

U4 Expert Answer



Good practice in strengthening transparency, participation, accountability and integrity

Query

We are searching for good examples where development projects have undertaken activities to strengthen the four key principles of anticorruption (transparency, participation, accountability, integrity infrastructure). It would be helpful to have at least one example for each concept and also some understanding of their impact.

Purpose

We want to use these examples to explain at a workshop for aid practitioners the four principles of anticorruption (transparency, participation, accountability, integrity infrastructure) and provide an overview of existing experiences and initiatives that could be replicated in other working environments.

Content

1. Examples of transparency initiatives
2. Examples of participatory approaches to anti-corruption
3. Examples of horizontal accountability interventions
4. Examples of initiatives strengthening organisations' integrity infrastructure
5. References

Caveat

Assessing impact of anti-corruption measures on actual levels of corruption continues to face major challenges (Chêne, M., 2008a). As a result, while the type of interventions described below are recognised as good anti-corruption practices, it has not always been possible to find clear indication of their actual impact.

Summary

Transparency, participation, accountability and integrity are closely interconnected concepts and constitute the integral and overlapping elements of any comprehensive anti-corruption framework.

Transparency initiatives typically involve promoting information disclosure and access to information for a wide range of government processes such as budget formulation and implementation, revenue management and procurement processes in sectors as diverse as health, education and the extractive industries. Participatory approaches aim at empowering beneficiaries to participate at all stages of the decision making, implementation and monitoring processes as a means to promote vertical forms of accountability, using tools such as participatory budget processes, social audit, and citizens' report cards.

But transparency and participation approaches are more likely to be effective if they are combined with more traditional forms of accountability such as monitoring, control and oversight by other public institutions that can question and eventually sanction improper behaviours. Integrity cuts across all these interventions as the underlying principle underpinning transparency, participation and accountability and can

Author(s): Marie Chene, Transparency International, mchene@transparency.org

Reviewed by: Robin Hodess, Ph.D., Transparency International, rhodess@transparency.org

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be promoted through the effective implementation of integrity pledges or codes of conduct.

Inter-linkages between transparency participation, accountability and integrity initiatives

The concepts of transparency, participation, accountability and integrity are deeply intertwined, as four constituent – and overlapping - elements of the “accountability” chain. Only informed citizens can stand up for their rights and hold their leaders accountable for their actions, decisions and management of public resources. Transparency is mainly concerned with promoting information disclosure and access to information as a prerequisite for public accountability. But transparency without empowering beneficiaries to participate at all stages of the decision making, implementation and monitoring processes is unlikely to ensure greater accountability and responsiveness of public policies. As such, public participation can be seen as accountability enhancing by providing affected communities with the means to engage with policy processes.

But “voice”/getting one’s voice heard and participation alone, without concrete mechanisms to effectively hold the state accountable, does not automatically lead to greater accountability¹, as reflected by the initial findings from an ODI evaluation of donor interventions (ODI, 2007). Citizens’ participation and empowerment must be matched by strengthening the state’s ability to meet its citizens’ expectations and demands. The evaluation suggests that too often, donor initiatives focus either on voice (affording avenues for citizens’ participation and expression) or accountability (strengthening the state will and capacity to respond to citizens’ demands) and underlines the need to strengthen simultaneously both sides of this accountability equation to achieve long lasting change.

As the set of characteristics that improves trustworthiness to stakeholders², promoting integrity cuts across the various dimensions of the above mentioned accountability chain and underpins most of transparency, participation and accountability

¹ Accountability in the ODI report is defined as the capacity and will of those in power to respond to citizens’ demands.

² As per Tiri’s definition of integrity.

initiatives, both as a means to an end and as an end in itself.

Given the interconnected nature of transparency, participation, accountability and integrity, most of the initiatives highlighted below combine a mix of these various approaches to anti-corruption.

1 Examples of transparency initiatives

As it is impossible to mobilise citizens for change without providing them access to information, transparency of government processes and public access to official information are essential to support citizen’s demand for good governance and anti-corruption.

Transparency International’s anti-corruption plain language guide³ refers to transparency as “*the characteristic of governments, companies, organisations and individuals of being open in the clear disclosure of information, rules, plans, processes and actions. As a principle, public officials, civil servants, the managers and directors of companies and organisations, and board trustees have a duty to act visibly, predictably and understandably to promote participation and accountability*” (Transparency International, 2009).

A wide range of anti-corruption interventions have focussed on improving information disclosure policies and transparency of operations in various sectors as a prerequisite to improve project monitoring as well as to promote public oversight of development projects.

