

SUMMARY OF THE GLOBAL REPORT

Enhancing Government Effectiveness and Transparency

The Fight Against Corruption



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This is a summary of the September 2020 World Bank report: “**Enhancing Government Effectiveness and Transparency: The Fight Against Corruption**”. A product of the Governance Global Practice and the World Bank Group Inclusive Growth and Sustainable Finance Hub in Malaysia, this report is a fresh assessment, through a compendium of case studies, of challenges faced by governments in tackling corruption.



The full report is available for download at

<http://documents.worldbank.org/curated/en/235541600116631094/Enhancing-Government-Effectiveness-and-Transparency-The-Fight-Against-Corruption>

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Introduction

News headlines over the last few years have been filled with global scandals involving corruption on an unprecedented scale.

They touch virtually every continent, from Asia to Africa, Europe, and the Americas. The scale, magnitude, and sophistication of the operations has increasingly risen to levels that many had not considered possible before. Governments are forever in search of new approaches and tools that can help identify loopholes and entry points for corrupt activities. While the containment of COVID-19 and its devastating human and economic impacts have more recently been the focus of government actions, it is almost certain that huge amounts of spending in a short time, circumventing the standard operating procedures, will result in new corruption scandals in the post-COVID years. There are already reports in papers regarding inflated food prices or favored medical contracts to firms from a few countries. In drawing on the past and looking ahead to the future, the time is ripe for the World Bank to take a fresh look at the state of play in tackling corruption and how countries are attempting to address this long-standing scourge on development.

The multi-faceted and complex nature of corruption has shown that while technical solutions and compliance measures are enablers, they are rarely sufficient in themselves to root out corruption.

In many societies corrupt behavior is deeply rooted in the historical origins, social norms and political culture. It is not unusual to find strong inter-linkages between power, politics, and money. Political parties and campaigns are often financed on the back of close links with business, which can be corrupt. Entrenched political elites are eager to maintain their grip on power and money. The scope for reformers to make changes is therefore constrained by the limits of their political influence, and any significant impact on corruption usually takes a long time.

While corruption may be entrenched, the case studies in this report demonstrate that progress is possible even in challenging contexts. By design, the report focuses primarily on developing countries, where institutional capacities may be less established than in advanced countries. Impactful anti-corruption

measures are often opportunistic, targeting specific areas of vulnerability where and when the political space allows for actions to be taken. Though the actions initially may have limited impact, they could provide an important foundation for future actions. However, these impacts should be carefully assessed by public officials and civil society as many high-profile anti-corruption strategies have proven to be ineffective and only give a veneer of government action.

The purpose of this report is to equip public sector officials and civil society with a modular set of approaches, entry points and tools that can be drawn upon and adapted to their specific country context. It is informed by international experience in what is and is not working to address corruption and to enhance government effectiveness. Importantly, although the approach is modular, it is not a menu. While the chapters and cases do not analyze the political economy of reform in each country or sector in depth, they do recognize the relevance of political context and elite bargaining that takes place to constrain options. Rather, the report presents successful approaches and policy responses in various country contexts for the lessons they provide for reform-minded leaders and civil society. In so doing, it highlights the importance of institutions for implementing government policies, engaging civil society, and ensuring greater transparency in government operations.

Given the wide scope of behaviors considered to be corruption, and the diverse range of approaches, no single report can expect to address all the sources of corruption and approaches required to combat it.

The report examines the manifestations of corruption and efforts to address them from three perspectives:

- I. Selected key sectors and functions of the government
- II. Policy tools and interventions used to control corruption
- III. Institutions used by government for oversight and accountability

The key messages of this report are the following:

- Progress is not linear and reforms could suffer due to political setbacks and/or institutional weaknesses, yet even basic efforts could provide a foundation on which to build.
- The “how” of reform can be as important as the “what” of reform, as it requires an understanding of how key obstacles could be overcome in a particular context.
- There is no single success factor; impactful reforms usually require a combination of several layered or sequenced interventions (described in the Conclusions chapter). For example, technology can be an enabler for transparency, but is not a full solution on its own.
- Open government reforms can lead to a stronger relationship between government and citizens, increasing levels of trust and social capital.
- Sector and function-specific interventions can be effective and complementary to broader government-wide efforts to enhance transparency, integrity, and good governance.
- It is critical to look beyond the *de jure* of anti-corruption institutions and tools, to the *de facto* impact and to make course corrections so that national anti-corruption strategies and institutions are not mere window-dressing; but are tailored to the needs and contexts of countries.
- Collaboration and information sharing across traditional agency boundaries, and across international boundaries are becoming increasingly important to address corruption.
- It is important to factor the historical, social, economic, and political realities of a country into anti-corruption reform efforts.

Part I of the report covers issues, challenges and trends in five key thematic areas: public procurement; public infrastructure; state-owned enterprises (SOEs); customs administration; and delivery of services in selected sectors. These are intended to capture a small selection of high-value functions and sectors of public sector activity. **Part II** examines some of the policy responses that government and civil society may employ for corruption prevention and detection, while **Part III** assesses the role of three institutions (Supreme Audit Institutions, Anti-corruption Agencies and the Justice system) that oversee, implement or contribute to anti-corruption efforts, and draws lessons about their effectiveness (see Figure below). The report also features a brief country case study on Malaysia that traces the history of the country's anti-corruption efforts over the last few decades and the influences on its development. It concludes with a reflection on several key reform characteristics or drivers that were common across the case studies.

The structure and format of the chapters vary by thematic area. In most instances, the chapter starts with an overarching chapeau that highlights key issues and lessons learned, supported by case studies that focus on why and how specific actions were implemented. In some chapters, cases are in-built into the chapeau as they did not merit a detailed description and instead are cited as examples. The cases are intended to bring out the "how to" of the reform process, while also showing the influence of political economy and institutional capacity constraints. None of the individual cases would be sufficient to demonstrate the broader lessons of international experience, but they do show how some experiences were adapted into a specific context. Moreover, the cases are often incomplete stories of reform – either because implementation is still ongoing or because corruption remains an ongoing and significant challenge. By design, many of the examples are taken from countries and sectors where corruption remains widespread but where public officials and civil society have not given up battling it.



PART I

Confronting Corruption in Sectors and Functions



Public Procurement

Often placed at the epicenter of discussions of corruption, public procurement has wide-ranging ramifications for the economy and delivery of public services.

It accounts for anywhere between 10%-25% of public spending globally.¹ Corruption in procurement is rampant, with estimates of the cost of capital investment projects being consumed by corruption ranging from 10% to 30%², with repercussions that go far beyond the price tag of capital projects as it impacts the poorest sections of society disproportionately. Corruption in procurement creates the wrong incentives for firms and distorts competition and economic growth.

There is a vast literature providing guidance on the features of procurement systems that operate with high degrees of integrity. While increasingly, electronic government procurement (e-GP) is identified as a key platform for addressing corruption vulnerabilities, its impact on procurement has differed significantly in countries that have adopted e-GP systems. Variation in changes in the incidence of corruption reflects a combination of factors, including the overall governance environment, the technical aspects of the specific e-GP system used, the capacity of staff responsible for procurement, and the strength of resistance to reform. The experience with e-GP reflects the experience overall with reducing corruption in public procurement, where technical approaches to governance challenges have had sustained success only when they are understood as enabling change rather than as the primary driver of reform. While the success of anti-corruption reforms in public procurement has varied greatly, the two factors that have been consistently associated with declines in corruption in procurement across different jurisdictions are *transparency* and increased frequency of *audits*.

