of their position – can be accountable to them.'

Evaluation of mechanism successes/ failures

Strengths
- Community radio stations play an important role in educating their audiences on issues including human rights, politics, and the environment. Such programming is essential in a country where many children are unable to attend school due to financial constraints.
- High illiteracy makes printed media inaccessible to most of the population, while televisions are prohibitively expensive and their signals rarely reach the country's more remote regions.
- Community radio stations aim to provide information about issues that the mainstream communication media tend to ignore.
- Most of these radio stations are run by local residents, including women and the young, whose voices are rarely heard.
- Community radio has changed people's expectations of the accountability of the authorities - they actually expect more from authority figures now.

Weaknesses
- Despite a Supreme Court ruling in the mid-1990s declaring the airwaves public property, the Indian government is wary about completely freeing programmes such as To Be Alive from state control.
- The government has approved the selling off of frequencies to private commercial FM stations, controlled by industrial houses or corporate bodies rather than community-based organizations.
- In order to broadcast To Be Alive the collective must buy air time from the government – there is no community radio station as yet.
- Community stations tend to have difficulty

securing funding to run their programming.
- Competition with commercial stations is an issue.
- Lacking an alternative, community radio stations may illegally tap into unauthorized frequencies, and are fined as 'pirate' stations.
- Community radio broadcasters challenge business interests and the status quo – so are opposed by the most powerful.
- Small and marginalized communities, especially in the rural sector, cannot afford the kind of licence fees levied on commercial stations.

Generic lessons to be learned from the case
- Independent media grew out of a long history of movements for social justice. For example, Radio Venceremos, in El Salvador in the 1960s, Voz Popular, the voice of the resistance movement in Guatemala, and the Zapatistas' use of the internet in 1994 – and so on.
- Poor people are more likely to tune into traditional media, such as the radio, for access to information.
- Licence fees and spectrum usage fees for community radio should to be kept at affordable levels.
- Community radio facilitates social change by enabling ordinary citizens to demand accountability from the government.
- Community radio requires enabling policy frameworks, legislation, regulation, funding, technical support, and public support.
- Some form of non-intrusive supervision by an autonomous regulator is needed to prevent the misuse of community radio stations.
- A simplified licensing process needs to be set in place for community radio.
- The relationship between the financial, social and institutional sustainability of community radio and social impact should be looked at.
- In promoting education and citizen participation, community radio stations empower the poor and marginalized to claim their rights and demand change.
- One way to spread the message would be for other radio stations to join in the campaign.

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Report Card to the Mayor, Seoul, South Korea

Accountability arrangement: Corruption Report Card to the Mayor

Description of Anti-Corruption Mechanism

The 'Corruption Report Card to the Mayor' was initiated in Seoul in 1999. 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. Report Cards are also available from 727 locations across the city including City Hall, city offices, local district (Gu) offices and applications counters at the local neighbourhood (dong) offices. Upon receiving a report card, the Mayor orders an investigation of the reported cases and if corruption has been proven, the Mayor issues appropriate punitive measures, and a reward of 100,000-300,000 won to the person who reported the problem.

What specific infrastructure services are involved?

Corruption prone areas in Seoul have been identified as sanitation, housing, taxation, fire control and construction.

Historical, social and political context

–political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

The financial crisis in 1997 acted as catalyst to create a more effective, efficient, and transparent government in South Korea. Various conditions were attached to the IMF bailout, including financial austerity, trade liberalisations, as well as a package of good governance and anti-corruption measures. The Korean government established the Presidential Committee for Administrative Reform to eliminate inefficiency, abolish unnecessary administrative regulations, increase salaries for public servants, promote citizen-oriented administration, greater information disclosure and the greater use of Information Communication Technologies to create a digital administration. The World Bank provided a grant for developing a National Anti-Corruption Programme, which involved administrative reforms in six corruption prone areas (construction, housing, tax administration, police work, environmental management, food and entertainment).

In Seoul, Mayor Goh implemented a reform of Seoul Metropolitan Government on the basis of zero tolerance of corruption. Staff are regularly rotated and individual responsibility over a specific area was abolished to remove scope for discretionary administrative behaviour.

Examples of use of mechanism.

Report Card to the Mayor have been mailed to:
- Construction companies as well as individuals involved in the construction work (such as the drafter, architect, supervisor and subcontractor) that have entered into a contract with the city government. These stakeholders receive a post card every month until the completion of construction.
- Water supply construction companies that have been hired as well as individuals involved in the water supply construction.
- Individuals or architects who have obtained a new building permit or approval.
- Owner/manager of environmental waste related to businesses that are undergoing inspection for instance in relation to regulations for discharging pollutants, waste water, or waste materials.

The kinds of corruption reported to the Mayor include instances of proposition of bribery and companies/individuals offering payments in gratitude for a service. Punishments resulting

from the 'Corruption Report Card to the Mayor' include disciplinary punishment, voluntary dismissal, suspension from office, admonition, corrective education, or early retirement.

Who initiated it?

Seoul Metropolitan Government (SMG) adopted a package of anti-corruption measures in 1999 under its second elected mayor, Goh Kun. Other specific accountability initiatives in Seoul included Citizen Evaluation Systems, Online Procedures ENhancement for Civil Application (OPEN), an Anti-Corruption Index, Citizens Ombudsmen Systems and residents requests for inspection system in cases of suspected waste of budget or administrative mistakes at gu level. These initiatives were a response to the policy objectives of a clean and small government, results based government, creating competition in public service, increasing responsiveness to customers in service delivery, strengthen the competitive edge of Seoul as an international city, and to foster public participation in policy making

What are the aims/objectives?

The objective of the Corruption Report Card to the Mayor is to ensure an ethical, transparent and accessible city administration. It is intended to eliminate corruption in 5 key corruption-prone civil affairs departments such as; sanitation, taxes, construction work, housing/building, fire prevention and control.