Public access to information on school grants in Uganda

The power of information to reduce leakages of public funds and in-kind resources such as staff, textbooks

³ TI has developed the first “Anti-Corruption Plain Language Guide”. The guide provides standardised, easy-to-understand definitions for 45 key terms commonly used by the anti-corruption movement – from ‘access to information’ to ‘whistle blowing’. Each term includes a practical example of how TI approaches these issues and helpful links for further research.

has been demonstrated by an experience conducted in the late 1990s in Uganda. In 1996, a public expenditure tracking surveys (PETS⁴) conducted in the education sector revealed that schools received on average less than 20% of the annual capitation grant (fixed amount allocated to schools per student) from the central government, suggesting that more than eighty percent was captured by local officials either through corruption or diversion to other ends than intended.

To remedy this situation, the government began to publish data on monthly transfers of capitation grants to local governments in local newspapers. The aim of this information campaign was to reduce fund leakages by informing local communities of their entitlements and providing schools with information to monitor local officials' handling of a large school-grant programme. A repeat PETS was conducted in 2001 to assess the effects of this information campaign as a tool to reduce capture and corruption. Findings indicated a large improvement of the situation, with schools receiving on average 80 % of their annual entitlements in 2001. This suggests that increased public access to information, combined with an increase in central government monitoring, reduced the diversion of funds by intermediary provincial governments from 80 to 20 %. (Reinikka, R., Svensson, J., 2003),

Transparency in the procurement of medical supplies

In many developing countries, procurement of medical supplies in public hospitals is highly vulnerable to corruption. It has been suggested that establishing and maintaining simple and easy to use information systems on prices, quality, volumes, performance of suppliers, etc, could help mitigate corruption risks. In particular, tools such as the WHO norms and standards, and International price guide have proved useful to reduce prices and opportunities for corruption (U4 webpage on Corruption in public procurement in the health sector).

Making price information widely available has been used with encouraging results in an anti-corruption crackdown in Argentina, as documented by a 2008 U4

⁴ A typical PETS consists of a survey of frontline providers (e.g. schools and clinics and their staff) and local governments (politicians and public officials), complemented by central government financial and other data.

brief (Savedoff, W.D., 2008). In 1996, the City of Buenos Aires started collecting information about prices paid for a wide range of medical supplies across its network of 33 hospitals and announced that the information would be reported back to the city's purchasing managers. The dissemination of price information allowed hospital procurement officers compare the prices they paid for medical supplies with other hospitals. The data revealed wide dispersion of price paid for similar products ⁵ across the city's hospitals. It also showed that the dispersion of prices as well as the average prices paid fell dramatically in the first months of the experiment. This suggests that price information dissemination was successful in constraining costs by making procurement officers aware of available market prices and/or presumably by discouraging them to indulge in corrupt practices. However, in the absence of consequences for poor performances, the impact of information on procurement prices proved to be only transitory, suggesting that transparency related measures alone are not sufficient to guarantee sustained change and need to be accompanied by concrete measures (e.g. disciplinary actions, loss of employment, social stigma, etc) to sanction "malpractice" and poor performances.

Information technology can also help improve transparency in drug price information both within and across countries. Web based drug procurement databases can ensure consistent, timely and reliable access to disclosed information in a practical format and have the potential to empower citizens who could use the information to hold private and public institutions accountable. A prerequisite for this is that information must be user-friendly, consistently reported and accessible, be of reliable quality, standardised, comparable and disaggregated.

Researchers at the Boston University (BU) helped move this agenda forward for the procurement of antiretroviral drugs (ARV) (Waning, B. and Vian, T., 2008). Building on the work of both WHO and the Global Fund in this area, they aimed at capturing all ARV procurement and making them publicly available on the web through a single dataset. The compiled data included 27 variables and provided detailed information on country, region, products, manufacturers, suppliers,

⁵ The ration of the highest to lowest prices paid for supplies such as ethyl alcohol was 10 to 1, while the lowest ratios was still relatively large: 1,8 to 1 for x-ray film.

modes of delivery, product, quality, price, etc. Based on this information, a price outlier analysis was conducted on each ARV to identify the procurements whose prices significantly exceeded the global distribution of prices paid for the same product. This allowed BU researchers to identify 80 high price outliers over the time period of November 2002 to June 2006 to send a warning signal for potential areas of problems. The information has also been used to compare prices paid in-country to global median prices paid for identical products. These examples illustrate how the disclosure of procurement information can be used to facilitate and monitor procurement at programme, country and donor levels.

