

Workshop Report
Preventing Corruption in Relief, Recovery and Reconstruction Aid



Date and time: 12 November 2010, 1730-1930

Moderator: Mr Christiaan Poortman, Director of Global Programmes, Transparency International

Rapporteur: Mr Robert Onus, UNDP Asia Pacific Regional Centre

Panellists:

- **Ms Roslyn Hees**, co-author, TI Handbook for Preventing Corruption in Humanitarian Operations
- **Mr Sipho Dube**, Director of Finance risks in World Vision Zambia
- **Mr Satya Tripathi**, Former UN Recovery Coordinator for Aceh and Nias
- **Mr William Sabandar**, Special Envoy of ASEAN Secretary General for Post-Nargis Recovery in Myanmar

Roslyn Hees, co-author Handbook for Preventing Corruption in Humanitarian Operations, Transparency International

Roslyn Hees opened the proceedings by presenting the Transparency International Handbook for Preventing Corruption in Humanitarian Operations. The Handbook was developed in partnership with the ODI Humanitarian Policy Group and other humanitarian organisations.

Transparency International has been working in this area for more than 4 years and began the development of this report by looking at the distinct corruption risks in different humanitarian situations, mapping those risks and then complementing it with field research. This was further augmented by case studies in Sri Lanka and Uganda on perceptions by aid recipients, and interviews with partner agencies in HQ and field offices.

The field research discovered that the humanitarian agencies have a range of policies in place however these are not systematic or strategic. Generally corruption is viewed as financial issue rather than the abuse of power. The understanding of corruption varied across agencies and countries and there was little open discussion about what the 'abuse of power' and 'private gain' actually mean in practice. As such, corruption is still a taboo topic among humanitarian staff and more open discussion would further enhance efforts to address it.

The report is divided into three sections. These focus on institution wide policies, programme support functions, and the humanitarian programme cycle. It is designed to be an operational and practical tool. Key recommendations from the report include:

- Integrate corruption risk analysis into emergency preparedness,
- Reconsider corruption as a quality assurance and good management issue more than a financial issue and integrate it into training programs,
- Intensify on-site monitoring, which is essential to deterring and detecting corruption, including by independent CSOs,
- Provide greater information transparency to beneficiaries, affected country governments and local CSOs,

- Empower recipient communities through beneficiary accountability programmes, which require safe, appropriate complaint mechanisms,
- Break the taboo about corruption risks and share information among donors, affected country governments and aid providers for joint response.

Sipho Dube, Director of Finance Risks, World Vision Zambia

Sipho Dube, the Director of Finance Risks in World Vision Zambia, presented the experiences of World Vision in Africa in terms of combating corruption in relief efforts. World Vision promotes anti-corruption through their procedures and their adherence to global and national principles and policies. They have partnered with TI and other organisations to identify corruption risks affecting humanitarian aid programmes as well as the good practices and tools used in the humanitarian community and other sectors to deter, detect and deal with those risks.

WVI has several internal processes to strengthen accountability and integrity in the organisation. It established the Global Accountability Department in 2008, which supports World Vision's engagement with external accountability regimes, maps existing commitments and helps to streamline reporting requirements. In addition to the Global Accountability Department, World Vision has a comprehensive policy framework which includes a Code of Conduct, Security policy, Grievance and Reconciliation policy, Corrective and Disciplinary Action policy, Travel policy and others. Furthermore, the Disclosure Committee was established in May 2009 to develop policy and procedures to support greater transparency in information disclosure, ensuring World Vision upholds its commitment to accountability and transparency and fulfils its obligations to other stakeholders.

World Vision works in difficult operational environments where there are inherent risks to corruption. The erosion of service provision and general governance structures due to crises further exacerbates corruption vulnerabilities. In light of this World Vision collaborates with donors and partners to prevent abuse of humanitarian aid in many countries. WVI has strong human resource, accountability and transparency policies to prevent corruption. They also use training programmes and due diligence to ensure staff are aware of the risks and their responsibilities.

Satya Tripathi, Former UN Recovery Coordinator for Aceh and Nias

Satya Tripathi reflected on the experience of the UN in the recovery of Aceh and Nias. The damage to Aceh and Nias from the Tsunami in 2005 was immense, as was the global response, creating difficulties and complexities in managing the recovery process. There were 1200 NGOs, 40 major bilateral agencies, 27 UN Agencies/Funds/Programmes among others. The Indonesian government channelled this support and assistance through the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR) as an overarching national entity to coordinate this process. Of the 7.2 billion dollars promised by the international community over 98% of this money was spent.

Key to the success of the recovery efforts was the use of a multi-layered approach. This included initiatives through the anti-corruption agency, institutional mechanisms, civil society engagement and transparency.

As part of this process, the Indonesian anti-corruption agency (the KPK) opened a regional office in Aceh for the first time to help prevent and investigate instances of corruption. At the same time, the Government ensured accountability and transparency through functional integration and the use of modern technologies. All funding received by the Government was published online and the TRIAMS initiative was implemented. TRIAMS was a joint initiative between UN and other international organizations that analysed data on recovery efforts through GPS and satellite technology to ensure they were directed where they were most needed. This enabled greater donor and beneficiary accountability as it systematized the use of the funding. For example, through the technology they found that 60% more houses had been built in places where there had not previously been houses. Thus they were able to use this data to verify the need and legitimacy of the construction in each of the regions.

William Sabandar, Special Envoy of ASEAN Secretary General for Post-Nargis Recovery in Myanmar

William Sabandar discussed his experiences working for the BRR in Aceh and Nias and also his work in the aftermath of Cyclone Nargis in Myanmar in 2008. Over 140,000 people died from Cyclone Nargis and the devastation was on a similar scale to the Tsunami in Indonesia.