How does the mechanism reach the service users?

The Corruption Report Card to the Mayor is sent to all public officials handling civil affairs as well as to the citizens and companies who have had dealings with the city government. For example, citizens that have contacted public officials more than once with regard to administrative procedures or waited more than 3 days for their civil appeal to pass to receive a permit or approval; owners, operators or managers of establishments that are targets of inspections or crackdown by public officials; those who file for payments for various construction projects, services or goods worth more than 10 million won (US$7, 700). Report cards are also sent to the supervisors, designers and subcontractors in addition to the general contractors of projects. If a report card is returned to the Mayor's office, the mayor orders an investigation. If the investigation finds misconduct then appropriate punitive measures are imposed. A reward may be

offered to the person who filed the report. The average processing period is 10 days, with 7 days for simple issues.

What use is the mechanism to service users, particularly the poor?

The mechanism demonstrates that Seoul Metropolitan Government is proactively tackling the problem of corruption in the city's administration. It is intended to make the process of reporting corruption simpler, make the Mayor more accessible to residents, promote fairness and objectivity in city administration, and removing public distrust. It is intended that the Report Card, along with other anti-corruption initiatives strengthened citizen's vigilance and control in order to create a more predictable administration. However, no specific efforts have been made to target the poor.

Evaluation of mechanism success/failures

The main advantage of the Report Card to The Mayor is that the citizen's complaints are handled directly by mayor. The Corruption Report Card to the Mayor has had some other success in:
- Rooting out irregularities.
- Creating interest and support to curb corruption in Seoul Metropolitan Government.
- Seeking to improve participation in city affairs.
- Attempting to secure fairness in administrative procedures.
- Disclosing the administrative process and outcome to general public.
- Satisfaction with the outcome of administrative procedures.

Failures
- People use the Report Card to the Mayor to file general complaints rather than report corruption.
- People who had reported corruption were not satisfied with the Report Card mechanism because of delays in response or 'insincere replies'.
- It has been suggested that the effectiveness of the Report Card to the Mayor doesn't justify the budget.
- The rate of receipt/distribution of the card is said to be low. Some people don't used the Report Card to the Mayor because they have nothing to report, didn't believe that it would curb corruption or else were afraid of

the consequences of reporting corruption
– they were concerned that the reporter's
details would not be kept confidential.

**Generic lessons to be learnt from the
case**
- Public information campaigns are essential
  for the initiative to be successful.
- It is important to process reports promptly
  and notify the result of the investigation to
  the public accurately and fairly.
- Seoul Metropolitan Government use a
  variety of channels to access service
  providers.
- Programs need to be developed to expand
  the opportunity for citizens to participate.
- Seoul Metropolitan Government took the
  initiative and approached citizens directly
  rather than wait for them to approach local
  government with their concerns about
  corruption.

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Report Cards, India

Accountability arrangement: Report cards, India

What does the mechanism involve?
First used in Bangalore in 1993, report cards use citizen feedback to rate the performance of public-services agencies, such as the electricity board, water board, telecommunications agencies, and public banks.

Report cards give information on:
• citizens' assessments of the qualitative and quantitative dimensions of services (overall availability, usage and satisfaction, levels of corruption, and reasons for dissatisfaction with urban service);
• comparison of service providers
• areas in which citizens have real problems accessing services (to identify the problem, whether problem-solving initiatives work, hidden costs, and initiatives for citizen participation);
• efficiency and effectiveness of grievance mechanisms; and
• the hidden cost of services incurred by citizens.

The findings of the report cards are shared with NGOs, citizen bodies, other public-interest groups, citizens and service providers – and widely publicized in the press. Public agencies are urged to respond to the report card by improving their services.

What specific infrastructure services are involved?
For example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid-waste management, street lighting and community building, along with primary, secondary and tertiary levels of service delivery?

The report cards investigate services that fall into four categories:
• basic services: drinking-water, domestic lighting, public toilets and garbage clearance;
• neighbourhood related services: streetlights, public phones, ration shops, high schools, health centres, banks and post offices;
• other infrastructure: pucca roads, public buses, and suburban railways; and
• Institutional environment: house-maintenance regulations, and minimum wages.

Public services in India are delivered by both municipal and specialized agencies. The municipal corporation typically looks after roads, garbage, street lighting, building permits, birth and death certificates, property-tax collection, and a few other miscellaneous services. Electricity, water and sanitation, vehicle licences, telecommunications etc., are provided by special agencies, some of which are only for the city, while others cover the entire state.

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

India has an active media and civil society participation, and has developed a number of important anti-corruption mechanisms. For example, public interest litigation emerged in India in the late 1970s and early 1980s to make the judiciary more accessible to the poor and disadvantaged. Furthermore, a local NGO Mazdoor Kissan Shakti Sangathan (MKSS) in Rajhasthan empowered poor communities by developing the Right to Information to combat corruption in famine relief and rural

development works. Transparency International India and Lok Sevak Sangh are also involved in promoting moral and ethical Education in Delhi schools of, and have been consulting with central government departments in Delhi to prepare a citizen's charter for government services.

It is widely believed that public services in India's urban areas are unsatisfactory and, for the most part, deteriorating. According to Paul (1995), the reasons why the public sector's performance and accountability remain weak are:
- public services are monopolies protected from competition – they rarely seek to give customer satisfaction, fail to disseminate information about the impact of their services, and don't take steps to improve quality;
- citizens don't have the power, knowledge or incentives to demand better services and accountability
- public officials who manage and control the allocation of public resources for personal benefit

In the absence of competitive pressure to perform, the Public Affairs Centre argues that the 'voice' of service users becomes the crucial mechanism by which ordinary people can demand better services from the public service providers. Report cards and advocacy groups use public feedback as a means to stimulate public service agencies to be more responsive to their customers.