Reducing corruption in public procurement requires a country-specific approach. Focusing on incentives and the capabilities of the institutions; improving the transparency and efficiency of the procurement system; overcoming opposition to change; and harnessing

forces in the private sector and civil society who have a strong interest in improving procurement outcomes are key.

The three case studies from Somalia, Bangladesh, and Chile demonstrate the country-specific anti-corruption reforms in public procurement along a governance continuum.

- The **Somalia** case explores an effort to reduce corruption in a limited number of strategic high-value procurement contracts, using a specially designed mechanism established jointly by development partners and the Government of Somalia. Success was achieved in restricting corruption in a number of transactions and demonstrates the ability to achieve results in even the most challenging of environments.
- The **Bangladesh** case explores an effort to reduce corruption as one dimension of an overall reform of the country's public procurement system featuring the adoption of an e-GP system. The reform has built momentum over a decade of implementation. While intensive work on monitoring progress has demonstrated a substantial reduction in corruption, as measured by key corruption indicators, it has also revealed certain aspects of procurement that are resistant to change. Recognizing corruption upfront as a key issue ensured that the e-GP program factored it in explicitly in the design of the procurement reform.
- In **Chile**, the reform program was driven by a non-political task force that recommended steps to improve the coherence of the public procurement system, within a larger program of reforms aimed at restructuring the role and transparency of private financing of political parties. The Chilean example demonstrates how a well-performing state, with a relatively high degree of capacity and integrity, addressed corruption in public procurement by modifying the incentives and dynamics in an overarching system of governance, in order to confront the causes of corruption and not just its symptoms.

Public Infrastructure

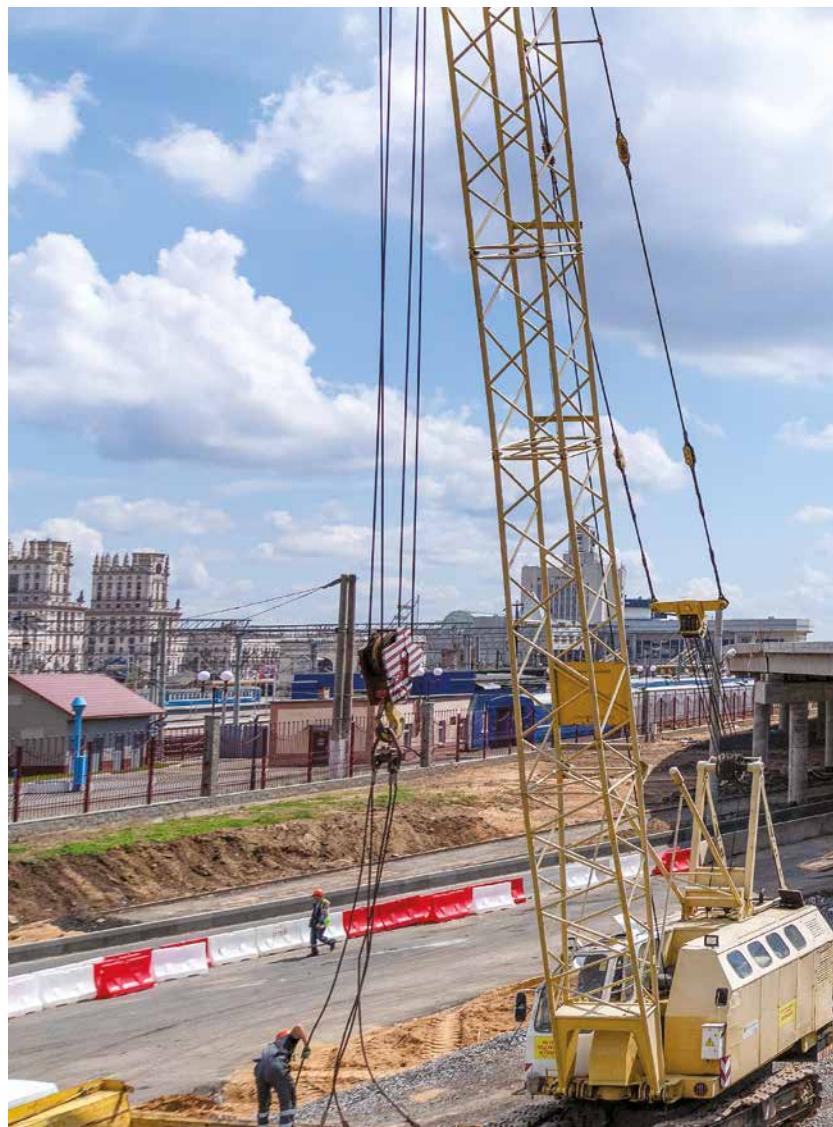
Studies show that the developing world's infrastructure needs are huge and attracting quality private sector investment is critical to closing the gap.

As much as \$3-4 trillion annually will be needed globally through 2030 to meet the infrastructure needs of the 1.2 billion people who lack electricity; the 663 million who lack adequate drinking water sources; the 1 billion who live more than two kilometers from an all-weather road; and the many millions who are unable to access work and educational opportunities due to the absence or high cost of transportation services.³ However, the size, complexity and long-run nature of infrastructure projects leaves them vulnerable to corrupt practices. The perception of corruption also has reputational risks for governments, undermining public trust and disincentivizing public-private cooperation from quality contractors.

Every phase in an infrastructure project involves distinct combinations of institutions and stakeholders, each with their own vulnerabilities to particular types of misconduct. During project identification and selection, some stakeholders may seek to undermine merit-based procedures for project selection, while the subsequent procurement phase tends to be where the most entry points for corruption exist, and the biggest payoffs. The construction phase is vulnerable to ex-post renegotiation of performance requirements in the contract details, and the losses to the public purse can be significant. The estimates of losses to bribery in construction, i.e., downstream from procurement, are as high as 45 percent of construction costs.⁴

For integrity to overcome the forces of corruption, a broad and vigorous alliance is needed, using varied tools to foster transparency and openness. Corruption is a reflection of how things are currently done by certain officials, businesses and politicians in specific situations. This doesn't happen in a vacuum; corruption is enabled by the conventions and approaches that have been allowed to develop over time. In some situations, these practices may not even be considered particularly harmful or wrong

by the participants – as illustrated by the oft used term for corruption: *the price of doing business*. This chapter argues that if the political level commits to systematically implementing integrity measures across the infrastructure cycle, it will have an impact at both a systemic and a project level. In addition, and crucially, mobilizing citizens and stakeholders and strengthening their hand through greater project *transparency* and *openness* can build momentum, and change the political economy and cultural considerations that have allowed corrupt practices to happen. Through such a sustained and broad-based movement, country examples demonstrate that change can happen at both the project and society level.



Chapter 2 includes three case study examples of strategies to mitigate corruption risks in the acquisition of public infrastructure.

