

# U4 Expert Answer



## Mainstreaming anti-corruption into global programmes: Literature review

### Query

Can you provide us with a list of key resources on mainstreaming anti-corruption into global programmes that are implemented by multilaterals?

### Purpose

This will help us scope the issue.

### Content

1. Overview
2. Internal integrity management systems at multilaterals
3. Incorporating anti-corruption safeguards into programmes to protect funds

### Summary

This answer provides a list of literature on anti-corruption mainstreaming at multilaterals. Overall, it can be said that while there is growing awareness among multilateral donors about the potential benefits of mainstreaming anti-corruption, efforts nonetheless face political, institutional and operational challenges.

The literature is grouped into the two main components of anti-corruption mainstreaming as it is understood for the purpose of this query: internal integrity management systems and incorporating anti-corruption safeguards into programmes to protect funds.

**Author(s):** Samira Lindner, Transparency International, [slindner@transparency.org](mailto:slindner@transparency.org)

**Reviewed by:** Marie Chêne, Transparency International, [mchene@transparency.org](mailto:mchene@transparency.org); Craig Fagan, Transparency International, [cfagan@transparency.org](mailto:cfagan@transparency.org)

**Date:** 24 October 2014 **Number:** 2014:18

*U4 is a web-based resource centre for development practitioners who wish to effectively address corruption challenges in their work. Expert Answers are produced by the U4 Helpdesk – operated by Transparency International – as quick responses to operational and policy questions from U4 Partner Agency staff.*

## 1. Overview

Mainstreaming anti-corruption at multilaterals refers to the process of incorporating anti-corruption in all areas of work. There are varying definitions of anti-corruption mainstreaming, but for the purpose of this literature review anti-corruption mainstreaming at multilaterals is understood to be comprised of two main components:

- a) Putting in place internal mechanisms to ensure transparency, accountability and integrity of operations and staff. This includes developing anti-corruption policies and creating internal integrity management systems that ensure staff adhere to the highest integrity standards.
- b) Integrating anti-corruption safeguarding measures in all aspects of country assistance and global programmes to protect funds. Many donors have put in place systems and measures to protect projects and loans from corruption and ensure that aid is used for its intended purpose.

In addition to these two components, there is also the integration of anti-corruption and good governance elements into all aspects of country assistance as part of broader public sector reforms or sectoral reforms, such as has been done by the World Bank's Governance Partnership Facility and the UNDP's global mainstreaming programmes (the [Global Thematic Programme on Anti-Corruption for Development Effectiveness](#), followed by the [Global Anti-Corruption Initiative](#)), as well as stand-alone programmes that specifically focus on strengthening the anti-corruption efforts of aid recipient countries. This is done, for example, by training recipient governments on implementing the UN Convention against Corruption, strengthening external oversight of government bodies, and advising anti-corruption agencies (for example, see this 2008 report that [summarises the UN Development Programme's anti-corruption work](#)). However, consideration of these programmes goes beyond the scope of this query.

While there is growing awareness among multilateral donors of the potential benefits of mainstreaming anti-corruption, efforts nonetheless face political, institutional and operational challenges. On the political side, effective anti-corruption mainstreaming requires credible

leadership and political will to implement anti-corruption throughout project cycles, but also ownership to ensure that institutional commitment spreads over various levels of the organisation and to other partners (Chêne 2010). At country level, some donors have developed their anti-corruption mainstreaming strategies in consultation with government and civil society, in order to ensure buy-in and sustain political will (Chêne 2010).

Institutionally, mainstreaming anti-corruption requires cutting across issues, departments, programmes and policies (overcoming the so-called "silo" approach), effective change management, strong coordination within the entire organisation, as well as rigorous monitoring and evaluation (Chêne 2010).

Some donors have set up an autonomous and multidisciplinary anti-corruption team or working group representing key sectors and departments, with specific goals and its own budget, to facilitate, coordinate and monitor anti-corruption mainstreaming across the organisation (Chêne 2010). The monitoring process can also benefit from input by civil society, which can be given an active role in monitoring processes (Chêne 2010).