Examples of this mechanism's use
The Public Affairs Centre has carried out report-card initiatives in seven cities in India (Ahmedabad, Bangalore, Calcutta, Chennai, Delhi, Mumbai and Pune) and, in 2001, carried out a Millennial Survey of Public Services, which has provided a state database of quality and performance standards of drinking-water, health and sanitation, education and childcare, public distribution systems (fair-price shops), and road transport. The aim is to benchmark service quality through citizen feedback to provide information on access and usage of services, satisfaction scores, and reasons for high dissatisfaction, for use by administrators and policymakers; donors/ programme funders and NGOs/ civil organizations. Other examples of the subsequent use of report cards include:

- Self-Employed Women's Association (SEWA) members in Ahmedabad used the report card to publicize the plight of slum residents. There were several tangible outcomes: Ahmedabad Municipal Corporation started a programme to improve services in the areas covered by the study; SEWA members in the survey areas were trained to monitor the quality of services in the area; a helpdesk called 'Our City' was set up to provide members with information necessary for interacting with any public agency; and the findings were used to shore up demands for greater involvement of the elected local representatives in ensuring the quality of public services.
- A Governance Score Card (World Bank et al, 2002) has been used in Bangladesh to assess urban-services delivery. The study aimed to assess the efficiency of governance, measure the performance of service providers, highlight difficulties encountered while interacting with the service providers, and examine the quality of urban services from the recipients' and service providers' point of view.
- The World Bank piloted a report card in the Philippines, The Filipino report card on pro-poor services, to assess the performance of selected government services – basic health, elementary education, housing, potable water, and food distribution – based on client experience. The report card results indicate the constraints Filipinos face in accessing public services, their views about the quality and adequacy of services, and the responsiveness of government officials. Through the survey, citizens got to speak out on the quality and affordability of the services – and revealed their awareness of and access to the programmes.

Who initiated the report cards?
Report cards were launched by the Public Affairs Centre (PAC) – an NGO based in Bangalore – in 1993. PAC is committed to improving the quality of governance in India by identifying and promoting initiatives that facilitate citizens to take a proactive role in enhancing public accountability and performance. Survey costs were met largely through the mobilization of local donations. Subsequently, both the National Foundation for India and the Ford Foundation have provided financial support for expanded efforts and follow-up activities.

What are the objectives?

Report cards:

- obtain systematic feedback on the public's experience of different service providers – and enable researchers to assess the adequacy and quality of these services and user satisfaction.
- have evolved into an effective and easily accessible instrument for assessing and highlighting both the quality and quantity of public service delivery in a given community;
- catalyze citizens to adopt proactive stances by demanding more accountability, accessibility and responsiveness from public service providers;
- act as a diagnostic tool for service providers, external consultants and researchers; and
- encourage public agencies to adopt and promote client-friendly practices and policies, design performance standards, and facilitate transparency in their operations (Upp, 1995).

The report card process can also be repeated over time and compared across services and cities, putting greater pressure on public officials to listen (Upp, 1995). The second report card on Bangalore's public services was published by PAC five years after the first, in 1999. This second card had a benchmarking purpose – providing a comparative assessment of whether services had improved or declined. Despite the fact that many agencies (such as Bangalore Development Authority, Bangalore Water Supply and Sewerage Board, Karnataka Electricity Board and Bangalore Telecom) took steps to improve their services following the publication of the first report card, user satisfaction with services had not changed markedly over the next five years: perhaps better-informed citizens have become less tolerant of poor performance.

How does the mechanism reach service users?

The methodology of the report card involves the following stages:

- identifying issues through focus-group discussions;
- designing questionnaires; categories might include 'How satisfactory are the public services that matter the most to the citizens?' 'What specific aspects and features are satisfactory or unsatisfactory?' 'What does it cost the user to get the services (identify official cost, tip, bribes, other hidden costs)?' (technical support for the PAC report-card initiative was provided by a marketing research firm, Marketing and Business Associates Pvt Lt);
- identifying the scientific sample for the survey – random sampling is used and stratification has been used to ensure certain household groups are included;
- commissioning an independent agency to survey selected households;
- collecting qualitative data (from focus-group discussions and mini case studies);
- documenting the information services provide to the public; and
- placing the results in the public domain.

Once the data has been collated, the findings are circulated to government, all service providers, and the press – via press releases, news stories and features. Workshops and meetings are held with citizen groups and NGOs to discuss the findings in depth and to encourage them to take follow-up action – advocacy campaigns and ongoing dialogue with the authorities which aim to improve the quality of governance and service provision.

What use is the mechanism to service users, particularly the poor?

Very few evaluations of service delivery consider whether services are actually being utilized by the poor – and whether they meet their needs. The Public Affairs Centre is particularly interested in how the poor benefit from public services. For example, a report card of slum-dwellers in Mumbai was produced, in which the sample was stratified by geographical area and type of land ownership (Balakrishnan and Sekhar, 1998). It identified considerable dissatisfaction with how public agencies have responded to the problems of the poor. The problem-resolution rate for the poor is much lower than that for general households, and the proportion of poor people making multiple visits to sort out their problems is substantially higher than for the general households.

The report cards showed that corruption is a particular problem for the poor when interacting with public agencies – they pay far more bribes to officials than the middle class. Furthermore, the poor spend a larger proportion of their income on bribes than the rest of the population. Yet, even where the poor did pay bribes, it was reported that they often did not

get satisfactory results. The report cards found that the majority of respondents were willing to officially pay more for reliable-quality services rather than pay 'under the table' with no guarantee of quality assurance.

Evaluation of mechanism successes/ failures

'In a country where nearly 80 per cent of the public expenditure is meant to deliver goods and services to the people, the importance of the report card as a monitoring and advocacy tool cannot be over-emphasized' (Paul and Sekhar, 2000).

