



## A Manager's Guide to Anti-Corruption Strategies

The Office of Development Effectiveness recently released *Approaches to anti-corruption through the Australian aid program: Lessons from PNG, Indonesia and Solomon Islands*. The aim of the assessment is to provide practical assistance to country program areas writing anti-corruption plans and seeking to incorporate anti-corruption objectives into their initiatives. This summary draws on the assessment to provide a guide to designing anti-corruption strategies.

### Strong Diagnostics

Anti-corruption strategies must be shaped by strong diagnostics, particularly in relation to a country's history, traditions and politics. One size does not fit all. Understanding better the cultural, social and historical factors that shape the country's institutions is crucial to well-designed anti-corruption policies. This requires:

- > Careful analysis of the overall governance environment and the factors that drive corruption;
- > Understanding better how political systems work and how elections are funded; and
- > Drawing on local experts' knowledge about their societies.

Undertaking the diagnostic phase can be time consuming and expensive, and program areas should consider the possibility of working with other donors, in consultation with governments and in partnership with local organisations.

The diagnostic work should allow us to answer some very basic questions regarding strategy development these include:

- > Does the partner government have an anti-corruption strategy, if so, how credible is it and their commitment to implementing it?
- > If there is no government owned anti-corruption strategy, what are the realistic prospects of there being one, and in what timeframe?
- > What is the degree of willingness to address corruption, both within the government and outside of government?

In the event that there is no government owned anti-corruption strategy and it is unlikely that one will be developed in the short-term, AusAID should go ahead and develop its own. This is particularly important in the context of protecting Australian government aid funds.

### Lessons from other donors experience

Increased donor focus on corruption has been accompanied by efforts to draw lessons and guiding principles from early experience, some of these include:

- > Designing successful anti-corruption strategies requires careful analysis of the overall governance environment and the factors that drive corruption. This includes understanding how political systems

work and elections are funded. We also need to understand the informal rules that shape institutional behaviour.

- > Strengthening accountability is not just about the executive branch of government. It implies reaching out to parliament, the judiciary, civil society, academia, the media and community groups to strengthen the checks and balances on the executive branch by the formal institutions of accountability, as well as a vigilant public and civil society. However, any donor efforts to create demand for reform need to be carefully thought through, as broad anti-corruption campaigns can raise public expectations faster than they can deliver results, potentially leading to charges of political interference and the development of cynicism and mistrust due to lack of progress.
- > Improving governance is a long term project. Short donor time horizons can be impediments to sustainable change. There is a growing consensus that 'comprehensive' approaches to fighting corruption are better. A narrow focus on strengthening the executive branch of government is not sufficient, it is also important to mainstream governance and anti-corruption across all donor interventions.
- > There are a number of entry points for donors seeking to address corruption, these include: political reform, improving state capability and strengthening oversight institutions, sectoral governance, local governance and enhancing voice. Strategy development might therefore entail looking at opportunities in each of these areas.
- > Partner government approaches often focus on punitive measures, but environments where the chances of getting caught are low and the potential reward is high, punishment on its own is unlikely to provide a real disincentive to corrupt behaviour. The real pay-off is in reducing the likely benefits from corruption.
- > We need to be very careful about what indicators we use. Broad country level indicators can only give a broad sense of the level of corruption and have wide margins for error. Sectoral indicators and diagnostics may be more useful.
- > Ownership of the reform efforts by the country leadership or at least by a coalition of reformers is crucial, preferably through a shared government – donor partner strategy to address governance and anti-corruption. This ownership may need to be built through dialogue with donors and shared analytical work. It can also result from increased domestic awareness of the cost of corruption, demand for reforms from civil society and greater citizen empowerment.

How do we talk about corruption with partner governments?

The Australian approach to working with partner government systems should be clear. First, it should entail commitment to working with those systems, and together with other donors, helping to strengthen them to protect all (aid and non-aid) expenditures. Second, robust internal measures should be in place to ensure the protection of Australian aid funds. In this context, avoiding discussion of corruption because it may be an uncomfortable topic to discuss with partner governments is not appropriate.

However, rather than discussing fighting corruption for its own sake, it may be better for partner countries to see that donors are primarily concerned with improving development effectiveness. The principal objective should be poverty reduction and achievement of the MDGs. Intermediate objectives can be related to improved service delivery and greater accountability to the public. There is evidence that sectoral approaches to corruption are proving the most effective. It may therefore be beneficial to use sectoral indicators for tracking progress in anti-corruption and for discussions with government.