- **The Infrastructure Transparency Initiative (CoST)** offers a multi-stakeholder approach to strengthening governance in the infrastructure sector through improved *transparency*, stakeholder *engagement* and *accountability*. The expansion of digital government and open contracting data has created a more enabling environment for multi-stakeholder approaches than would have been possible in the past. Three country examples are presented: **Thailand** shows the evolution of a multi-stakeholder working group. The **Ukraine** case examines the institutional foundations for actionable data disclosure. The **Honduras** example focuses on how international support has been combined with local leadership to strengthen transparency and accountability in infrastructure. Each case represents an evolving story, with no doubt significant hurdles and gaps in implementation yet to be overcome.
- **Public-private partnership (PPP) renegotiation** of infrastructure projects has the potential for abuse, as evidenced in Brazil, which was the epicenter of one of the largest corruption scandals in history. PPPs are renegotiated much more often than similar private contracts. Dishonest contractors make lowball bids to win contracts, knowing that they can later reap windfalls during a less transparent contract renegotiation process. PPP renegotiations can also allow governments to elude spending controls and defer costs to future administrations, while companies can use renegotiations and bribery to build market share. While changes to a long-term PPP contract may be inevitable, this case study offers guidance to reduce the probability of opportunistic renegotiations that are motivated by corruption.
- The third case examines how the Colombia Society of Engineers (SCI) began supporting **Open Contracting**, when they suspected that tender specifications were so narrow that they were being tailored to benefit particular bidders. The case highlights how the government acted upon the SCI findings by making standard documents mandatory for all state governments in 2019, and by updating the country's e-procurement platform to publish data in the open, standardized, and reusable Open Contracting Data Standard (OCDS) format. Utilizing data analytics to assess these reforms, the government is already seeing increases in competition and better value-for-money for the public.



State-Owned Enterprises (SOEs)

Corruption in SOEs has gained prominence in recent years due to high-profile scandals in countries like Brazil, South Africa, Angola, and Malaysia.

Corruption risks arise from various sources. SOEs in high-value sectors often enjoy monopoly or quasi-monopoly rights that provide an opportunity for abnormal profit generation, a privileged relationship with the government and state financial support. This creates incentives and opportunities to extract significant rents. Such mechanisms are often

used to benefit political groups and party finances in order to sustain the resource diversion over time. Risks also arise from weak legal and regulatory frameworks; corporate governance weaknesses at SOE levels; a lack of transparency and disclosure over SOE finances compounded by poor financial reporting practices; and limited effective government and citizen oversight. These risks are exacerbated by inadequate technology in SOE operations and weak citizen participation in monitoring SOE performance. Corruption can be detrimental to the SOE itself, to the economy, and to the people when SOEs fail to provide critical public goods and services.

Phasing or sequencing of SOE reforms based on their political and institutional feasibility can help overcome entrenched interests and provide confidence to policy makers to take further steps. The Bank's experience suggests several categories of actions that can contribute to enhancing integrity



The three cases presented in this chapter are ongoing stories that highlight the complex challenges that political leaders and citizens face to improve SOE governance.

- In **Brazil**, following the high-profile Lava Jato scandal, the government passed the Law on the Responsibility of Federal State Companies to strengthen the internal control environment in SOEs through the introduction of fiscal councils and internal audit committees. The law also aims to increase transparency around contracting and procurement, which was the main channel of kickbacks exposed by Operation Car Wash. However, effective implementation of the law and deeper sector reforms remain in question and subject to the full support of the political leadership.
- In **Angola**, recent reforms of SOE governance are in the early stages, and like Brazil, are set against a backdrop of massive scandals related to the state oil company. Since mid-2017, actions have included reforming SOEs' public procurement, opening up the income and asset declaration system, implementing a divestiture of SOE non-core assets, increasing the transparency of the privatization process, establishing a new reinforced SOE unit in the Ministry of Finance to collect data and exercise more active oversight, replacing most SOE board of directors, strengthening corporate governance in the state oil company, and prosecuting suspected corruption cases. The implementation of the privatization program is still unfolding.
- **Colombia** stands out from the other cases, because it reflects a proactive approach by an SOE to make itself accountable to citizens and shareholders through a series of transparency initiatives, digitization, and customer-engagement practices. With a robust legislative framework for corporate responsibility set in place decades earlier, Empresas Públicas de Medellín (EPM) distinguished itself from other SOEs in the country and in the region by emphasizing public transparency and engagement as the core pillars of its integrity drive and of its corporate governance more generally. Citizens in the community are encouraged to see EPM as belonging to them, through the company's approach to service delivery, customer feedback, and even share price.

in SOE governance: (a) opening up markets to greater competition to reduce monopoly power and market share and incentivize financial and fiscal discipline; (b) strengthening SOE legal and regulatory frameworks and practices; (c) building a commitment to good governance and capacity of state-owned entities; (d) professionalizing the SOE board of directors and senior management; (e) establishing effective internal controls, compliance, and risk management functions in the SOE; (f) promoting transparency and full financial disclosure, including of SOE debt; (g) digitalizing financial and service delivery information to improve the accuracy of information available to the public; and (h) facilitating citizen engagement in holding SOEs to account for performance and providing feedback to management on issues of particular relevance to them such as the quality of service delivery for water or energy utilities.

Reforming governance of SOEs alone may not always be enough to prevent corruption and assure efficiency. Additional measures could include SOE restructuring, which may involve breaking large SOE multi-layered enterprises into smaller business units or bringing opportunities for greater private sector involvement in the operations, management or even ownership of SOEs through PPPs or privatization, when the necessary conditions are being met. Such conditions include reduced or contestable market share and economic dominance; transparency over ownership, operations and finances including SOE debts; increased capacity for monitoring and oversight; and improved efficiency. Especially important is ensuring that transactions occur without special privileges for insiders or other favored buyers, so that there is a level playing field with potential competitors. Where privatization or private sector participation is not a viable option, SOEs can still be exposed to capital market discipline through partial listings.

Customs Administration

Customs administration is vital for its role in trade facilitation and protection of national borders, as well as revenue collection.

Collection of trade taxes (tariffs, excises and import value added tax) account for a significant portion of government revenues – commonly 30-50% – in low-income countries and even more in fragile states. Corruption in customs can be a disincentive to foreign investors, especially those who intend to rely on smooth import of inputs and export of goods. A low capacity customs administration also presents challenges for national security in an age of international terrorism. Yet the customs administration is highly vulnerable to corruption because officials often enjoy discretionary powers over important decisions, and risk-based systems of control and accountability are often absent or easily breached. The number of “success” stories in addressing corruption in customs is limited. Georgia and Rwanda traditionally stand out; both countries’ reform efforts involved a dismantling of old, discredited agencies and replacement with new ones based on the principles of leaner bureaucracies and administrative simplification, and both were made possible by the emergence of new leaders who broke ties with the old networks.

The chapter argues that legal and technical reforms are necessary but insufficient to disrupt corrupt behavior in customs administrations. Technical measures often include introducing an upgrade to the legal framework, simplification of processes and rate structures, automation, etc. But laws and regulatory reforms must also be supplemented with other approaches that take into account deeply embedded norms and expectations of political and social life. The report argues for two broad principles: (1) ownership of the reform among the officials involved in reforming the customs administration is a critical issue for sustainability, and (2) opportunities for corruption can be reduced by designing mechanisms that create appropriate incentives, limit discretion by public servants, and include enhanced controls. It concludes that understanding social normative pressures in a given context can help practitioners design interventions to relieve those pressures, allowing collective behavior to change. Reformers should target the informal networks of patronage and social domination, which often determine the behavior of customs officers.