Strengths
- Report cards are good for getting quantitative feedback on services, thus lending more weight and credibility to the experiences of service users (in the eyes of public officials).
- The data has been used to rate the performance of public service providers and to highlight the aspects of their services that need improving.
- The findings can empower citizens to interact with service providers in a more informed manner.
- The findings might be a useful tool in pressurizing public officials to do something about corruption in service delivery.
- The method seems suited to densely populated areas where large sample areas can be covered without great expense (Upp, 1995).
- The report card highlights the hidden cost of services incurred by citizens, for example, residents have invested heavily in alternatives to municipal supply – water tanks, borewells, voltage stabilizers, water filters and generators.
- Wide dissemination and discussion of findings make the public more aware of corruption in service delivery and, more generally, about the state of services in the city.
- Some public agencies have commissioned studies of their own to help them identify remedies to the problems raised by the report card.

Limitations
- Report cards do not provide answers to all the problems raised by the users of public services.

- Report card findings may be misleading due to the diversity of service users in a given city.
- Report cards do not include officials' feedback.
- The success of report cards depends on the capacity of and interest of civil society in lobbying for change – and on the ability and willingness of agencies to respond.
- The methodology is unproven – it is difficult to show causally that it is the report card and not the wider context which has made the difference to service delivery.
- The use of report cards might bias public service providers in favour of those who are more able to organize this system for services in their areas (the better off, more educated and better employed).
- Service providers are expected to take the report card findings into consideration when adjusting their programmes to improve service delivery. But many past assessments did *not* have a lasting impact on service delivery because they were often one-shot exercises with no effective means of follow-up.
- It has been noted that the grassroots organizations that have tried to implement report cards 'failed to pay adequate attention to the methodology followed in their report card work' in terms of randomness of sample, inadequate training of investigators, bias in investigators, lack of expertise and experience in data analysis and interpretation which compromised the quality and neutrality of the survey (Paul, 2002).

Generic lessons to be learned from the case
- User satisfaction with services is an important dimension of the performance of service providers.
- Information (in the form of citizen feedback from the poor and marginalized sections of society) can be used to signal that the service provider needs to take corrective action (adopt client friendly practices and policies, introduce performance standards and improve transparency in operations) as well as to enable comparisons between agencies and locations.
- There is a need for technical capability in performing the survey and analysing the findings.

- Media and NGOs need to play an active role in promoting the findings as well as in catalyzing citizens to demand accountability, accessibility and responsiveness from service providers. Adverse publicity has encouraged agencies to respond to the findings and tackle problems in their organizations.
- Success of the report-card methodology depends on the ability of NGOs/service providers to institutionalize the process.

- A key advantage of the report-card methodology has been the organization of citizens to influence service developments and for improving public services.
- Report cards allow the public to score the performance and level of service provided by public service organizations based on first-hand experience.
- Report cards have raised public awareness of corruption in service delivery and of poor performance.

■

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The Citizen's Advocacy Office, Albania

Accountability arrangement: The Citizen's Advocacy Office (CAO)

What does the mechanism involve?
The Citizens Advocacy Office (CAO) fights against the corruption in Albania and aims to make the government more accountable to society's demands. The office's approach is to use the media and public forums to put pressure on the government and public officials, as well as to provide a platform for public complaints.

The Citizens Advocacy Office was founded in 2001 with a combination of financial and technical support from the US government. It since has expanded from its original awareness-raising mandate to taking on the job as an ombudsman for grievances about government accountability and later, as a monitor for government compliance with laws aimed at reducing corruption.

The CAO's projects and activities include its anti-corruption programme, anti-trafficking tasks, preparation of court file, a freedom of information project and family violence law.

What specific infrastructure services are involved?
– for example, water supply, sanitation, drainage, provision of access roads and paving, transport, solid waste management, street lighting and community buildings, and primary, secondary and tertiary levels of service delivery?

The CAO has protested against increased telephone and electricity rates, a proposal to bring garbage from a neighbouring European Union (EU) country to Albania and corruption in the justice system.

Examples of this mechanism's use
The majority of the complaints to the CAO range from drawn-out legal procedures and non-execution of court decisions, governmental reluctance in providing information concerning individual cases, to public officials' abuse of power, conflicting property ownership and issuance of illegal construction permits. The CAO have succeeded in having senior judges dismissed on corruption charges, precipitating the arrest of well-known traffickers in persons and have brought before the court political parties that were not publicly disclosing their financial resources in accordance with the law.

Problems identified by the CAO include:
- Albanian Power Corporation – disrespect of contracts with consumers in their supply of electric energy; this has caused fires and destruction of domestic equipment, destruction or serious damage to property, risking the lives of habitants, and miscalculation of domestic and private subscribers' bills.
- Local government – municipalities and town halls. i) Inappropriate and unrealistic criteria for issuing licenses; ii) bureaucratic practices and lack of transparency of procedures for providing information to the public; iii) illegal decisions of urban regulation offices and territorial adjustment councils close to municipalities in terms of their disregarding urban conditions, violating public and private property rights, overlapping of construction permits, destroying and intentional damaging of documents supplied by citizens, and infringement of the legal terms and conditions for treating and responding to requests in the Territorial Adjustment Councils.
- Properties registration offices – refusing to provide information and issue property documents/ ownership certificates in accordance with citizens' requests, delays in the properties registration, unjustified impediments and refusal to register properties, corrupt practices and violations of property rights.

- State institutions as employers – illegal dismissal against the labour code and civil servant status, especially whistleblowers, lack of transparency toward employees, irregularities in keeping employment records, problems with contracts, social and health insurance benefits, false declarations of the number of employees and manipulation of the privatizing procedures of state enterprises (in the case of those involved in the privatization process).
- Construction police – lack of responsibility in taking measures in the execution of court sentences, sentences for demolishing of illegal buildings and those without construction permits, and ignoring property certificates and court sentences.