Revenue transparency

Promoting revenue transparency through initiatives such as the [Extractive Industry Transparency Initiative \(EITI\)](#) is increasingly recognised as a key step towards reversing the “resource curse” and promoting transparent and accountable management of natural resources. The EITI supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. Eleven countries have so far achieved compliance with the EITI transparency and accountability standard (EITI, 2011).

Oil and gas companies have also made progress in this regard and improved the transparency of how they report revenues and information about anti-corruption programmes, as reflected in Transparency International’s [2011 Report on Oil and Gas Companies](#). The report rates 44 companies on the public availability of information on their anti-corruption programmes and how they report their financial results in all the countries where they operate. However, if companies have improved the overall disclosure of financial information, they continue to score poorly for disclosing on a country-by-country basis the amount of royalty payments and the taxes and fees paid to governments. When this data is published, it is often aggregated for a region, making it impossible for citizens and civil society to hold their governments to account for the money they receive from oil and gas companies (Transparency International, 2011).

Based on a similar model, other multi-stakeholder initiatives have designed programmes to increase transparency and accountability in other key sectors such as the [Medicine Transparency Alliance \(MeTA\)](#) or the [Construction Sector Transparency Initiative](#)

(CoST), and the [International Aid Transparency Initiative \(IATI\)](#).

Budget transparency

Budget transparency is another area that has received increased attention in recent years for combating corruption. Opaque budget processes, off-budget activities, poorly managed expenditure systems and weak public controls create many opportunities for corruption and make it impossible for citizens to monitor budget allocations and implementation.

Budget transparency is defined by the [OECD Best Practices for Budget Transparency](#) as “full disclosure of all relevant fiscal information in a timely and systematic manner” (OECD, 2001). The [International Budget Partnership](#) has been pioneering efforts in this area, working through a network of civil society organisations around the world to make government budgeting more transparent and participatory, more responsive to national priorities, and better able to resist corruption. As part of these efforts, the Open Budget Initiative promotes public access to budget information and the adoption of accountable budget systems through research and advocacy activities. It conducts a biennale comprehensive analysis and survey that evaluate whether governments in 85 countries give the public access to budget information and opportunities to participate in the budget process at the national level. To allow for comparisons among countries, IBP has created the Open Budget Index (OBI), which ranks the countries surveyed based on information derived from the survey (International Budget Partnership, 2010).

At country level, budget transparency work can play a significant role in improving accountability by facilitating public engagement in the budget process and oversight, as reflected in Kenya by the work of Muslims for human rights (MUHURI), a civil society organisation (CSO) based in Mombasa. For example, the social audit of the Constituency Development Fund⁶ went beyond the analysis of financial information to look at both the quality of community participation in decision-making and the responsiveness of the projects that had been assessed regarding the needs of local citizens (International Budget Partnership, 2008).

⁶ This fund provides every MP in Kenya with approximately USD 1 million a year to support development project in his constituency.

2 Examples of participatory approaches to anti-corruption

While information disclosure and public access to information constitute a critical element of any comprehensive anti-corruption framework, they are not enough to curb corruption. Citizens need to be empowered to use disclosed information to hold their leaders accountable for their actions and decisions. Increased transparency must therefore be matched by more opportunities and support for citizens to participate in decision-making, monitoring and oversight of public policies and programmes. The underlying principle of promoting participatory approaches to anti-corruption is that the people who benefit from development programmes have better incentives to monitor and reduce corruption on service delivery.

Participatory budget formulation in Brazil

Citizen participation in planning and budgeting processes is emerging as critical forms of citizen's engagement in decision-making to promote greater accountability and responsiveness of public policies. Porto Alegre was one of the first cities in Brazil to pioneer participatory approaches in budgeting and public expenditure management as early as 1989, allowing citizens to participate in decision-making on budget formulation. A case study prepared by the World Bank has documented the city's participatory budgeting process and its impact on service delivery (Wagle, S. and Shah, P., 2003a).

Citizens meet within the framework of plenary assemblies organised in each of the city's 16 districts in order to identify what are the citizens' demands and also select regional budget delegates. A 44 member Council of Participatory Budgeting is constituted. It is responsible for identifying spending priorities, reconciling the demands of each district with available resources, and debating the budget proposals prepared by the mayorality's planning office and the mayor's cabinet before the submission to the legislature of an overall municipal budget in September.