Operationally, effective implementation processes require allocation of considerable financial and human resources, technical expertise and mentoring, and an in-depth understanding of the corruption and governance environment (Chêne 2010). However, the provision of sufficient human and financial resources is continuously noted as an area of concern. In addition, appropriate capacity-building activities as well as awareness-raising activities targeting staff and partners are important aspects of implementation strategies.

For an overview on mainstreaming anti-corruption within donor agencies, as well as challenges and lessons learned, see the 2010 U4 Expert Answer [Mainstreaming anti-corruption within donor agencies](#) and the 2014 Helpdesk Answer on [Donor accountability mechanisms to curb corruption in aid](#).

The literature below is categorised into the two broad components of anti-corruption mainstreaming, namely internal integrity management systems at multilaterals and incorporating anti-corruption safeguards into programmes to protect funds.

## 2. Internal integrity management systems at multilaterals

Most multilaterals have put in place internal integrity management systems. These systems help ensure the integrity of operations and staff. Integrity units – independent internal units – within funding bodies are commonly used to implement these mechanisms.

Integrity management systems typically include prevention, detection, investigation and sanctioning procedures:

- **Prevention**  
This helps create a culture of accountability and integrity to stop corruption before it takes place. It often includes a “zero tolerance” policy (signalling a commitment to take all instances of corruption seriously, regardless of severity), codes of conduct, and transparency and oversight policies.
- **Detection**  
In order to detect breaches of integrity, donors have implemented a variety of mechanisms including complaint mechanisms and whistleblower protection, audits, and participatory and third-party monitoring.
- **Investigation and sanctioning**  
Integrity units are often in charge of uncovering fraud and corrupt practices in financed projects, and investigating possible staff misconduct. Most multilateral development banks have adopted common principles and guidelines for investigation. Sanctions by multilateral development banks typically include reprimands, conditions imposed on future contracting, or debarment. Some can also refer a corruption case to the respective member country’s authorities.

Reviews and examples of integrity management systems at multilateral development banks, the UN, the EU and international funds

### Multilateral development banks’ integrity management systems

Chêne, M. 2010. *U4 Expert Answer*  
<http://bit.ly/1w9qKyX>

This U4 Expert Answer summarises best practice in the content and scope of efforts against

corruption at multilateral development banks. It uses the examples of the European Investment Bank, the World Bank, the Asian Development Bank and the African Development Bank.

Multilateral Development Banks have addressed corruption issues by developing “zero tolerance” anti-corruption policies, reviewing internal procedures, setting up fraud and corruption investigative bodies, and supporting partner countries’ anti-corruption initiatives. Moreover, multilateral development banks have made progress in recent years in harmonising their anti-corruption policies to promote a consistent approach to governance and corruption. This culminated in 2010 in the agreement between a number of multilateral development banks to cross-debar firms and individuals that have engaged in corruption in bank-financed projects.

### Integrity management systems in global bodies: Examples from the UN, the Global Fund to Fight AIDS, Tuberculosis and Malaria and the European Union

Fagan, C. and Chêne, M. 2011. *U4 Expert Answer*  
<http://bit.ly/1D3A2lh>

In this U4 Expert Answer, the authors summarise the anti-corruption efforts and integrity management systems at the UN, the EU and the Global Fund to Fight AIDS, Tuberculosis and Malaria. It finds that policies and programmes are numerous, separately administered and spread across different units, departments and agencies. However, the absence of centralised systems does not necessarily mean that anti-corruption policies are ineffective. More significantly, the authors also find that information about the anti-corruption initiatives is fragmented, dispersed and difficult to access.

### The Integrity Strategy of the African Development Bank

Benöhr, J. 2011. *Digital Development Debates*, Issue 3  
<http://bit.ly/1wc5IPd>

This commentary by one of the senior investigators at the Integrity and Anti-Corruption Department (IACD) of the African Development Bank (AfDB) provides an analysis of the AfDB’s integrity strategy. The IACD has the mandate of undertaking independent investigations into allegations of fraud, corruption and misconduct within the AfDB and bank-financed activities. The

author notes that IACD adopts a holistic approach to fighting corruption and goes beyond its traditional mandate by also engaging in preventive measures. He also notes that, looking forward, the IACD must focus more on education and training of staff on issues of fraud and corruption to create awareness, leading to more reports and in turn triggering investigations.