Historical, social and political context
– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

In Transparency International's (TI) Corruption Perceptions Index 2004, Albania scored 2.5 against a clean score of 10, ranking 108 out of the 146 countries surveyed. The score had not improved since 2002, when Albania was first included in the index.

What are the objectives?
Corruption is an obstacle to economic development in Albania. In co-operation with other organizations, the CAO raise awareness of corruption among the people of Albania and create and strengthen public oversight mechanisms that promote transparency and integrity in the public and private sectors.

The CAO provides a model of:
- pro-active service;
- legal education to encourage the citizens to denounce corruption and the violation of rights;
- strategic co-operation with media;
- a young and active team of professionals;
- practices on a case-by-case basis;
- compilation of strategies;
- initiating and promoting of good practices of inter-agency co-operation;
- monitoring and identifying problems; and
- proposing improvements in Albania's legal framework and initiating legislation.

Who initiated this mechanism?
The CAO is part of the USAID-funded Albanian Coalition Against Corruption (ACAC) and is the leading anti-corruption watchdog and advocacy organization in Albania. It was founded in October 2001 with the support of USAID through MSI (Management Systems International). USAID has been CAO strategic donors and supporters for the last 3 years.

How does the mechanism reach service users?
CAO has become the main watchdog organization in the country addressing anti-corruption issues; more then 90 per cent of people believe that CAO information is reliable and corresponds to the truth.

Since 2001, CAO has offered a legal assistance service free of charge for victims of injustice and abuse of power, and especially corruption and bureaucratic red tape. CAO is open five days a week from Monday to Friday providing a range of legal services to the public. No fewer than 20 people each day come to meet the five lawyers that offer legal services to them free of charge. Since it's founding in 2001 and 2003, the Citizens Advocacy Office has assisted more than 2,500 individuals citizens, businesses and social groups.

Thousands of articles have been written in the press and hundreds of TV and radio programmes have made public the CAO's activity and mission:
- 'The Marathon Against Corruption' (2001-2002) offered a chance for hundreds of people to call in and denounce corruption on a public television show. The CAO invited the public to speak live on the programme to government representatives, international donors and CAO members, and through open dialogue discussed the serious issues of corruption while offering possible solutions.
- Now corruption is being talked about openly in Albania. For example, the deputy minister of local government and decentralization tried to build a home illegally on the shoreline in the port city of Durres. Due to the CAO's campaign, she was immediately stopped and is awaiting penalty. Municipal authorities are also now under scrutiny for issuing illegal construction permits that clearly violate the country's zoning laws.
- After six months of CAO appealing to the prosecutor's office and to the state-owned Public Radio Television (RTSH) for an immediate investigation into the that broadcasting corporation's former director's illegal business practices, plus mass media

coverage against him, he is now paying for his corrupt activities. Caught red-handed as he tried to pocket extra money earned from airing the 'Magic Bingo Albania,' the former director was fired from his job and is currently on trial for receiving bribes in exchange for advertising footage and false contracts. A chain reaction has followed and other department heads accused of collaborating with the RTSH director have also been dismissed.

What use is the mechanism to service users, particularly the poor?

The service offers reliable information, consultancy, practical advice, referrals to appropriate services and institutions, monitoring and representation in administrative and judicial authorities. The CAO is committed to making services close and within reach of people, even in the most remote and disadvantaged areas.

The CAO cannot deal with every case, but it tries to assess the cases fairly to judge those that qualify for further research and action. After a thorough selection process, the CAO confronts the institutions involved and tries to have citizen's complaints addressed and infractions of the law corrected.

Evaluation of mechanism successes/ failures

Strengths

- Providing legal consultancy to citizens, that is, clarifying the meaning of documentation and describing the procedures people should follow to solve any particular problem/conflict.
- Representing the concerns and interests of citizens toward the state and political decision-making agencies.
- Use of the freedom information law and administrative procedure code to obtain information and official documents that for years had been arbitrary refused to citizens.
- Raising citizens' awareness and legal education on how to deal with public administration and judicial bodies, as well as on the legal terms and the

responsibilities they have under the law.
- The Citizens Advocacy Office (CAO) and Transparency International (TI) signed a partnership agreement to fight corruption.
- The CAO has made efforts to improve the written and formal communications of the public administration offices in response to the citizens' requests and claims at the central and local levels.

Weaknesses

- The CAO is dependent on the quality of its staff; that is, on employing the best expertise and professionals with academic backgrounds in its initiatives, projects and programmes.
- The organization's dependency on USAID.

Generic lessons to be learned from the case

- The law/law enforcement alone cannot stop corruption, but it is impossible to fight corruption without an adequate legal response.
- The biggest challenge is gaining public confidence and trust; the organization has found that the deaf ears and blind eyes of corrupt institutions have made people apathetic about combating corruption.
- USAID/Albania is making anti-corruption a major cross-cutting theme in its country strategy, due to corruption's pervasiveness and impact across all areas of democratic, social and economic development.
- The CAO does not get involved in politics, but is intended to be a vehicle to build efficient and transparent government, ensuring that democracy is evolving in Albania.
- The NGO has been supported to take advantage of the opportunities to reform anti-corruption standards presented by the EU accession processes in the region.
- Success depends on collaboration with a range of stakeholders including citizens, businesses, the media, youth networks, NGOs, the President of the Republic, government ministries, the General Prosecution Office, international organizations, academics and universities.

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The OPEN System, Seoul, South Korea

Accountability arrangement: Online procedures enhancement for civil applications (OPEN)

What does the mechanism involve?