The two country cases show that effective customs administration reforms are possible even in fragile states with limited capacity, when technical reforms are coupled with an understanding of the local political economy surrounding customs agents.

- Customs reforms in **Madagascar** are ongoing, but there have already been signs of significant progress to reduce corrupt practices, facilitate trade, and increase revenue at their major port. Their performance-based pay program has helped incentivize customs inspectors to curb tax evasion and expedite customs clearance. Importantly, the reform was accompanied by extensive data mining and monitoring to detect corrupt individuals and practices.
- **Afghanistan’s** government faced the daunting challenge to curtail the parallel or shadow customs regimes that operated beyond government control. For about 15 years now, the Afghanistan Customs Department has been progressively implementing a countrywide computerization of customs clearance operations. The strategy has centered around the automation of procedures to significantly reduce face-to-face contact and the resulting informal negotiations. Though significant vulnerabilities exist, including adaptation to “game” the system, Afghan authorities have witnessed increased revenue, improved clearance time, and improved transparency of trade transactions.



Service Delivery in Sectors (Land, Health, Ports)

Corruption in public services takes many forms and imposes significant costs on the government, citizens, and businesses.

Estimates of the magnitude of dollars lost to corruption vary widely across countries and sectors. While these estimates rely on various assumptions, and are subject to critiques, they point to the significant magnitude of the monetary costs of corruption in public services.

Unpacking sector-specific issues is crucial to diagnose the root causes of corruption in public services and design appropriate interventions. Even within a sector, a reform could be narrowly focused on rooting out a particular issue, such as bribery in surgery waiting lists, or adopt a multi-pronged approach to focus on the entire service. The correct diagnostics also allows reformers to assess the feasibility of the program, as well as to identify the loci of leadership and how to build stakeholder coalitions.

Corruption in the three distinctive service delivery sectors of healthcare, land administration, and port services impacts the economy in different ways. The three services are very distinct: healthcare, that affects virtually all citizens, as seen during the current COVID-19 pandemic; land administration, a sensitive service impacting a large proportion of the population; and ports, a specific and narrower government to business service. If the health sector is plagued by pervasive corruption, human development can be impacted; corruption in land administration can undermine land reform and citizens' trust in government as a whole; and corruption in ports directly affects trade and the investment climate in the countries relying on maritime commerce, hampering their development.

The case studies describe reforms to address these issues and improve service delivery.

- **Rwanda's** reform of land mapping and titling aimed to modernize the entire sector through enhanced transparency, thus increasing the cost of malfeasance and reducing corrupt incentives in service delivery. It was focused on good management practices in land administration, including the digitization of records.
- **Ukraine's** ongoing health system reform is focused on changing the incentives of healthcare providers to improve outcomes. The reforms initiated so far have included capitation financing in primary care; raising health professionals' remuneration; designing transparent, merit-based medical staff appointments; and initiating an eHealth digital record-keeping system. These reforms aim to lower out-of-pocket expenditure, reduce the number of acute medical events, and increase patient satisfaction with their care providers. This is an example of a true "ecosystem reform," in which changes to legislation went hand-in-hand with executive implementation and strong civic engagement to serve as a feedback loop.
- **Nigeria's** reform program in ports is an attempt to address corruption in service delivery with the help of a pro-reform coalition. Such a coalition in Nigeria included private shippers, the United Nations Development Programme (UNDP) and three of the country's anti-corruption agencies. The network worked together with the Nigerian government to develop corruption risk assessments of five ports, followed by standardizing procedures, using an e-governance portal, and establishing a grievance mechanism. Surveys conducted by the network and its partners suggest the measures have had a positive impact in improving the functioning of ports, even though substantial work remains to be done.



PART II

Key Instruments for Fighting Corruption



Open Government Initiatives

Open government reforms aim to promote an ethos of transparency, inclusiveness and collaboration.

The aim is to shift norms in a sustainable way by introducing changes that lead to enhanced transparency and promote an environment that is less conducive to corrupt activity, and empowering citizens to demand better services from the government. The impact of these reforms depends on the existence of other enabling factors, such as political will, a free and independent media, a robust civil society, and effective accountability and sanctioning mechanisms.

Openness can lead to a stronger relationship between government and citizens, increasing levels of trust and social capital. An open government involves citizens in oversight of government functions by providing relevant information, creating opportunities for citizen engagement, and implementing mechanisms that strengthen accountability. While it is a challenge to make an empirically-grounded causal link between open government measures and reduced corruption, due to limited evidence, a growing body of case studies and experimental evidence demonstrates that well-designed open approaches can lead to positive change.

While there has been a surge in interest in transparency in recent years, the impact of transparency on improving accountability hinges on several factors. These factors include whether or not stakeholders can easily find and understand the information, and the ability and willingness of the officials to respond to requests for information. Other reasons include lack of civic space, political will and institutional capacity, which results in governments failing to meet the expectations of different stakeholders. Under such circumstances, reform champions, coalitions for change, “infomediaries,” such as journalists, an independent media where that exists and watchdog organizations, can play a critical role. Even though about 120 countries have passed a right to information law, evidence of the impact of legal rights to access information on the extent and nature of corruption is inconsistent. Transparency by

Two case studies focus on engaging citizens.

- **Kenya’s** experience with open budgeting illustrates that engaging citizenry in the budgeting process can enhance accountability of public officials. ‘Participatory budgeting’, an approach introduced at the local government level (counties), involved allocating a portion of the budget for citizens’ priorities and creating a participatory process where citizens could work together to define and vote on development priorities. While participatory budgeting did not directly target corruption, it nonetheless had an impact on ensuring public funds were spent on citizens’ needs, increased citizen oversight of public spending, and in some cases resulted in cost savings.
- **Ethiopia’s** Social Accountability Program, an effort to better engage its citizens and improve public service delivery at the local level, led to increased trust between civil society, service providers, and the government. While the program’s goals were mostly to increase public participation, build better relations between local governments, citizens, and civil society organizations, and to improve service delivery, the initiative likely had spillover effects in reducing corruption, even if on a small scale.

itself cannot address corruption, although it is often seen as a necessary first step and is certainly key in shifting incentives and nudging behaviors. A broader enabling environment that supports the involvement of a range of stakeholders in accessing, analyzing and responding to information in the public domain helps access to information initiatives lead to more fundamental change.

While measuring the impact of citizens’ engagement on corruption is hard, there is evidence that social accountability mechanisms, such as social audits, surveys, citizen report cards, or grievance redress mechanisms, can all be used to address corruption in service delivery. Impactful interventions are effective when they address citizens’ private interests, and garner high levels of citizen participation. Important enabling factors include access

to information, legislation, policy and practices, an active and independent media, citizens' ability to hold institutions accountable through oversight institutions and political channels, markets and institutions that prevent elite capture, credible sanctions, and the existence of coalitions among multiple actors.⁵

Open government measures can directly or indirectly lead to a reduction in corruption even though the impact can be difficult to measure.

However, if information is increasingly reaching citizens and the media, and officials are acknowledging its accuracy, that is a step in the right direction. Over time, with a holistic approach tailored to the context, open governance may help change behaviors so that public resources are directed not to the pockets of individuals but rather to the common good.



