

U4 Expert Answers Published in 2007

Anti-Corruption Prosecutorial Agencies: Effectiveness and Funding Modalities

3 January 2007

The funding modalities of investigative and prosecutorial agencies may lend themselves to potential for political manipulation and interference. This U4 Expert Answer analyses the independence, source of funding and course of anti-corruption prosecutions undertaken in Vietnam, Korea and Nigeria and provides information on anti-corruption agencies in Guatemala and Montenegro. It concludes that funding modalities are not the only relevant factor for prosecutorial effectiveness and that the whole National Integrity System needs to be mobilised to address risks of political interference.

Criteria for Appointing Executives of Anti-Corruption Agencies

31 January 2007

The criteria selected to appoint executives of anti-corruption agencies should ensure high standards of integrity and independence of nominated candidates. As the appointment and removal process of officeholders may have direct impact on the independence of the body, the appointment procedure should be transparent and involve a broader range of actors than those currently in political power. Recruitment procedures for non executive staff should similarly guarantee staff integrity and competence, regulation of appointments and dismissals as well as adequate salary levels. This U4 Answer concludes by assessing the criteria defined by the new Yemeni Anti-corruption law, in light of international standards.

Natural Resource Tenure and Corruption

6 February 2007

Corruption opportunities can be generated at several levels of the of the land tenure systems starting from political interference at the policy development stage. Legislation dealing with land allocation and registration, land reform, tax legislation as well as legislation governing the management of natural resources can be especially vulnerable to corrupt practices, ultimately leading to severe environmental degradation. In addition to active participation in relevant regional and international initiatives such as the Forest Law Enforcement, Governance and Trade processes (FLEGT), prevention measures should ensure inter alia the active involvement of target groups and civil society from the early stage of environmental programmes, the simplification of overly complex regulatory frameworks, the creation of transparent conflict management mechanisms as well as independent investigation and prosecution of misdemeanours.

Corruption Risks in Environment Cooperation Programmes

8 February 2007

Corruption contributes to unsustainable environment practices and resource overuse, while granting elite groups control over natural resource wealth and potentially depriving other user groups. In development cooperation, corruption risks are especially acute in five critical areas, including environmental assessments, environmental policy formulation, implementation of environmental programmes monitoring and enforcement measures relating to environmental protection.

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Tackling Corruption in Post-Conflict Situations

22 February 2007

In wartime, corruption may be a strategy for ordinary people to survive and for armed faction to sustain power structures that serve their interest. As such, corruption triggers political unrest and facilitates conflict escalation. As a result, the challenges of tackling corruption in post-conflict situations are considerable, especially at the outset, when confusion reigns, institutions are being built and huge resources flow often into the country for reconstruction. Anti-corruption reforms in post-conflict situations should focus on gaining public support for reform by restoring the people's trust in institutions, providing an appropriate economic and regulatory context and securing a legal framework for transparency and accountability. Special attention should be given to tackle corruption in both the security and judiciary sectors, to strengthen the new regime legitimacy and prevent backsliding into violence.

Historical Perspectives on Corruption in Europe

26 February 2007

There is generally very little literature on the history of corruption and as well as limited empirical work on corruption in Europe in the 19th century. However, historians seem to agree to say that corruption was endemic in Europe in the 18th century and gradually declined over time, throughout the 19th century. The two main reasons invoked for the decline in corruption are socio-political change and economic growth.

Overview of Corruption in 6 African Countries

5 March 2007

This U4 Expert Answer provide an overview of governance and corruption indicators and assessments (CPI, Global Integrity scores, National Integrity Systems Country studies or GCR Country Reports) as well as information on anti-corruption efforts in Uganda, Kenya, Tanzania, Mozambique, Malawi and Zambia.

Incentives for the Private Sector to Refrain from Corruption

23 March 2007

The environment of doing business has changed in recent years, urging companies to adopt and comply with more stringent anti-corruption norms and standards such as the OECD or the UNCAC conventions. In addition, corporate scandals have proved very costly for companies in terms of image, reputation and sustainability. There may also be some business incentives of preventing and punishing corruption, such as joining the Socially Responsible Investment (SRI) movement. A company that demonstrates anti-bribery commitments may also gain access to bidding lists of companies and public institutions which demand evidence of no-bribes policies.