### **The European Union Integrity System**

Transparency International EU Office. 2014  
<http://bit.ly/1wWV7ub>

The report looks at the rules and practices in place at 10 EU institutions aimed at preventing corruption and protecting public sector integrity. It covers areas such as transparency, accountability and internal ethics rules. The institutions covered in the report include the European Parliament, the European Council, the Council of the EU, the European Commission, the Court of Justice, European Court of Auditors, the European Anti-Fraud Office, Europol and Eurojust, and the European Ombudsman.

The report finds that many institutions are still vulnerable to corruption due to loopholes and poor enforcement on rules of ethics, transparency, and financial control. For example, despite a legal obligation to do so, only one institution was found to have effective mechanisms in place to protect internal whistleblowers. The report also criticises the opaqueness of several institutions and the absence of independent monitoring.

### **Protecting climate finance: Assessments of seven major climate funds**

Transparency International. 2014.  
[http://www.transparency.org/news/feature/climate\\_change\\_funds\\_safe\\_from\\_corruption](http://www.transparency.org/news/feature/climate_change_funds_safe_from_corruption)

Transparency International published a series of reports aimed at analysing the policies and practices that seven multilateral climate funds have in place to prevent corruption and enable accountability. These assessments of the emerging climate funds provide useful examples of the type of integrity management systems that have been adopted by multilaterals but that also may need some improvements. The assessments look at areas such as policies and practices on transparency, whistleblower protection, complaints and investigation mechanisms, sanctions, civil society consultation, anti-corruption rules and integrity trainings.

For example, the [assessment](#) of the Forest Carbon Partnership Facility the process regarding anti-corruption rules and safeguards of downstream actors (such as Delivery Partners like the UN Development Programme [UNDP] and the Inter-American Development Bank [IDB]) has serious weaknesses. The FCPF does not have anti-corruption rules and safeguards built into an accreditation process for Delivery Partners, information on the safeguards in place for each Delivery Partner are not sufficiently accessible, and the FCPF does not seem to monitor or evaluate the performance of Delivery Partners in this regard.

The [assessment](#) of the UN-REDD Programme, on the other hand, finds that the programme exhibits a number of best practices regarding transparency. It has detailed guidelines requiring reporting on progress, expenditure, challenges and risks. In terms of accountability, it has clear, comprehensive processes in place to ensure investigation and sanctioning. However, it finds that the executive-level accountability needs further rules and procedures on behaviour.

## **3. Incorporating anti-corruption safeguards into programmes to protect funds**

There are a variety of anti-corruption safeguards that multilaterals are incorporating into their programmes and projects to protect funds from corruption. The literature below provides some examples of the types of practices used.

### **Anti-corruption in programme and project design**

#### **Integrating Anti-corruption and Governance Elements in Country Assistance Strategies**

World Bank, 2006  
<http://www1.worldbank.org/publicsector/integratinganticorruption.pdf>

In 2006, the World Bank published a framework to guide operational staff on how to more systematically incorporate governance and anti-corruption elements into country assistance strategies. It notes that governance and anti-corruption safeguards must be tailored to each country's specific corruption context and governance environment, also taking into account political economy factors. This should be the

starting point for designing an effective anti-corruption strategy.

The document uses the cases of country assistance strategies in Ghana and Indonesia to illustrate how governance and anti-corruption can be operationally integrated into the body of the country assistance strategy. The Indonesian strategy, for example, requires all World Bank-assisted projects to devise an anti-corruption plan, assessing inherent risks of corruption in the project and proposing design and supervision mechanisms to mitigate those risks.

### **Governance and Anticorruption in Project Design**

Asian Development Bank, 2010

[http://library.umac.mo/e\\_resources/org\\_publications/b1635199x.pdf](http://library.umac.mo/e_resources/org_publications/b1635199x.pdf)

This guide, developed by ADB, is meant to assist ADB staff in formulating projects that incorporate governance and anti-corruption measures. It also serves as a general introduction to governance and anti-corruption. It lists the different governance and anti-corruption measures and safeguards in ADB interventions. These include risk analysis and institutional assessments but also additional considerations in project design, such as the selection of a project director and project staff on the basis of demonstrated integrity and commitment, financial management and accounting capacity (for example, considering the expertise of project accountants), financial controls (such as requiring two signatures for checks and accounts), procurement arrangements, implementation arrangements and mechanisms for resolving disputes among beneficiaries.

