Combating Corruption & Sector Reform

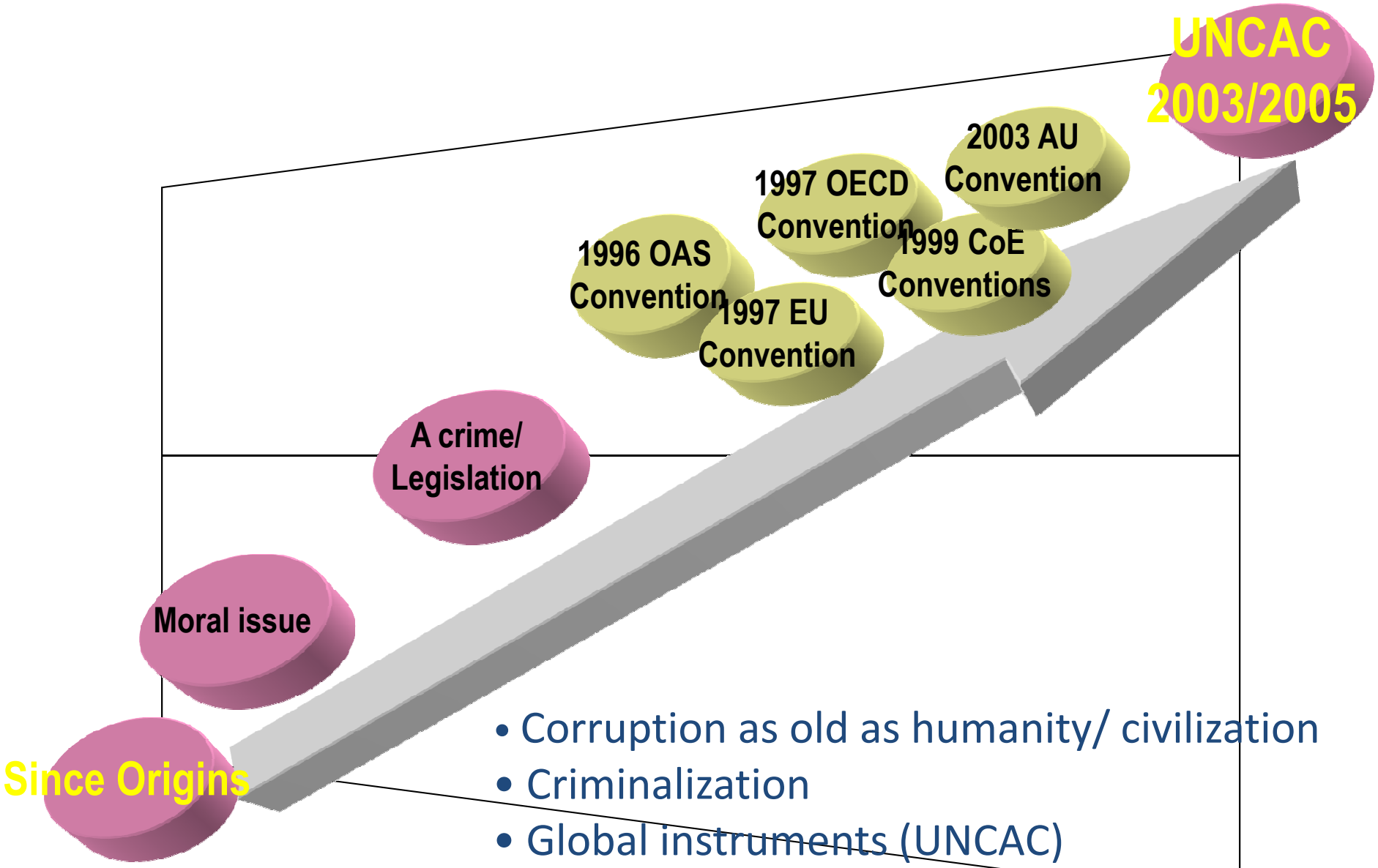
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OUTLINE