Anti-Corruption Complaints Mechanisms

18 April 2007

Complaint mechanisms have been introduced in various development programmes and countries as diverse as Cambodia, Zimbabwe, North Caucasus and Pakistan to provide beneficiaries with a channel to report irregularities. They contribute to promote high standards of integrity in aid delivery by demonstrating agencies' commitment and leadership against corruption, helping map corruption risks and empowering beneficiaries. To be credible however, they must have the capacity to manage and solve complaints, enforce recommendations, impose sanctions as well as protect whistle blowers. In addition, they should have an advisory, compliance and complaints handling role as well as be designed in a way that ensure that they are accessible, independent, transparent and accountable.

National Anti-Corruption Strategy in Tanzania

14 May 2007

Tanzania has demonstrated and sustained its commitment to fight corruption since the early days of independence, as indicated by the launching of a National Anti-Corruption Strategy in December 2006. However, efforts to date haven't always yielded the expected impact. The challenge is now to build on strengths (political leadership and ownership of reforms) and opportunities (country commitment to regional and international treaties such as the UNCAC), while promoting effective participation of civil society and coalition building at the implementation stage of the process.

Designing a Strategy for Anti-Corruption Knowledge Management

15 May 2007

Knowledge Management (KM) covers a wide range of activities aimed at facilitating the collection, documentation, use and dissemination of information. Anti-corruption KM programmes are still relatively new. Examples of bodies established to centralise and disseminate information on corruption in a systematic way include the National Corruption Observatory in Morocco, the Anti-Corruption Observatory in Cameroon, Advocacy and Legal Advice Centres (ALACs) in Bosnia and Herzegovina, Macedonia and Romania and Anti-Corruption Resource Centres (ACRCs). When setting up such an institution, strategic decisions must be met on the scope, structure, channels and nature of a KM system depending on its target audience and intended purpose. Some of the challenges involved include making knowledge accessible to targeted audiences through the most appropriate channels, addressing potential resistance to knowledge sharing as well as maintaining quality standards and controls over time.

Islamic Approaches to Corruption

5 June 2007

Fighting corruption in an Islamic context must be rooted in the Islamic values guarded by the Sharia to ensure ownership, impact and legitimacy of measures. However, although Islamic law is implemented to some degree in most Middle East countries and strongly influences their legal codes, there is little evidence available of how Sharia law and courts specifically deal with corruption. Traditional Sharia Courts, complaint mechanisms or other Islamic institutions could potentially provide entry points for anti-corruption initiatives, provided they meet basic human rights and international legal standards. Concerns have been raised regarding the ability of Sharia courts and penal codes to meet these conditions.

Literature on Costs of Corruption

8 June 2007

This U4 Expert Answer presents a literature review of research on both the human and economic costs of corruption. Although by nature the economic costs of corruption are difficult to assess, most economists agree that there is a significant correlation between high levels of corruption and a range of negative economic impacts, such as lower levels of growth and investment. In fragile economies, the economic costs of high levels of corruption are especially punishing. The poor suffer most from its regressive impact.

Local Anti-Corruption Agencies: Pros and Cons

13 July 2007

The experience of setting up Anti-Corruption Agencies (ACAs) has yielded mixed results in the past and is not a general panacea. However, although there is no concrete evidence that local ACAs are more effective than national ACAs, the examples of the independent anti-corruption commissions set

up in Miami and New South Wales demonstrate promising signs of success. Whether national or local, the effectiveness of ACAs are influenced by a variety of factors including the domestic demand, the independence of the ACA from the executive, a supportive legal framework, enforcement capabilities, appropriate staffing and resources as well as accompanying training and awareness raising activities.

UNCAC and the Introduction of Budget Support

26 July 2007

There are both implicit and explicit links between the Paris Declaration on Aid effectiveness and UNCAC preventive measures, especially in the area of mutual accountability, institution building through increased public accountability and participation or the improvement of national public procurement and public financial management systems (PFM). Within this framework however, the provision of budget support, while intended to enhance aid effectiveness as recommended by the Paris Declaration, has not demonstrated conclusively its ability to effectively address corruption risks. The UNCAC can be an essential contribution to the policy dialogue on corruption as it provides an international framework setting common standards. Budget support recipient countries can be supported in their anti-corruption efforts through the UNCAC technical assistance and exchange of information provisions.