## **Transparency and accountability policies**

### **Implementing a transparency and accountability policy to reduce corruption: The GAVI Alliance in Cameroon**

Vian, T. 2013

<http://bit.ly/1Ga2XSH>

The report looks at how implementing a Transparency and Accountability Policy (TAP) can help reduce corruption, based on the example of the GAVI Alliance in Cameroon. The GAVI Alliance is a public-private partnership whose mission is to save children's lives and protect people's health by increasing access to immunisation in developing countries. It provides

vaccine supplies as well as cash assistance to developing countries. However, the flexibility in the cash assistance programme created a greater risk of misuse of funds, and in 2008 an incident of mismanaged funds led GAVI to review its procedures. It introduced a new TAP to reduce risk of misuse of funds in cash assistance programmes, including funding provided through its health systems strengthening, immunisation services support and civil society organisation support programmes.

The experience of implementing TAP in Cameroon showed that having a clear policy in place allowed GAVI to implement pre-defined procedures, including a financial management assessment and follow-up investigations, which detected and responded to the mismanagement of funds. The policy also contained escalation procedures, which made response actions more transparent and easier to understand. The TAP policy also helps deter future violations by strengthening financial management support.

## **Risk assessments**

Another common practice is carrying out rigorous risk assessments that analyse the corruption risks within a country, sector and project. There are a variety of tools donors can use to carry out these types of risk assessments. For example, the [World Bank Group's Governance and Anti-Corruption Programme](#) has developed diagnostic tools that help gather information about vulnerabilities within a country's institutions. Other World Bank analytical tools include [Public Expenditure Reviews](#), the [Country Financial Accountability Assessments](#), the [Country Procurement Assessment Reports](#), and the [Country Policy and Institutional Assessment](#).

Specifically on budget support, donors are also increasingly carrying out fiduciary risk assessments to determine the quality of the recipient country's public financial management system. In recent years, donors have strengthened their collaboration on assessing public financial management performance. Within this framework, a Public Expenditure and Financial Accountability (PEFA) working group supported by the World Bank and the International Monetary Fund has developed a harmonised framework for assessing budget performance, transparency of the budget formation process, audit reports and other budget-related practices, known as the [PEFA PFM Measurement Framework](#).



### **Review of the Implementation of ADB's Governance and Anticorruption Policies: Findings and Recommendations**

Asian Development Bank, 2006

<http://www.adb.org/sites/default/files/review-adb-governance-anticorruption-policies.pdf>

As part of its anti-corruption strategy, the Asian Development Bank (ADB) requests that development projects and loans include a fiduciary risk assessment (including a complete accountability and procurement assessment) and provide an evaluation of the capacity of the various development partners to manage corruption risks. In 2004, the ADB conducted a review of its governance and anti-corruption policies to assess and refocus its efforts to effectively implement these policies. It reveals that, in practice, the implementation of these policies has faced major challenges. Corruption and fiduciary risks assessments and action plans have only been partially implemented, suggesting that staff do not systematically link project design to reducing opportunities for corruption. Moreover, it notes that country teams do not always have up-to-date knowledge on the key governance, institutional and corruption risks.

implementation, increasing country ownership of processes, and strengthening staff skills, training and incentives.

### **Implementation Review of the Second Governance and Anticorruption Action Plan (GACAP II)**

Asian Development Bank, 2013

<http://www.adb.org/sites/default/files/GACAP-II-implementation-review.pdf>

In response to the abovementioned review, in 2006, ADB developed the [Second Governance and Anticorruption Action Plan \(GACAP II\)](#) that seeks to prioritise the ADB's work in governance and anti-corruption. This document reviews the implementation of GACAP II from 2006 to 2012. As with the previous review, it reveals weaknesses in the implementation of mitigation measures at the project level. It suggests that implementation could be improved by strengthening aspects of ADB's business processes related to project monitoring and supervision. This could be achieved by including risk assessment results in the design and monitoring frameworks. It also reveals weaknesses in capacity in public financial management and procurement. It therefore suggests streamlining GACAP II implementation at country, sector and project levels, strengthening integration of risk assessment findings in country strategies and project processes, prioritising resources for GACAP II