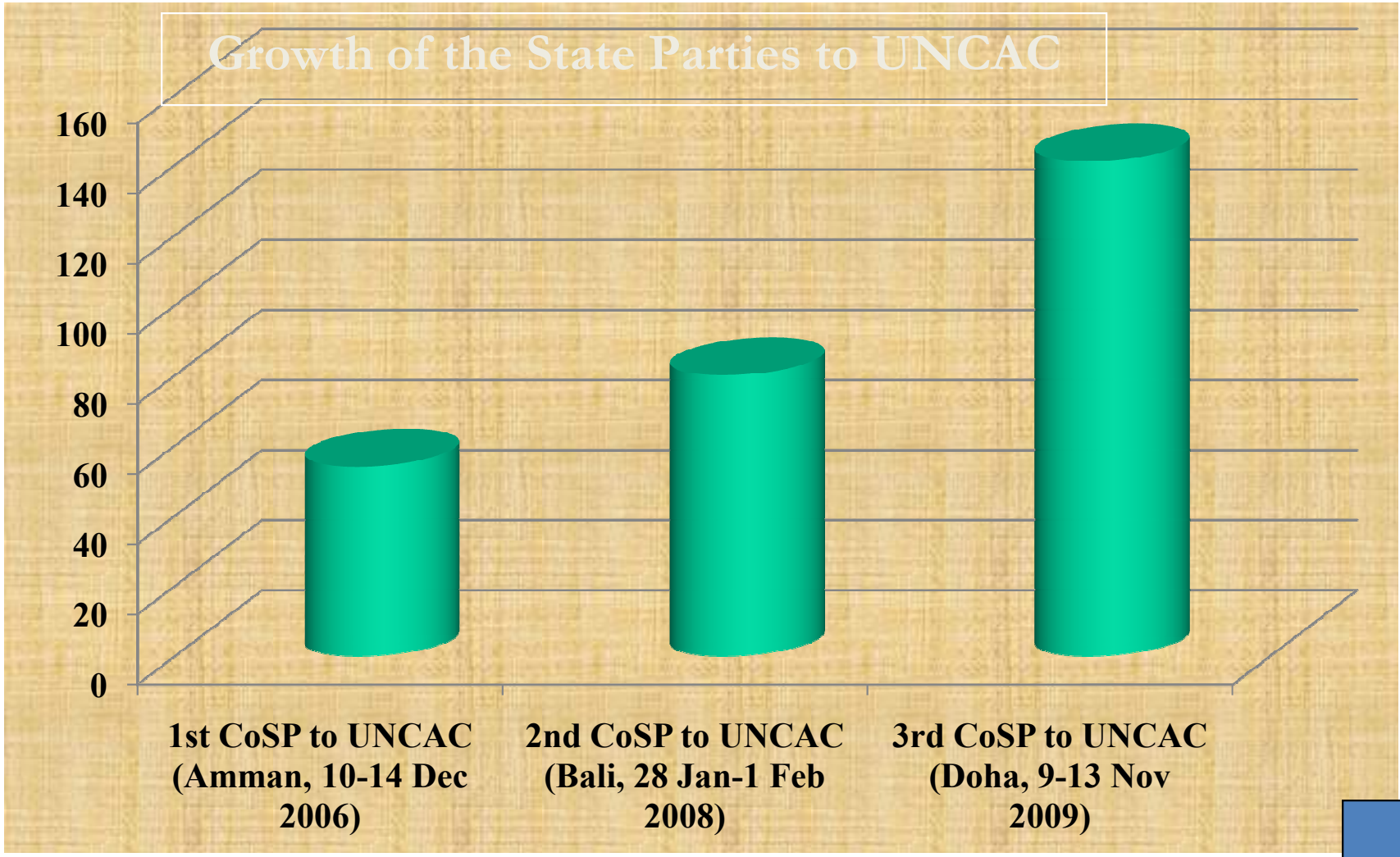
- Snapshot on Corruption
- Cost of Corruption in Sectors
- Trends in Sector Reform
- Examples from the Arab Region
- Guidelines for the future
- Lessons to be Learnt

Historical Development: Corruption



- Corruption as old as humanity/ civilization
- Criminalization
- Global instruments (UNCAC)

UNCAC –Increasing Endorsement



Cost of Corruption in Sectors

Impediment perceived by more than 70% of SMEs in transition economies

When corruption occurs, the cost of connecting a household to a water network increases by up to 30%, raising the cost of achieving the MDGs for water and sanitation by US$48 billion. Poor households in Jakarta, Lima, Nairobi or Manila spend more on water than residents of New York City, London or Rome.