Corruption in the Hydropower Sector

1 August 2007

Corruption in the energy sector may take many forms from petty corruption in meter reading and billing to grand corruption in procurement processes and contract administration. In the hydropower sector, specific corruption risks are associated at all stages of the project cycle from the early stage of selection of electricity options and hydropower sites to the contracting, construction, operation, maintenance and rehabilitation or decommissioning phases of the project. Six key actors are identified that can jointly engage in efforts against corruption in this sector, including international donors, export credit agencies and commercial banks, national governments, civil society, private sector companies as well as intergovernmental systems and international legal systems. Their respective role to combat corruption is explained in this expert answer.

Tackling Judicial Corruption in Afghanistan

12 September 2007

In Afghanistan, problems of training, resources, ineffective oversight, judicial corruption and political interference currently undermine the credibility and independence of the judiciary, jeopardising the restoration of the rule of law. Some specific contextual issues further challenge effective delivery of justice services in the country, including the general state of insecurity, the lack of government control outside Kabul, the existence of a parallel informal justice system and the booming of the narcotics trade. However, a series of ongoing training initiatives and reforms such as the Afghanistan Compaq, the Rome Conference on the Rule of Law or the approval of a new Supreme Court in August 2007 may provide key entry points to address judicial corruption in the country.

Designing a Taxpayer Baseline Survey in Uganda

18 September 2007

Surveys indicate that corruption is on the rise in the Uganda Revenue Authority (URA), with incidences of political interference, patronage and corruption at managerial level. Corruption can occur at all stages of the tax administration processes, in the identification of tax liabilities, the registration or removal of taxpayers, the assessment of collection of tax dues, the monitoring of incoming payments as well as in the investigations and prosecutions by the tax authorities for suspected tax offences, with an impact on the country revenue trends. Although not directly assessing the prevalence of corruption within the tax administration, a variety of indicators can

suggest that corruption is taking place as well as help identify vulnerability areas. These include the complexity of tax laws and procedures, the large numbers of exemptions or special rules, the monopoly and discretionary power of tax officials and the frequency of contacts between tax payers and tax officials. In addition, indicators used in the rest of the public sector to assess the integrity of public officials are also applicable to tax revenue authorities. Taxpayers' awareness of their rights and obligation, willingness to pay taxes and trust in the institution may also have an impact on readiness of tax payers to pay bribes.

Corruption and Decentralisation in Afghanistan

[1 October 2007](#)

Decentralisation in Afghanistan faces considerable challenges of efficiency, responsiveness and accountability given the current legal and institutional context and overall lack of resources and capacity. Findings from theoretical and empirical research do not conclusively establish that decentralisation systematically leads to less corruption. Decentralisation brings government closer to the people and provides increased participation opportunities, making the public sector more responsive and accountable to the citizens. However, decentralisation also generates a new set of corruption risks such as risks of state capture by the local elite and the lack of fiscal discipline and financial management due to weak capacity and insufficient resources at the local level. Anti-corruption tools that may address these risks include strengthening the legal framework against corruption while reinforcing voice and participation mechanisms.

Corruption, Exclusion and Extremism

[17 October 2007](#)

There is a growing trend in the public debate to link the rise of extremism to the economic circumstances of marginalised groups that are excluded from economical growth and prosperity. Within this framework, corruption is implicitly recognised as a contributing factor to global insecurity through its damaging impact on economic growth and equitable wealth distribution. Although a few studies seem to corroborate this argument, empirical data does not conclusively identify corruption, inequality and poverty as direct determinants of extremism. Research looking at the rise of militant Islam as a political rather than economical phenomenon indicates that exclusion from political processes, as measured by factors such as political freedom, level of confidence in public institutions and regime legitimacy-on all of which corruption has a direct impact-, may be a more significant variable influencing attitudes towards extremism than economic factors.