It is suggested that participatory budgeting in the city has help improve access to public services, specifically to water and sewage services, also double the enrollment in public schools, and improve infrastructure, etc. However, some concerns have been expressed both on the low level of participation of specific

segments of the population such as youth and marginalised groups and finally on the risks of patronage networks.

Participatory audits of public spending in India

In the wake of Porto Alegre's experience, participatory approaches to budgeting have since expanded to many other areas of budgetary processes as well as countries and continents. In India for example, DIHA, one of the five largest membership organisations in India has engaged in pro-poor budget analysis in Gujarat. The organisation obtains and reviews budget documents, analyses discrepancies between proposed and actual spending and prepares summary of findings for informed public debates (Wagle, S. and Shah, P., 2003b).

In Rajasthan, a small organisation formed in the 1990s, the Mazdoor Kisan Shakti Sangathan (MKSS), challenged official auditing systems in local government by producing parallel accounts of local spending and revealed large discrepancies with the official version (Goetz, A.M. and Jenkins, R., 2001). To combat various forms of official corruption in public works programmes and fight for minimum wages, people sought access to official expenditure documents and accounts of their village council on payment of wages, infrastructures and services. The MKSS's team of "auditors" then conducted participatory audits of local government performance based on these expenditure records, comparing and verifying stated expenditures with actual spending, through interviews with workers and contractors as well as villagers. Public hearings were held in villages where relevant details of questionable public work were read aloud to the assembly, often allowing the revelation of information leading to unexplored cases.

Social audits conducted by MKSS have documented corruption in many public projects that had been cleared by the public auditors, demonstrating the benefits of citizens' involvement in monitoring and oversight. The struggle to access official records also led to a national campaign for legislation granting citizens a right to information. MKSS succeeded in getting the state government to change the local government act to include local residents directly in auditing official development schemes (Goetz, A.M. and Jenkins, R., 2001).

Other examples of participatory audits in the Philippines and South Africa have been documented in a report on the role of civil society in auditing and public finance management (Ramkumar V. and Krafchik, W., No date).

Community based monitoring of health services in Uganda through citizen report cards

A randomised evaluation of a citizen report card project implemented at the community level in primary health care in Uganda also indicates that service delivery can be improved by promoting stronger relations of accountability between service providers and beneficiaries (Bjökman, M., Reinikka, R. and Svensson, J., 2006). The project collected information on the quality and quantity of health services from service users and health care providers using citizen report cards. This information was disseminated back to the citizens to enhance their ability to monitor health care providers. This intervention proved effective to improve both the quantity and quality of service provided, leading to increased service utilisation and better health outcomes.

Participatory management of development programmes in Indonesia

One of the relatively well documented participatory approaches to development projects is the **Kecamatan (Sub-district) Development Program (KDP)**. The project begun in 1998 and quickly expanded to become a massive community development project, covering over 20,000 villages across Indonesia. From its inception, KDP has emphasized the principles of community participation, transparency, competition for funds, decentralisation and simplicity of methods and strategies. In particular, a major innovation of the programme was to develop a transparent method to channel funds straight to the communities to finance activities that villagers identified as the most important, with the support of trained local facilitators. Villagers, especially women and poor villagers, have been encouraged to engage in decision making to allocate the KDP resources according to their own priorities through a community-based planning process. During implementation, progress is periodically reported at open village meetings prior to the project releasing the next trench of funds.

Thanks to the strong attendance and participation in KDP related village meetings, the programme has been

considered a success in terms of promoting community participation and empowerment. . Some assessments also point towards evidence of improved local governance, with villagers holding local government officials more accountable and demanding greater transparency within other government-sponsored programs. Besides providing better basic infrastructure, successfully targeting poverty and empowering local communities, this approach has resulted in lower construction cost – KDP's construction costs are routinely 30-50 percent lower than conventional approaches – and lower corruption rates, with independent audits showing that the loss of funds through corruption is lower than 1 per cent.