In 1999, Seoul's metropolitan government developed the Online Procedures Enhancement for civil applications (OPEN), in a drive to achieve transparency in the city's administration by preventing unnecessary delays or unjust handling of civil affairs by civil servants. OPEN is a web portal that publishes information relating to permits and licences. Once the citizen has filed an application with the Civil Affairs Department, the official posts the details of the application on the OPEN site. Using the internet, the applicant can track progress online without having to call or visit City Hall. Between April 1999 and December 2001, OPEN had 2,369,627 visitors. City Hall has trained more than 5,000 employees to operate the system.

What specific infrastructure services are involved?

As of July 2000, the OPEN system has been used to disclose information in 10 areas: industry and economy, transportation, environment, sanitation and welfare, construction work, housing and construction, urban planning, culture and tourism, administration and fire-fighting related areas.

Historical, social and political context

– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

The military Government of South Korea (1961-1987) has been implicated in corruption in Korean society, whereby *chaebols* (conglomerates dominated by single families with control of the markets) were able to make private payments to public officials, in order to influence new legislation and regulations.

Presidents Chun Doo-Hwan (1981-1987) and Roh Tae-Woo (1988-1992) used their presidency to accumulate huge personal wealth. Furthermore, socio-cultural practices in South Korea, such as *Chonji* (money as a token of appreciation), gift-giving and *Kwan-Si* (acquaintanceship culture), make business transactions vulnerable to corruption. This corruption, together with economic growth, is said to have led to the IMF crisis.

The financial crisis in 1997 acted as a catalyst to create a more effective, efficient and transparent government in South Korea. Various conditions were attached to the IMF bailout, including financial austerity and trade liberalization, as well as a package of good governance and anti-corruption measures. The Korean government established the Presidential Committee for Administrative Reform to eliminate inefficiency, abolish unnecessary administrative regulations, increase salaries for public servants, and to promote citizen-oriented administration, greater information disclosure and the greater use of Information Communication Technologies (ICT). The World Bank provided a grant for developing a National Anti-Corruption Programme, which involved administrative reforms in six corruption-prone areas (construction, housing, tax administration, police work, environmental management, and food/entertainment. The Mayor of Seoul, Goh Kun, made anti-corruption a priority when he came into office in 1998.

The internet has become very popular and highly accessible in South Korea through central government financial support and the deregulation of the telecom sector. South Korea leads the world in broadband usage: over 60 per cent of households now have broadband, and over 80 per cent have Internet access. The high rate of adoption can be explained by the popularity of mobile telecommunications, mobile Internet use, online gaming, music-file

downloads, dotcom registrations, and cyber banking. Seoul Metropolitan Government has harnessed the popularity of the Internet to create a small, more cost-effective and efficient 'e-government', which delivers better service to citizens – as well as a more participatory 'virtual' society.

Examples of this mechanism's use

The OPEN system has been very effective in controlling corruption in the field of housing, construction work and city planning. For example, OPEN has been used for the approval of water and sanitation-related contracts, such as a turnkey project for water-treatment plant, and sewage/wastewater-processing plant), waste-incineration facilities and waste-disposal business, permits, and contracts for facility maintenance – for example, sewage-facility maintenance and drain- channel maintenance.

Who initiated the OPEN system?

Seoul Metropolitan Government (SMG) adopted a package of anti-corruption measures in 1999 under its second elected mayor, Goh Kun. Other specific accountability initiatives in Seoul include Citizen Evaluation Systems, an Anti-Corruption Index, Corruption Report Card to the Mayor, and Citizen Ombudsmen Systems. These initiatives were the result of the policy objectives of an honest and results-based administration, determined to create competition in public service, increase responsiveness to customers in service delivery, strengthen the competitive edge of Seoul as an international city, and to foster public participation in policymaking.

What are the objectives?

OPEN had a number of key aims:

- to expand information access;
- to contribute to the policy strategy of a digital administration;
- to create transparent procedures and standards;
- to improve governance structures; and to
- expand citizen monitoring.

The Online Procedures Enhancement for civil applications (OPEN) system was developed to achieve transparency in the city's administration by preventing unnecessary delays or unjust, unaccountable, arbitrary decisions by civil servants. It was also intended to reduce distrust – and to improve administrative efficiency for ordinary citizens.

The information disclosed includes the entire process of approval (case registration, review, process results, and schedule matters), the relevant departments involved, e-mail addresses and names of the officials in charge, and the time of the approval. Unrestricted access to all stages of administrative procedures eliminates the need for personal contact with officials or the payment of bribes, and ensures that no official can delay a case without justifiable reason.

How does the mechanism reach service users?

As soon as a citizen files an application for permits or approvals (where corruption is most likely to occur), the government staff in charge will post the details of the received application on the OPEN site. Using the Internet (at home, work, or at the nearest district (gu) or ward office), the citizen can learn, in real time, whether the application has been received, who is currently handling and reviewing the case, when the permit is expected to be granted and, if it is turned down, why.

The OPEN system has been advertised through leaflets, stickers, posters, underground-train advertisements, and electronic signs. There are guides on how to use OPEN and prizes for those who visit the OPEN site. Seoul Metropolitan Government supports access through free online terminals throughout the city, in addition to the numerous Internet cafés that can be found in the city. Some gu offices have provided IT support systems for those with physical disabilities or visual impairments.

What use is the mechanism to service users, particularly the poor?

OPEN is intended to:

- reduce corruption;
- achieve transparency;
- improve trust and the credibility of SMG;
- strengthen citizens' vigilance and control;
- ensure that public employee performance is strong and reliable;
- improve efficiency in the processing of civil applications; and
- increase convenience and reduce the time and cost involved in interacting with government, i.e. no need for telephone calls or visits to City Hall.

Whilst these benefits are not specifically tailored to poor and disadvantaged groups, they are intended to improve overall service delivery. Since it is the poor who usually suffer the consequences of corruption, they are likely to benefit disproportionately from any improvements in access.