GovTech

The broadening and deepening of global digitization of governments and citizens is changing the face of public sector governance and its impact on anti-corruption.

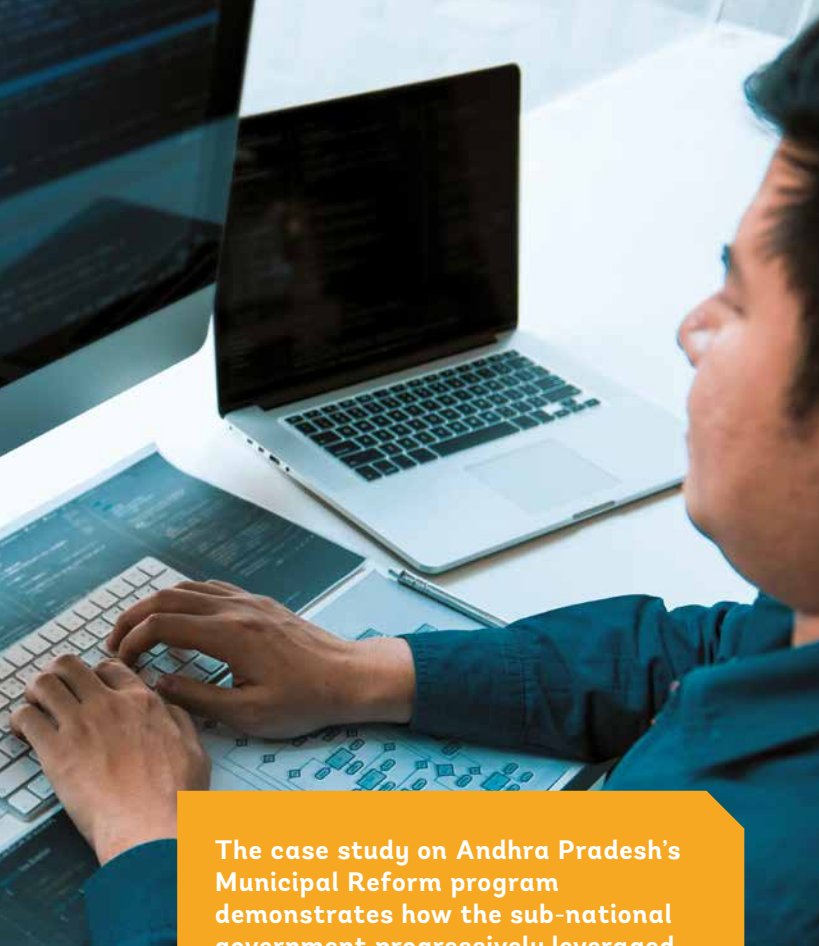
While digitization as a 'foundational' factor is important, other factors like institutional incentives and capacities and strong leadership are key for enhanced efficiency, improved service delivery and fewer opportunities for corruption. Reducing the human interface in service delivery helps governments to curtail the risk of rent-seeking behavior. Yet, the traction of digital technologies in reducing fraud and corruption depends on the institutional context. Any system will only be as good as the practices that complement it. To gain greater traction for addressing fraud and corruption, data needs to be captured and linked with other data. Mandating the use of the system and validating and analyzing data using Artificial Intelligence (AI) or other methods can prove to be effective.

Digital government transitions, coupled with disruptive technological change, offer both opportunities and risks for anti-corruption. While



digitization can help improve transparency, with near real-time feedback helping expose illicit behavior, it can also facilitate a rapid or scaled illicit syphoning of resources. The options for leveraging opportunities that new forms of digital data offer are very different for a country like Singapore than those available to economies reliant on paper-based workflows, and where existing systems are not set up to link to each other, at least in the short run.

Developing countries could leapfrog and deploy new disruptive technologies more widely to address public sector challenges. Digital technology disruptions are being used in a number of areas, including for revenue, expenditure, regulation, and financial and physical asset management. Framing technology-supported reforms as a public services delivery agenda, rather than in the first instance as an anti-corruption crusade, may also be a more disarming approach in light of the existence of the vested interests



The case study on Andhra Pradesh's Municipal Reform program demonstrates how the sub-national government progressively leveraged digital government platforms and emerging technologies to improve public services.

- In **Andhra Pradesh**, the government used drones to collect geospatial data and update maps, replaced paper-based systems with digital ones, and trained both staff and citizens on how to use the new platforms. Citizens could access services or lodge grievances through multiple channels: online, by telephone or through a mobile phone application. The reforms significantly reduced opportunities for fraud and corruption in key areas, such as taxation and construction permits, and improved revenue for local governments.

benefiting from corruption. However, the impact will be heterogenous and depend on complementary practices like the degree to which electronic channels are voluntary, and how discretion was used.

Big data, cloud-based platforms, biometrics and fin-tech are all being used, but the full advantage can be realized only by addressing omissions and biases. Greater access to digital data in usable form, alongside technology tools, can empower civil society and reform champions in government to detect fraud and corruption. While big data—and the related application of Artificial Intelligence-Machine Learning (AI-ML)—can enhance detection and limit discretion abuse, the perseverance and skills to link and clean data will be key. Cloud-based platforms and services are providing for on-tap computing, better data management capabilities, and storage capacities. Although biometrics have been used in identity validation, better targeting and access to services, and to improve attendance of public servants, the risk of excluding genuine beneficiaries from government programs needs to be factored in. Finally, while fin-tech innovations have increased the scope and scale for digital payments between governments and citizens, blockchain technology is still evolving, and sensor technology is increasingly gaining momentum. Blockchain technology has the potential to improve trust in digital government in settings where trust is low. The internet of things (IoT) and other sensor technology are increasingly allowing for richer and more dynamic tracking and feedback.

While different technologies have merit in their own right, the full impact lies in breaking technology silos and implementing interlinked approaches across sectors and services. Given the expanse and diverse nature of public sector services, the most productive strategies build on a mix of wider government digitization contexts and intersecting technology developments, rather than focusing excessively on a single technology. The roll-out of the latest ICT systems, including those supported by development partners, may be seen as potentially solving the problem, but this is not necessarily the case. What is essential is that for any country to adopt new technology or 'leapfrog', the corresponding analog complements must be in place. In some cases, they may indeed be game-changing, but care must be taken that the next must-have technology does not become an excuse to address persistent challenges, such as poor service delivery and fraud and corruption.

Asset and Interest Declaration (AID)

AID systems have increasingly become a multi-purpose tool aimed at preventing conflicts of interest, detecting unjustified assets and building broader integrity of public service.

While many countries have AID systems, there is limited evidence of their effectiveness. Most AID systems have yet to live up to their potential. Cumbersome filing procedures, crucial gaps in the disclosure forms, and lack of transparency and enforcement are limiting the role of AID. Such weaknesses also may make it merely another check-a-box exercise to implement national anti-corruption strategies. Lack of control of submission and ineffective verification of declarations undermine their importance as an anti-corruption tool. The chapter on AID elaborates on what an effective AID system should

look like and how it can be relevant in the context of transnational financial flows, new ways of disguising unjustified wealth, as well as domestic typologies of conflict of interest and hidden wealth.