Transparency and community participation in an education programme governance model in Africa

At program level, Camfed (an international NGO dedicated to eradicating poverty in rural Africa through the education of girls and the empowerment of young women),- provides a package of financial and social support to promote girls' access to education in five Sub-Saharan African countries. In its programmes, the organisation has developed a governance model that combines both transparency and social accountability elements for the delivery of its services. This model is based on a broad understanding of who has influence; who makes the decisions; who controls the resources; and where and to whom accountability lies within the communities that its programs serve. In concrete terms, local communities are given responsibility to run the programs, using transparency and accountability as key organising principles. The Camfed governance programme is explicitly expected to deter corruption in a number of ways, including:

- 1) Programme beneficiaries are selected in a transparent and public manner;
- 2) Financial controls over funds are never left in the hands of one person but managed by school management committees or community development committees. All transactions require at least two signatories and accounts are reviewed by committee members;
- 3) There are only two financial transactions from the delivery of funds to delivery to the schools, which limits risks of leakages along the chain;
- 4) Each beneficiary is aware of its precise entitlements under the program, as well as the girl's parents or guardians;

- 5) Each community is encouraged to challenge and question irregularities in the provision of assistance through adequate complaint mechanisms;
- 6) Children are encouraged (and trained) to report themselves potential abuse and irregularities.

Originally piloted in Zimbabwe, this model of governance has been progressively successfully scaled up and replicated in other countries such as Malawi, Ghana, Zambia, and Tanzania. According to a recent paper documenting this initiative, this approach could be replicated in very different contexts and serve as a model for international development (Linklaters, 2010).

Limits of participatory approaches

However, while promising, interventions aimed at strengthening the demand side for anti-corruption do not systematically produce significant gains in accountability and reduction of corruption, as reflected by a review of literature and projects focussed on voice mechanisms (Andrews, M., 2003). Depending on the form of voice expression facilitated by the participation mechanism, accountability can be enhanced to narrow interest groups only, to broad constituencies or not enhanced at all. According to the author, these variations in the “accountability” effect of participation mechanisms are linked to factors related to voice influence (the degree to which such mechanisms impact on the governance process, agenda and outcomes) and voice focus (whose voice is expressed through a given mechanism).

3 Examples of horizontal accountability interventions

TI's plain language guide defines accountability as “*the concept that individuals, agencies and organisations (public, private and civil society) are held responsible for executing their powers properly*”. The literature traditionally distinguishes between two major forms of accountability, horizontal and vertical. Vertical accountability usually refers to the means through which citizens, mass media and civil society seek to enforce standards of good performance on officials (World Bank, No date). As many of the participatory approaches/social accountability mechanisms discussed above promote vertical forms of accountability, this section will focus more specifically on horizontal accountability, which requires agencies to report sideways and subjects public officials to restraint

and oversight, or ‘checks and balances’ by other institutions that can question and eventually sanction improper behaviours. This can include measures aimed at increasing financial accountability using tools such as auditing, budgeting or accounting or accounting for performances against agreed upon targets.

The use of government audits in village road construction projects in Indonesia

Participatory approaches to anti-corruption have a great potential to enhance accountability, reduce corruption and improve service delivery. Yet as suggested by a field experiment conducted in Indonesia (Olken, B., 2007) a combination of more traditional top-down accountability mechanisms and appropriate sanctions can complement these approaches by increasing the cost and risks associated with corrupt behaviours, . A randomised field experiment on reducing corruption in over 600 villages suggests that traditional top-down accountability mechanisms in the form of government audits had a more substantial impact on reducing missing expenditures but could increase alternatives forms of corruption such as nepotism. It used alternatives approaches to fighting corruption in road projects that is grass-root participation over government audits to monitor activities. However the experiment showed that increasing community monitoring of road projects had a little average impact on reducing missing expenditures.

Detecting and reducing teachers absenteeism in Rajasthan

In another randomised field experiment, cameras were used by a non-governmental organisation to monitor teachers’ school attendance in a rural district in Rajasthan where remote locations made school monitoring difficult (Patrinos, H. A. and Kagia, R., 2007). Before the experiment, teacher absentee rate was 44 %. In 60 schools, each school was given a camera and instructions for the teacher to take a picture of himself/herself with the students at the beginning of each school day. Teachers would receive a salary of about USD 22 if they were present for at least 21 days and USD 1 for each additional day. Teachers were penalised for each day past the 21 day benchmark that they were absent. In 60 other schools, teachers received a salary of USD 22 and were reminded that they could be fired for non attendance. One unannounced visit was made each month to each school. The experiment showed that the absence rate fell by half in the schools that were given a camera,

much more than in the other 60 schools. Extreme absences (over 50 % absence rate) were completely eliminated in those schools, and the number of teachers with very high attendance rate rose. This experiment suggests that with the help of technological tools, providing incentives in the form of reward and sanctions can help curb absenteeism, as long as the incentive system is based on measures of performance/attendance that are adequately monitored and controlled. .