Designing a Business Principles Rating framework

[26 October 2007](#)

Most initiatives aiming at countering bribery at the corporate level have been implicitly or explicitly part of broader corporate governance frameworks and codes of conducts, promoting ethical values, standards and practices. Within this framework, a range of monitoring and reporting techniques have been developed. These promote the enforcement of business standards and principles and can include a variety of self assessment tools based on voluntary questionnaires and check lists as well as external assessment by audit firms or risk management companies. The key methodological challenge consists in finding ways to measure actual enforcement and implementation of policies in place. Engaging the business community at all stages of the process is of crucial importance.

Overview of Corruption in MENA Countries

[7 November 2007](#)

Although the MENA region is characterised by the paucity of empirical data on corruption, experts agree that corruption is widespread and deeply rooted in the political infrastructure of the state (mainly monarchies or authoritarian regimes), the institutional infrastructure of the public sector (very

large, overstaffed and with low wages) and limited opportunities for participation. As a result, most countries in the region perform especially poorly on indicators of transparency, voice and accountability. Donor efforts in the region have mainly focussed on enhancing democratic processes and public participation through broader governance initiatives. As the only applicable international anti-corruption instrument in the region, the UNCAC could potentially provide a very valuable complementary entry point for anti-corruption reform in the region.

Designing an Embassy Based Anti-Corruption Plan in Bosnia-Herzegovina

7 November 2007

Bosnia-Herzegovina faces serious corruption challenges with weak and inefficient integrity structures to combat it. Research findings indicate that corruption is especially prevalent at the local level, where the majority of contacts between citizens and public administration take place, while political corruption undermines the political will to fight against corruption. At country level, embassies can first work against corruption by establishing clear in house ethical standards and prevention mechanisms through internal and external accountability mechanisms like independent audits, investigations and reporting controls. They can also take appropriate measures to safeguard development projects, programmes and loans from corruption. In this regards, anti-corruption plans primarily focus on improving the project design process, promoting greater disclosure and increased participation as well as strengthening the monitoring and supervision of development projects. An effective anti-corruption plan should also benefit from a committed leadership, promote a participatory approach and allocate appropriate staffing and resources to the design and implementation process.

Parliamentary Approaches to Corruption

27 November 2007

Parliamentary approaches to corruption have mainly focused on establishing appropriate anti-corruption legal frameworks at country level and strengthening the parliamentary oversight functions in sensitive areas such as monitoring budget processes. Parliaments also have the duty and responsibility of adhering to the highest integrity standards. Using regional and global parliamentary networks has proved a very promising capacity building strategy.

Corruption and the Renegotiation of Mining Contracts

30 November 2007

Although rarely documented and by nature hard to detect, corruption in the allocation/renewal of mining concessions is believed to be widespread. The secretive nature of such deals, the lack of transparency and public scrutiny as well as amount of capital involved provide opportunities for abuse and corruption. Civil society has been calling for greater transparency in the allocation and implementation of mining contracts and a number of tools and approaches have been developed in recent years to address the lack of transparency in the allocation of mining contracts. A few principles emerge from past experiences, including the need to ensure a truly competitive award of concessions, reduce opportunities for opportunistic renegotiations, promote transparency and full disclosure of contract information, create opportunities for participation as well as involve civil society in the negotiation and implementation process.

Targeted Anti-Corruption Interventions in Africa

3 December 2007

This Expert Answer provides a selection of targeted anti-corruption interventions that have been implemented by a broad range of actors at sectoral level in Africa as well as country level activities which have involved engaging with international anti-corruption processes such as the ratification and implementation of the UN/AU conventions. Examples provided cover interventions aiming at

measuring corruption at national or sectoral levels, enhancing public sector ethics, strengthening public finance management systems as well as promoting public participation and monitoring. They have targeted a wide range of actors, sectors and institutions, including political parties, public institutions, the private sector, the judiciary, and service delivery. This list of interventions presented is illustrative of the types of initiatives that have been developed and implemented across Africa.

Civil Society Anti-Corruption Initiatives in MENA Countries

10 December 2007

Civil society faces specific challenges in the Arab world, including political and legal restrictions imposed on civil society organisations (CSOs) by mostly non-democratic governments and the fragmentation and general lack of cross-sector coordination of civil society efforts. In spite of these various constraints, there is considerable potential for impact by civil society on anti-corruption work in the Middle East and North Africa (MENA) region. The growing number of anti-corruption initiatives and organisations from Algeria to Yemen demonstrate increased awareness of corruption issues and demand for change.