The chapter provides guidance on several critical AID system design questions: Who should file, how frequently to file, paper vs electronic filing, what to declare, how to verify declarations, how to sanction non-compliance, and how much transparency. Though the direct impact of AID systems on anti-corruption will always be difficult to quantify, governments should nevertheless try to assess their effectiveness—public perception surveys, expert opinions, and quantitative review of compliance data are some methods available.

The two case studies highlight the impact of enforcement, digitization, and transparency.

- In **Ukraine**, the asset declaration system put in place in the 1990s had been nothing more than a formality. But in 2014, civil society successfully advocated an overhaul of the country's anti-corruption infrastructure. When the new asset declaration system became operational in September 2016, it was one of the most comprehensive worldwide. By the end of 2019, the system held over 4 million electronic documents, all of which were available for free public access, including in machine-readable format. However, at the end of 2019, due to concerns over effectiveness and impartiality of enforcement, Parliament adopted a law that overhauled the anti-corruption agency in charge of the system and further strengthened provisions on the disclosure and verification of assets and interests.
- **Romania** reversed a long history of inactivity on tackling corruption with the introduction of AID forms for a wide range of public officials, together with a verification mechanism focused on detecting and sanctioning unjustified variations of wealth, conflicts of interest and incompatibilities. Transparency has been critical to the system's effectiveness, as all disclosure forms are published on the website of the National Integrity Agency (ANI) and used by civil society and investigative journalists. ANI uses the system to sanction unjustified changes in wealth, as well as conflicts of interest and incompatibilities. ANI's work is also focused on prevention, most notably through the PREVENT system, which issues early warnings to contracting authorities about potential conflicts of interest in procurement procedures.



Beneficial Ownership Transparency

The release of the Panama Papers and Paradise Papers in 2016 and 2017 shone a spotlight on the extensive use of anonymous companies for concealing corrupt practices and proceeds.

The sudden growth in publicly available information on this widespread practice has helped increase pressure on policy makers to address the abuse of anonymously-owned companies and other anonymous financial vehicles, given the role that they play in concealing illicit practices and proceeds. Addressing the abuse of anonymous corporate entities is a global challenge. Regulatory loopholes in beneficial ownership disclosure requirements in one country have serious consequences because illicit financial flows (IFFs) are not constrained by national borders: illicit funds can find a safe haven in jurisdictions where regulations protect anonymity. Developing countries pay the heaviest price for these practices because of lost revenues or funds that are diverted as a result of fraud, tax evasion, and the illegal exploitation of natural resources.

Though still relatively new, the use of publicly available registers of the beneficial owners of corporate entities (beneficial ownership registers) is beginning to have an impact in two ways: (1) helping enforce illicit enrichment laws,⁶ and (2) helping detect and prevent conflicts of interest in public procurement. Even before the release of the Panama Papers, international bodies like the Financial Action Task Force (FATF)⁷ were emphasizing the value of beneficial ownership disclosure as a tool for law enforcement authorities. Since then, civil society organizations, thinktanks and watchdogs have been contributing ideas to help solve technical challenges associated with establishing credible and effective public disclosure systems. One of the important milestones is the development of the Beneficial Ownership Data Standard (BODS), a framework for representing information about people, companies, and relationships as structured data, in a standardized format that can be replicated across countries and systems.

The path to implementing beneficial ownership transparency reforms is not easy. The report presents three diverse country examples as to how they have approached the adoption of a beneficial ownership transparency policy:

- **Nigeria** is an illustration of how reforms that are politically and technically challenging have been initiated by leveraging international commitments and policy platforms, building on existing institutional frameworks, such as the transparency commitments in the extractives sector. Beneficial ownership requirements were introduced in 2019 as part of a bill to reform the private sector. The Nigerian Corporate Affairs Commission (CAC) is now tasked with collecting beneficial ownership information for all 3.1 million Nigerian companies, and making that information publicly available.
- In **Slovakia**, companies are required to register as a Partner of the Public Sector through 'authorized persons,' (e.g., attorneys, notaries, banks, or tax advisors), who are jointly liable for false information. Free public access is another cornerstone of Slovakia's approach to verifying data. Slovakia shifted the burden of validating beneficial ownership information to companies through these 'authorized persons,' given the technical and administrative challenges inherent in verifying the accuracy of beneficial ownership information.
- The **UK** experience offers an example of how to balance data protection and privacy in a disclosure policy, through: (a) publishing enough personally identifying information to distinguish between beneficial owners and officers, while withholding sensitive information, and (b) allowing beneficial owners with privacy concerns to apply to have their information removed from the register, but only under very strict rules-based criteria. Out of millions of companies registered, only around 300 have applied to have their information removed, and only 30 of these applications have been granted.

Exchange of Tax Information and Collaboration on Tax Crimes

Corruption is intrinsically linked to tax crimes, as corrupt persons do not report their income from corrupt activities for tax purposes.

F ATF includes tax crimes in the set of designated predicate offenses for money laundering purposes, explicitly recognizing the linkages between tax crimes and money laundering. Moreover, the extensive level of corruption related to tax has serious implications for government revenues and economic development.

The impact of inter-agency cooperation can be significant. In the Brazilian Petrobras investigation, tax auditors supported the transnational corruption investigation by analyzing suspects' tax and customs data and sharing this with the police and public prosecutor as permitted by law. With that information, officials were able to uncover evidence of money laundering, tax evasion and hidden assets and the investigation has, so far, resulted in criminal fines, tax penalties, and recovered assets amounting to \$15 billion.

Chapter 10 presents two case study examples on how tax administrations can play a stronger role in the fight against corruption and specifically against illicit financial flows.

- Exchanging data to detect potential corruption:** While most prosecutions for tax crimes related to corruption can be undertaken by the tax authorities, they often require support in the form of information sourcing or expertise from other agencies. There are multiple obstacles to such information sharing, but an increasing number of countries are creating the legal precedence to overcome them. A starting point is to establish bilateral agreements or memoranda of understanding (MOUs) to share information, while respecting relevant privacy laws within the country. Establishing a national task force to enhance collaboration and improving inter-connectivity among databases are also key steps to be taken by national authorities.
- Using tax data as evidence in the prosecution of corruption:** The level of cooperation between tax administrations and other domestic law enforcement agencies is critical in countering tax and financial crimes. Tax administrations are granted access to the transactions and records of millions of individuals and entities, but they may be unaware of the typical indicators of possible bribery, corruption, and other financial crimes not related to tax. Moreover, in many countries there are legal barriers to the ability of tax administrations to share information with the police or public prosecutors in non-tax investigations. The ability of tax administrations to be involved in prosecuting financial crimes is often made easier when tax crimes are recognized as predicate offenses to money laundering because it means that a person may be charged with the offense of money laundering and the predicate offense of tax evasion.



PART III

Role of Institutions in Fighting Corruption



Anti-Corruption Agencies

Anti-Corruption Agencies (ACAs) have in recent years received a great deal of attention and criticism because of the high visibility of their work and their seemingly limited impact compared to the resources devoted to them.