Mr Sabandar highlighted the importance of trust and integrity in ensuring the success of the recovery efforts. In Myanmar there was a relative absence of trust when compared to Indonesia due to the political situation and the perceived levels of corruption. The high levels of perceived corruption in Myanmar hampered the efforts to assist the victims of the cyclone. Thus the international community, through ASEAN, the United Nations and the Government of Myanmar formed a tripartite group to lead the recovery efforts. The key to building trust through this group was not just at the policy and political level but also with the community. Those at the programme level had to engage with the community and develop trust with the people.

In Myanmar there was no single mechanism for the recovery effort as with the BRR in Indonesia. Rather institutions were empowered to choose how they mobilized their action and funding. The coalition then conducted regular monitoring and evaluation to ensure the work was completed and the benefits reached the communities in need. Monitoring the funding at the donor and the beneficiary level is crucial to ensuring accountability and effective and efficient use of aid. The experience using GPS and other technologies to verify that funding reached its intended recipients in Aceh and Nias was applied to Myanmar to help inform the cyclone response there.

The other critical element to ensuring transparency and integrity of the recovery processes was the engagement of the community. The communities were seen as a key stakeholder in monitoring and evaluation process and were heavily engaged in these processes to ensure that recovery efforts had the desired impacts.

Discussion

- There are many corruption risks and there is no 'worst' risk. The largest single amounts of money are lost through procurement, however other types of corruption can be of lesser value but occur more frequently, and yet others may have other human rights impacts beyond monetary gains, such as the extortion of sexual favours for aid.

- The biggest lesson from the Indonesia experience in Aceh and Nias is leadership. The difference between Indonesia and other contexts is that there is usually a coalition of the unwilling. There is a coalition, however they do not genuinely want to work together. While in Indonesia the government was open, inviting, facilitating, and engaging.
- There is a need for integrity and leadership within and outside of the government to prevent corruption in the recovery efforts. The organization and the capacities of communities vary greatly in different disaster and emergency contexts. When there is a weak civil society and/or local government the relief and recovery efforts become more challenging. So the key is developing trust in the relationships between the international, national and local stakeholders.
- The community should be involved in recovery and relief efforts to help ensure the sustainability of efforts in the long term. For example, World Vision uses local structures when they enter recovery and relief efforts to help ensure sustainable structures are developed and maintained. Also, in Myanmar the community was unaware that they could propose what was needed to the government. Engagement in this process ensured that the right services were delivered and that the structures rebuilt were sustainable. It should also be highlighted that some efforts may be inherently unsustainable; however this doesn't discredit their utility in the short term, which can be lifesaving.
- The risk of corruption in the emergency phase is well recognised by institutions. To combat this some organisations have procedures for fast-tracking processes. This helps avoid susceptibility to bribery by removing 'red tape'. However, it is not necessarily in the emergency phase that corruption is the most difficult to combat, but rather in complex emergencies. In post-conflict and other difficult situations, extortion and other violent forms of corruption can be much more difficult to combat.
- There is a risk of corruption occurring in the community affected by the emergency. This could take the form of increased prices or applying for additional benefits. GPS and other modern technologies can help prevent this in partnership with increased promotion of integrity in the community.
- Although not always possible, to prevent corruption it is ideal to start the preparations before the emergency arrives. By understanding the local power dynamics actors will be better able to identify who and what is represented within the local power structures.

Recommendations

There were two groups of recommendations from this workshop. Those stemming from the Transparency International Handbook and those from the experience of the agencies involved in the recovery efforts

Handbook

Key recommendations from the report include

- Integrate corruption risk analysis into emergency preparedness,

- Reconsider corruption as a quality assurance and good management issue more than a financial issue and integrate it into training programs,
- Intensify on-site monitoring, which is essential to deterring and detecting corruption, including by independent CSOs,
- Provide greater information transparency to beneficiaries, affected country governments and local CSOs,
- Empower recipient communities through beneficiary accountability programmes, which require safe, appropriate complaint mechanisms,
- Break the taboo about corruption risks and share information among donors, affected country governments and aid providers for joint response.

Experiences

- Building trust at the international, national and community level is crucial for ensuring that aid operations are effective and benefits reach their intended recipients.
- A multi-layered approach is important to ensure accountability through all functions of the recovery effort. This does not necessarily need to be built through institutions but must cover the key activities involved in the relief and reconstruction.
- It is important in reconstruction processes to not only prevent corruption but also ensure that money was being spent wisely and effectively.
- There are differences in natural disasters across and within nations. The structures, the organisations and the capacities of the communities can vary greatly and this will affect the recovery and reconstruction efforts.
- There is a need for integrity and leadership within and outside of government agencies. Leadership is crucial for preventing corruption in recovery efforts at the international, national and community level.
- The involvement of the community will ensure the sustainability of recovery efforts. However some recovery and relief efforts are inherently unsustainable and only designed for short term assistance

Highlights/Quotes

‘For the government to own the process, and lead the governance process, institutions with clear strong leadership and maximum participation of the community is required.’

‘It is very important to have a government that promotes anti-corruption mechanisms in the community’

‘The toleration of corruption by humanitarian actors is not necessarily in the emergency phase; the big problem comes in complex emergencies involving violence and extortion’

‘There is a need for integrity and leadership occurs within and outside of the agencies. Leadership is indeed crucial for ensuring there is no corruption in the recovery efforts.’

‘The bottom line is that no corruption is acceptable’