Increased surveillance in 2000 resulted in 42 irregularities being detected, one disciplinary punishment, nine warnings and 32 corrections. Incentives have also been adopted, for example, prizes for public officials who input the data best (84 prizes were given in 2000). OPEN has enhanced private-sector operations and maintenance of infrastructure services, for example, it has eliminated bribes in waste collection and disposal and incinerator construction – and has improved the standard of infrastructure construction., Attention must be paid, however, to the potential for a digital divide between rich and poor and the older and younger generations.

Evaluation of mechanism successes/ failures

Transparency International-Korea has carried out surveys of public opinion on OPEN since its implementation by Seoul City in 1999. When first implemented, OPEN received positive feedback both at home and abroad for its effective anti-corruption system. However TI-Korea's more recent surveys show that opinions have become more sceptical.

Strengths
- The OPEN system has received favourable reviews domestically and internationally. The UN has recognized the OPEN system as a model solution against corruption. The OPEN system has received the Innovative Management Award of the President of Korea and was presented as one of the 'best practices' at the OECD High-Level Governance Outreach Seminar in Paris.
- The success of OPEN demonstrates how useful information and technology are in creating transparency in government organizations.
- According to Transparency International Korea, citizens think that OPEN has had a positive impact on administrative efficiency and the equity of public services – and has proved effective in increasing administrative trust and transparency.
- OPEN concentrates on preventing corruption. Greater information disclosure

has also strengthened citizens' vigilance and control in order to create a more accountable administration.
- Digital administration has reduced the opportunities for corruption in the administration's offices.

Failures
- One of the major problems associated with OPEN is the increased workload, as well as the time it takes to train staff. City officials were concerned that OPEN requires a large amount of additional manual labour in inputting the data into the system. They did not wholeheartedly welcome the OPEN system, in part, because it would reduce their discretionary powers and increase their workload (Ahn, 2003).
- An accountability strategy that relies on the use of IT may exacerbate the digital divide between affluent and poor, meaning increased transparency and accountability in government is only for the wealthy.
- The approach taken by SMG appears to be based on rectifying individual problems rather than systematically dealing with the source of complaints.
- Heavy reliance on IT, at the expense of paper-based systems is perhaps short-sighted. In 2003, a virus completely paralysed Korea's entire Internet service, causing financial losses for local businesses and major inconvenience for Internet users.

Generic lessons to be learned from the case
- OPEN depends on training and re-education programmes, yet the increased workload should be properly controlled to increase acceptance of the system.
- Korea's advanced information-technology infrastructure helped administrative reform.
- The success of OPEN depends on support from civil-society groups.
- The Mayor's strong commitment and keen interest in OPEN along with the dedication of the Audit and Investigation Bureau and the Information System Planning Bureau (ISPB) were critical in getting voluntary acceptance.
- Donor pressure and funding came from international organizations including the World Bank and the International Monetary Fund.
- Improved detection systems increase the effectiveness of internal monitoring and control by cyber inspection.

- Public relations has been used to enhance levels of public interest in combating corruption.
- The shift away from the centralization of power in South Korea means that local government has been strengthened.

- Zero tolerance of corruption in Seoul Metropolitan Government: one 'strike' and you are out.
- IT has been used to modernise services, increase the convenience for citizens, improve performance, and to reduce the cost of administration to citizens.

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Urban Bribery Index, Kenya

Accountability arrangement: Urban Bribery Index, Kenya

What does the mechanism involve?

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

Three groups are sampled – micro and small enterprises, the corporate sector[1], and individuals on a random basis. The survey is conducted using a structured questionnaire that asks the respondents about their interactions with public organizations over the preceding 12 months. Information is collected on a number of indicators intended to capture the different dimensions and impacts of bribery including the:

* *Incidence of corruption:* how often people are asked for bribes in their dealings with service providers;
* *Examples of bribery transactions;*
* *Prevalence:* the percentage of the population that is affected by bribery in an organization/institution/local government department;
* *Severity:* consequences of declining a bribe;
* *Frequency:* the actual level of bribery reported in an organization – how many bribes officials of organizations receive;
* *Costs:* the cost of bribery to an organization/individual; and
* *Bribe size:* the size of bribes paid to officials

From this information, Transparency International (TI) Kenya constructs an index that is an aggregate of six indicators: incidence, prevalence, severity, frequency, cost, and bribe size. The aggregate index is the average of the six indices. The index ranks all the institutions for which the survey provides sufficient information for statistically valid comparison.

What specific infrastructure services are involved?

For example, water supply, sanitation, drainage provision of access roads and paving, transport, solid-waste management, street lighting and community buildings, along with primary,/ secondary and tertiary levels of service delivery.

The Kenya Urban Bribery Index investigates a range of municipal services including water supply, sanitation, drainage, access roads and paving, transport, solid-waste management, and street lighting.

Historical, social and political context

– political regime, nature of the state, relative efficiency of the public administration, relative strength of civil society etc.

Since the introduction of the Corruption Perceptions Index Kenya has ranked as one of the most corrupt countries in the world. In 1997, after action and warnings by other bilateral donors, the International Monetary Fund (IMF) suspended its Structural Adjustment Programme, citing corruption and pressing for the creation of an anti-corruption agency. The effects of corruption in Kenya include: donors becoming unwilling to give aid, poor infrastructure and delivery of services, and lack of respect for the rule of law creating insecurity, lack of confidence in public institutions and social unrest.

Studies have uncovered corruption in:

* government;
* among different socio-economic groups;
* different sectors such as the Kenya Football Federation; and
* various physical and cultural institutions. (for example, in Kenya, a harambee is a community event designed to raise money for a person, such as someone with an illness, or for a situation, such as a school in need of repair).

TI-Kenya claims that the Kenyan Police, the Ministry of Public Works and the immigration department are perceived as the most corrupt public institutions. Tribalism, cronyism and nepotism are characteristics that run throughout Kenyan society and play an important role in encouraging corruption.