The existing literature⁸ has highlighted the complexity and variety of these institutions and identified key elements for their effectiveness. Political will and high-level commitment are the cornerstone of every successful anti-corruption

effort. Once political support is obtained, the next step is the introduction of a comprehensive and clear legal framework for anti-corruption work. Such a legal framework, although necessary, is not sufficient, and laws and regulations need to be applied to make a difference. Furthermore, inter-agency coordination and cooperation among different jurisdictions is required to enhance the investigative capacity (and effectiveness) of ACAs. Once this is assured, ACAs need an explicit role and mandate, and, as with every public institution, they require adequate resources to operate. ACAs, because of the complexity of their work, must also position themselves clearly within the institutional environment and establish effective inter-agency coordination and cooperation. A lack of clarity about their mandate and position, and unclear political commitment, are two factors that have commonly contributed to the emergence of ineffective ACAs that encompass multiple ill-defined functions. Measures promoting the ACA's accountability and relationship with citizens and the media (including the emerging social media) can be powerful tools to create an enabling environment for

ACAs that face faltering political support. ACAs should set an example and make themselves accountable for their work by regularly sharing the outcome of their efforts and initiatives. Investing in programs to establish good relationships and communication with the public, based on visible and relevant indicators of impact, has helped several ACAs to fend off political pressures and survive attacks aimed at undermining them. Clear and comprehensive performance indicators for ACAs are not commonly used by ACA officials, making ACAs less able to track and report on results and impact and even more vulnerable to political pressure and vested interests.

Despite high expectations, ACAs have fallen short of achieving the organizational standards set by the United Nations Convention Against Corruption (UNCAC). ACAs have often been introduced in environments where other key institutions (for example the judiciary) were weak and/or captured by private interests. Moreover, the independence of the institutions (functional, budgetary and appointments), strategic focus, human and financial resources, and mechanisms for collaboration and coordination have not achieved the level that would enable them to be effective. ACAs have therefore not been successful in delivering according to their mandates and in line with citizens' expectations, and in many cases have not had any significant impact on the trends, types, and levels of corruption in their jurisdictions.

The pervasive institutional limitations raise questions as to whether the model of a stand-alone multi-functional ACA is the right one, or whether the need can be addressed through existing institutions. Corruption has all too often been regarded as a stand-alone issue, with the establishment of an ACA being a stand-alone response. In most cases, countries do not develop a national anti-corruption strategy in advance of establishing an ACA and so do not tailor the design of such an agency to the problem. There is often a lack of clarity over the roles and responsibilities of other key institutions which also play a role in combating corruption, as well as the mechanisms and incentives to ensure the inter-connectedness and inter-dependence of the institutional landscape. The chapter's case studies highlight the importance of having a political commitment to tackling the problem of corruption, developing a deep understanding of the nature of the corruption problem, and mapping the existing institutional landscape before establishing a new anti-corruption agency if it is to be effective.

Three case studies, the UK, Lithuania, and Bhutan, show three different approaches to anti-corruption, each partly effective in its own way.

- The **UK** opted not for an ACA, but allocated a number of anti-corruption roles to the International Corruption Unit (ICU) of the National Crime Agency, through a reconfiguration of expertise within existing institutional arrangements. The ICU was given dedicated staff and budget, and its capacity was enhanced, yielding positive results. Success was also due to the flexibility of the parent institution, and the leadership of a senior official with a clear focus and a degree of executive authority that ensured availability of and control over resources necessary to maintain, to date, its organizational development and consolidation.
- **Lithuania** set up a dedicated ACA, the Special Investigation Service (STT), as a unit within the Ministry of Interior. It was able to handpick experienced staff on enhanced terms and benefited from internal and international guidance. The STT was seen as a quasi-law enforcement agency with strong leadership and technical expertise. Its effectiveness can be attributed to the combination of a strategic approach taken on the basis of informed intelligence, specific technical approaches, and continued guidance from international agencies.
- In **Bhutan**, the Anti-Corruption Commission (ACC) was established as part of the 2005 constitutional arrangements, with the aim of rooting out corruption. It was given a disproportionate mandate with respect to its size and capacity, and its staff and activities were quickly ramped up. Furthermore, despite the very challenging environment, the ACC was set up without an institutional and corruption risk assessment, which could have helped identify institutional gaps and weaknesses that the ACC could have begun to address in its work. This lack of strategic planning had consequences for the agency's impact. Many reforms did not address past cultural heritage issues. As a result, the ACC continues to face challenges as it does not fit entirely into the country's environment and the environment does not fully facilitate its purpose.

Supreme Audit Institutions

Supreme Audit Institutions (SAIs) can play a useful role in detecting and preventing corruption, when they have the mandate, tools, and trust of the government to take on the fight against corruption.⁹

SAIs are the chief auditors of the government and play a pivotal role in ensuring transparency and accountability. The SAI's independence and operating capacity are important foundations for providing fiscal oversight through presenting credible and timely audit results to legislatures, government, civil society, and the general public. The primary purpose of the SAI is to report on the management of public funds and the quality and credibility of the government's reported financial data. Its recommendations can indicate ways to strengthen institutions. SAIs can contribute to combating corruption by directly reporting on transactions and internal controls; and by assessing ways to improve the accountability and performance of government agencies and anti-corruption bodies. SAIs are not primarily responsible for tackling corruption and fraud. However, given the nature of work performed by SAIs, including checking government accounts, verifying regulatory compliance and assessing the performance of government entities, SAIs are capable of contributing to the anti-corruption agenda.

To be effective in detecting fraud and corruption, SAIs need to build capacity including guidance and training for auditors.¹⁰ They also need to strengthen their relationship with parliaments and anti-corruption agencies. SAIs could establish formal collaboration agreements with law enforcement agencies, where the scope of collaboration extends to information sharing, joint conferences and workshops to share knowledge and experiences, referred case follow-up, staff exchanges and joint agenda setting.

In an environment where corruption is widespread, establishing the integrity of SAIs can be a challenge.¹¹ Top management of the SAI can be expected to lead by example in maintaining high integrity and establishing zero tolerance regarding staff violations, failing which they will not be able to administer or propagate an organizational culture of integrity. This can be complex territory to navigate as auditors are often insiders who are asked to play the role of outsiders. While the effectiveness of an SAI largely depends on its operational and financial independence, it is also influenced by the external audit model they follow, the country context, and the associated norms of behavior.

The two case studies from Ghana and India demonstrate the effectiveness of the SAIs in two different contexts.

- The case study of **SAI Ghana** is an apt example of an overlapping or hybrid model of a Westminster¹² type SAI equipped with sanction powers. It shows the transformation of a marginalized agency to a reform champion in the fight against corruption. This was possible due to a seasoned and charismatic leader, operational autonomy to investigate irregularities, and building alliances with civil society to help communicate the importance of financial integrity. Their work has helped curtail corrupt practices and lend added voice to CSO advocates on a range of other related issues, such as asset disclosure.
- The case study on **India**, also a Westminster model, demonstrates the key role played by the Comptroller and Auditor General in unearthing inappropriate financial transactions costing the government huge sums of money. It revamped the manner in which future awards for the telecom spectrum were allocated. The core mandate allowed for not just examining expenditure programs, but also forgone revenue and potential conflicts of interest in government procedures.



Justice System

For the justice system to perform effectively, the constituent parts – courts, prosecutors, police, and supporting bodies – need to be supported by the political leadership and encouraged to play their role.

Without strong political commitment, there is often a gap between the laws on the books and the implementation on the ground. Under-resourcing of the justice system (both financial and human resources) is a long-standing problem in many countries and one that impedes performance, including as it relates to prosecuting corruption cases.