In Syria, 50% of MoH expenditure is on medicine & 55% of private expenditure on health goes to medicine. Corruption in pharmaceuticals causes great waste of public and private expenditure

Trends in Sector Reform

- Public Finance Management
- Technical Fixes: e.g. curriculum development in education instead of leakage in procurement of textbooks or building of schools
- Political Economy of Reform in Sectors: mapping actors, conflict of interest, incentives and drivers of reform
- Focusing on one theme such as procurement
- Following the entire value chain of sector delivery
  - Agenda Setting
  - Planning and Decision Making
  - Budgeting
  - Delivery / Regulation of Private Providers
  - Accountability

Example Egypt

- **Corruption Index of IDSC**
  - **By governorate (26)**
  - **By sector**
  - **Perception and experience based**
- **Social Contract Centre and sector governance**
  - **Sector specific**
  - **Builds interdisciplinary teams**

Example Jordan & Syria - Health

WHO Integrity of public Pharmaceutical sector

- Registration
- Licensing
- Inspection
- Clinical Trials
- Procurement
- Distribution

National Good Governance of Medicine Plan

Implementation and Awareness Raising

Example Palestine- Local Governance

UNDP + Ministry of Local Governance = toolkit in 3 localities (Tobas, Mazraaha Sharqiya & al-Khalil)

Objective:

- Understand performance of local authorities
- Identify vulnerabilities

What is being measured:

- Transparency & integrity of performance of admin. Systems, human resources, financial services, engineering, procurement
- Responsiveness to people's needs to know
- Adherence to mechanisms that enhance integrity
- Adherence to mechanisms that enhance participation for accountability purposes

Who Participated:

- High ranking officials and middle managers
- Citizens
- Civil society

General Guidelines

- Enhance legal and integrity consciousness
  - Conflict of interest
  - Due procedures
  - Risk and cost of leakage
- Connect Parliamentary Committees - sector experts - AC mechanisms
- Create a basket of indicators by sector
  - institutional (laws and regulations)
  - perception based
  - experience based
  - political economy of stakeholders in sector

Lesson 1: Civil Society Key Partner

IN AWARENESS

- Partner in increasing society awareness
- Partner in achieving zero tolerance

IN PREVENTION

- Partner in collecting evidence on service provision
- Partner in monitoring implementation of AC
- Watch-dog and whistle blower

Lesson 2: Enabling Conditions for Effective Partnerships

- Internal governance of CSOs (responsibility of CSOs)
- Connection to citizens (responsibility of CSOs)
- Lobby professionally and network (responsibility of CSOs)

- Enhance understanding of AC mechanisms (responsibility of the state)
- Freedom of information (responsibility of the state)

Lesson 3: Good Practice

- International CSOs against corruption, e.g. TI, GI, OBI, EITI

- National CSOs against corruption
  - Partners in Social Audits. E.g. in Pakistan
    http://undp.org.pk/images/publications/Social_Audit_Full_Report.pdf
  - Partners in Citizen Report Cards, e.g. India

http://www.capacity.org/en/journal/tools_and_methods/citizen_report_cards_score_in_india

Citizen Report Cards, not yet another opinion poll

- **After more than a decade of monitoring by civil society, the city of Bangalore in India achieved real progress in improving the quality and cost-effectiveness of its public services.**

- **First report card in 1994 and continued regularly every 4 years.**
- **Report cards reflect the actual experiences of people with a wide range of public services.**
- **The survey polls only those who had experiences in the use of specific services and interactions with relevant public agencies. Users possess fairly accurate information.**

- **When can it be effective?**
  - **Integrity of the CSO carrying it out**
  - **Openness of local government to listen & find innovative solutions**

Lesson 4: Do not Forget the MEDIA

- MEDIA CAN BE POTENT PARTNER in explaining corruption, explaining how to fight it & why
- It needs to be supported by educational system
- It needs to be supported by religious messages on ethics, not rituals

UNCAC Supports Partnership with Civil Society

- UNCAC ARTICLES

- Ensure Active Participation of Civil Society (Art.13 (1))
- Provide Public Access to Anti-Corruption Bodies (Art.13 (2))
- Encourage Citizens to Report on Offences (Art.39)



Place for Civil Society in UNCAC's Development Framework

UNCAC Articles	Demand for Programming
Article 5: Anti-corruption policies	Policy framework, legal framework, strategies, coordination
Article 6: Independence of anti-corruption bodies	Technical assistance to establish and strengthen oversight institutions
Article 7: Civil service capacity-building	Public sector reform (e.g., introduction of fair procedures for the selection and promotion of civil servants, adequate salaries and training)
Article 8: Code of conduct	Promotion of integrity, honesty and responsibility among public officials though codes of conduct and preventing conflict of interest
Article 9: Public procurement and management of public finance	Promotion of effective systems of public procurement and public finance management.
Article 10: Public reporting	Civil society empowerment; access to information, inclusive participation, awareness raising, role of investigative journalism
Article 12: Private sector	Role of private sector in delivering social services
Article 13: Civil society	Social audit, citizens' audit, and budget tracking

Thank You

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