It has been noted that people think corruption in Kenya is relatively harmless because corrupt officials have a degree of impunity. These perceptions stem from the time of independence and the Kenyatta regime, and Moi era. For example, the Assistant Justice Minister Mr Njeru Githae estimated that Ksh635 billion had been looted from the treasury during the Moi era from 1978-2002.

Other high-profile scams include the abuse of export compensation which became known as the Goldenberg Affair, and the widespread destruction of forest cover by the Kanu government. The effects of grand corruption, coupled with everyday petty corruption, has a big impact on the urban poor – resources that should go into the development and maintenance of infrastructure are looted and government has to scale back on infrastructure available for low-income communities.

Examples of this mechanism's use
The Urban Bribery Index has found that:
- about two out of three people reported that they were required to bribe to obtain public services;
- people who had low incomes, were unemployed, or poorly educated were significantly more vulnerable to corruption than better-off respondents;
- corruption is on the increase in Kenya;
- most bribes were relatively small, for example, 41 per cent of all bribes were less than KSh200 (£1.50).but larger bribes of over Ksh5000 accounted for 75 per cent of the total monetary value of bribes given (£36.82); and
- the Kenyan police force was named as the most corrupt public organization in the country. Six out of ten respondents cited the need to pay bribes to obtain police services. The Nairobi City Council ranked second.

Who initiated this mechanism?
Transparency International is a non-governmental organization (NGO), with headquarters in Berlin, dedicated to fighting corruption around the world. The Kenya national chapter, Transparency International Kenya, has consistently brought corrupt public institutions to the public's attention, and identified anti-corruption measures that could be implemented by government.

What are the objectives?
The purpose of the Index is to:
- identify the organizations, institutions or sections within institutions where corruption is prevalent;
- quantify the costs of corruption to the average citizen;
- increase public interest in the issues surrounding corruption;
- provide a basis for actions to be taken in the light of the survey findings;
- identify unethical practices in specific urban areas;
- highlight ordinary people's perceptions of corruption;.
- play a role in the development of appropriate counter measures;
- identify the sectors where corruption is most prevalent, for example, services, law, business and employment; and
- look for trends in corruption – organizations in which respondents perceive an improvement or deterioration in the level of corruption; the magnitude (small, moderate or big); and the period over which the change is perceived.

How does the mechanism reach service users?
The index is designed to capture information from all key stakeholders – public, private and civil society. The results of the index have received wide publicity in Kenya and continue to be referred to in the daily press. The findings of the index have been used by a wide range of organizations and individuals as a starting point for activities to increase transparency.

What use is the mechanism to service users, particularly the poor?
Before the Kenya Bribery Index, there was no mention of the rate or measurement of corruption in Kenya. Corrupt transactions, such as bribery, are rarely reported to the authorities and there are no statistics on the number of corrupt acts committed by public officials or the percentage of transactions or decisions tainted by official corruption.

The Urban Bribery Index is a tool that helps stakeholders understand the reality of

corruption, necessary to formulate strategies that not only address existing problems but also help to develop systems to ensure greater transparency.

Evaluation of mechanism successes/ failures

Strengths
- The variables included in the index can be modified to fit the specific focus and objectives of the groups wanting to quantify public perceptions of bribery.
- The methodology of sampling and use of ratings is concrete and technical and relatively inexpensive.
- The Urban Bribery Index has earned credibility among civil society groups focusing on anti-corruption initiatives, such as Transparency International, and there has been interest in the replication of this method.

Weaknesses
- The method seems suited to densely populated areas where large sample areas can be covered without too great expense. It may be less replicable, therefore, in rural areas.
- The method requires knowledge of quantitative-research techniques.
- Kenya does not have a strong 'culture of accountability' so public officials may not be very responsive to the presentation of negative feedback.
- The focus of the index is on gathering data from individual citizens on issues defined by the surveying organization.

Generic lessons to be learned from the case
- The tool is not very effective at building citizen awareness, citizen empowerment and group solidarity.
- The data produced can act as a useful tool in pressurizing public officials to do something about corruption on the basis of a common picture of the extent of bribery in service provision.
- The index process can be repeated over time and compared across services and cities, putting greater pressure on public officials to listen.
- The Urban Bribery Index is a quantitative snapshot of the extent of bribery at one particular time; it is effective at articulating and aggregating citizens' experiences of bribery.

End Notes
[1] Initially, the corporate sector did not respond in large numbers to written questionnaires, so there were follow-up personal interviews.

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The sustainability of the livelihoods of the poor in low- and middle-income countries is compromised by corruption in the delivery of infrastructure services. Such services include water supply, sanitation, drainage, the provision of access roads and paving, transport, solid waste management, street lighting and community buildings. For this reason, The Water, Engineering Development Centre, (WEDC) at Loughborough University in the UK is conducting research into anti-corruption initiatives in this area of infrastructure services delivery.

This series of reports has been produced as part of a project entitled *Accountability Arrangements to Combat Corruption*, which was initially funded by the Department for International Development (DFID) of the British Government. The purpose of the work is to improve governance through the use of accountability arrangements to combat corruption in the delivery of infrastructure services. These findings, reviews, country case studies, case surveys and practical tools provide evidence of how anti-corruption initiatives in infrastructure delivery can contribute to the improvement of the lives of the urban poor.

This compilation presents the country case surveys. The surveys have been selected as they have instituted anti-corruption reform in infrastructure service provision. The mechanism of reform has then been analysed to provide evidence of how anti-corruption initiatives in infrastructure delivery can contribute to pro-poor outcomes.

The main objective of the research is the analysis of corruption in infrastructure delivery. This includes a review of accountability initiatives in infrastructure delivery and the nature of the impact of greater accountability.

For more information, please visit WEDC's web page:
http://wedc.lboro.ac.uk/projects/new_projects3.php?id=191

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