Enhancing the effectiveness of the justice system in the fight against corruption needs to proceed at multiple levels: system-wide, at the criminal justice chain level, and at the institutional level. Governance reforms at the system level need to ensure judicial and prosecutorial independence so decisions are made without undue interference, while encouraging judges and prosecutors to be accountable to the public for their performance, including for non-compliance with integrity requirements. Reforms at this highest level to increase performance in the fight against corruption

should also target the process of selection, evaluation, and promotion of judges, prosecutors, and court staff. Second level reforms should address the criminal justice chain, i.e., how different institutions interact and collaborate on agreed performance targets.

Finally, each institution itself should diagnose its performance bottlenecks as well as the corruption challenges it faces internally (e.g., through court user and multi-stakeholder justice surveys).

Indeed, justice institutions themselves are not exempt from corruption and capture that affect the broader public sector. Police is a common first interface for citizens with the justice system and surveys worldwide indicate that many citizens in developing countries have experienced police corruption, for example with police stopping or arresting vulnerable people to extort a bribe or other favors. Corruption among judges and court staff often involves the speeding up and slowing down of case processing, or other manipulations of case files. Surveys also indicate that many countries struggle with a lack of integrity among judges and prosecutors, which affects their decision-making.

In an increasingly interconnected world, mutual legal assistance and other forms of international cooperation between jurisdictions are crucial to effectively fight against cross-border corruption.

The Justice chapter highlights two recent examples where such cooperation has been instrumental in exposing large-scale and pervasive corruption.

Malaysia Case

Malaysia's case study highlights both the opportunities and challenges of building and sustaining an effective anti-corruption drive over time.

Despite several reform initiatives to address corruption, Malaysia continued to fair badly in global perception surveys on corruption. Indeed, many of the institutions that were set up to detect and sanction corruption became gradually compromised, with increasing concentration of political power. Only when the magnitude and scale of corruption in the 1MDB sovereign wealth fund became widely known to civil society and the global media, did

citizens become so outraged that they voted out the political party that had been in power for over 60 years. The new government – a loosely formed coalition of opposition parties led by the former Prime Minister (PM) – stressed the “rule of law” and took upon itself to revitalize the institutions that were put in place to fight corruption and to re-establish limits on the power of the PM. Yet, without the parliamentary majority needed to make changes in the Constitution, the scale of changes was necessarily limited. The actions taken by the Pakatan Harapan (PH) government during its two years in office boosted Malaysia's ratings in global surveys of corruption perceptions in 2019. With the collapse of the PH government in March 2020, it is unclear whether the momentum on anti-corruption reforms will be sustained.



Conclusions



Conclusions

Corruption is stubborn but not intractable, as demonstrated by the dozens of cases of progress toward combating corruption presented in this report.

The progress in the fight against corruption is not necessarily from the large government-wide announcements and initiatives that garner extensive press coverage, but from the more focused efforts and more subtle changes that governments and communities make that may go unobserved. The cases presented here provide evidence of how opportunities can be seized within a specific sector or function to enhance governance; in many cases, the push to more transparency has been a common theme. However, the impact of the initiatives reviewed here may not always be measured in quantifiable savings from corruption or a jump in global survey rankings, as perceptions of corruption may be slower to adjust. Indeed, one of the criticisms of the global survey rankings is that they are not actionable, and rather obtusely relate to the nature of the corruption problems being faced.

Effective anti-corruption strategies typically combine multiple measures, often including both sector-specific interventions and transparency and accountability measures that apply to the whole public sector. Corruption manifests itself in specific functions and sectors of government, and the report emphasizes the relevance of this sector-based perspective. Yet, corruption at the sectoral level may flourish because of the existing social norms and a governance ecosystem that encourages opacity or even secrecy, which either tolerates or encourages corruption. Broader governance measures may include strengthening institutions that help to combat corruption on the one hand, and implementing specific tools or policy measures that encourage transparency and make it harder to hide corrupt activity (and the associated proceeds) on the other.

Sustaining the momentum for corruption-mitigating reforms is challenging but could be aided by improving the measurement of their impact. The current tools that are used internationally to measure corruption have the common problem of relying on perceptions of experts. While there is some benefit from such surveys as a broad proxy, they are not a substitute for having a more quantitative or evidence-based set of indicators.

Achieving long-term economic growth and shared prosperity depends upon governments, private sector, and communities working together to address corruption and its corrosive impacts. This report acknowledges that the challenges to confronting corruption are deep-rooted but shows that they are not impossible to overcome. Each case study gives evidence of impact in reducing the risk of corruption, spanning a variety of country contexts: fragile states, low-income, and advanced countries. However, public policy practitioners and civil society advocates must recognize that the success and sustainability of reforms cannot be achieved solely through legislation, technology, or even citizen participation. What is needed above all, is the commitment of all parties to engage proactively in the fight against corruption through collaboration, innovation, and mutual trust. Only then can the war be won, with economic growth no longer being impeded, but rather benefiting the whole of society, especially the poor and vulnerable.

While many factors may contribute to the effectiveness of anti-corruption initiatives, there are six cross-cutting drivers of anti-corruption reforms that can be identified from the case studies. Not every factor is evidenced in every case study, but these six are present in some combination in each of the cases.

- Strong and determined **political leadership** is often needed to provide vision for reform and a commitment to support increased integrity in the face of opposition from vested interests.
- Countries benefit as **institutions** become more capable, providing checks and balances and fostering accountability. Without strong institutions to assure implementation, reforms risk being short-lived or only superficial.
- **Transparency** can promote greater compliance and improve human behavior. Open government policies and access to information help make corrupt actions harder to hide and contribute to their prevention, particularly when they are linked to engaged and empowered communities and official processes.
- **Incentives** (often captured in social norms) drive behavior and the entry points for corruption vary across functions of government. Therefore, one needs to focus on corruption at the micro-level and its manifestation in specific sectors or functions and changing the incentives of the perpetrators.
- **Technology** is enabling countries to standardize processes, minimize human interaction, and capture comprehensive data that helps establish accountability for a wide range of transactions.
- Finally, efforts that foster **collaboration** among multiple stakeholders, including across international borders, to pursue a common goal achieve greater success.

Notes

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6. Illicit enrichment is defined in Article 20 of the United Nations Convention Against Corruption as "a significant increase in the assets of a public official that he or she cannot reasonably explain in relation to his or her lawful income." Some states have adopted laws that criminalize illicit enrichment to strengthen their ability to fight corruption and recover assets. Evidence of disproportionate or illicit wealth allows these states to prosecute public officials and confiscate proceeds, on the basis that unexplained wealth is evidence of corrupt conduct. See *Stolen Asset Recovery Initiative, 2012 "On the Take: Criminalizing Illicit Enrichment to Fight Corruption"* Lindy Muzila, Michelle Morales, Marianne Mathias, Tammar Berger.
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10. According to the survey conducted in 2010 by INTOSAI Working Group on Fight Against Corruption and Money Laundering (WGFACML), only one-third of SAIs (18 out of 54) responded positively on the questions of availability of audit staff and training program specialized in audits related to corruption or money laundering. <http://wgfacml.asa.gov.eg/>
11. INTOSAI provides IntoSAINT, a tool to assess the vulnerabilities and the maturity of the integrity controls of SAIs and to strengthen integrity in SAIs. <https://www.intosaicbc.org/intosaint/>
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