Using financial performance information indicators to promote accountability in health systems in South Africa

In South Africa, district management health teams used financial data and service utilisation statistics as performance indicators, providing useful information to hold public officials accountable (Vian, T., 2008). Gains in accountability were achieved by linking planned and actual services to the resources used to achieve them and to compare performance overtime, with targets and across similar facilities.

The project began by introducing a reporting system based on an annual review and analysis of health services and financial performance, including key indicators such as the number of services per day, cost per patient visit and bed day, cost of staff, maintenance, etc. These indicators were compared over three years with targets and across similar facilities. Each facility and district was required to monitor and report on its performance on a quarterly basis. Plans and annual reports were provided to municipal governments, other district teams and the Provincial department of Health, providing opportunity for external, peer and hierarchical review. Merging financial and utilisation data highlighted wide variations across clinics and facilities, allowing managers to probe for potential abuse, resource diversions, inefficiencies or other grounds that could explain discrepancies.

4 Example of initiatives strengthening organisations' integrity infrastructure

According to TI's plain language guide, integrity refers to "*behaviours and actions consistent with a set of moral or ethical principles and standards, embraced by individuals as well as institutions that create a barrier to corruption*".

Development and enforcement of sectoral codes of conducts

Codes of conduct can contribute to raise ethical and professional standards of civil servants and promote a culture of integrity within an institution or an organisation. In the education sector for example, codes of conduct have been developed specifically for administration staff, teachers and sometimes even students, in addition to general statutory rules that are in force for all members of the public service. According to The International Institute for Education and Planning (IIEP)-**UNESCO**, such codes generally aim at enhancing the commitments, dedications and efficiency of the teaching profession, provide self-disciplinary guidelines and establish norms of professional conduct. They often address all forms of unethical behaviours, including sexual extortion or harassment. **Bangladesh, Nepal and India** are examples of countries that have adopted such an approach. A 2005 study established that the introduction of teachers' codes of conduct was perceived to have had a positive impact on the commitment, professional behaviour and performance of teachers and school personnel in these countries (van Nuland, S. and Khandelwal, B.P., 2006).

In many countries, the impact of such codes is limited by lack of teachers' awareness of the existence of the code, difficulties in understanding it, inadequate teachers' training, lack of enforcement capacity, etc. This can be addressed by establishing appropriate mechanisms to ensure the dissemination, implementation and monitoring of the code, including its integration into teachers' education and professional development (Poisson, M., 2009). Enforcement of ethical standards goes beyond compliance and involves the competent identification of ethics dilemma in various contexts and situations. A U4 brief recommends using a competence-based training approach to build the capacity for ethics and integrity among public officials, including elements such as strengthening knowledge, reasoning and problem solving skills, self-awareness, attitude and commitments (Whitton, H., 2009).

Raising ethical standards in the private sector: the business principles to counter bribery

Transparency International's **Business Principles for Countering Bribery** provide a framework for

companies to develop comprehensive anti-bribery programmes and policies. Originally developed through an extensive multi-stakeholder process, they represent a good practice model for corporate anti-bribery policies and an expression of core values of integrity and responsibility (Transparency International, 2009). Whilst many large companies have no-bribes policies all too few implement these policies effectively. TI recommends a **six step implementation process** that provide practical guidance on effectively implementing these principles: 1) defining the company's anti-bribery policy; 2) setting out the company's implementation approach; 3) Integrating into the policies and processes of the enterprise; 4) Communicating the programme and training to raise awareness of employees and business partners; 5 and 6) Monitoring and evaluation.

Integrity pledges

Tools such as “**integrity pacts**” (IP) can be used to promote transparency and integrity in the sensitive area of public contracting. Developed by Transparency International, IPs are processes that engage a public institution and all bidders to agree for a public contract that neither side will ever: pay, offer, demand or accept bribes; collude with competitors to obtain the contract; or engage in such abuses while carrying out the contract. By declaring up-front that the procurement process will be corruption free, both public institutions and private agencies open up their operations for public scrutiny and the IP also introduces a monitoring system that provides for independent oversight and accountability of the procurement process.

In Argentina for example, Poder Ciudadano (Transparency International - Argentina) demonstrated that cities can save substantial sums of money through the combined use of public hearings and integrity pact. This process was first tried in the city of Morón, a municipality located in the centre of the Buenos Aires Metropolitan Area in a garbage collection bidding process. In addition to promoting transparency and participation, the implementation of the tools resulted in reducing the value of the contract by 35 % (UN Habitat, 2004).

The TI national chapter in Bangladesh has extended this concept to other sectors, working with selected schools, hospitals and local government bodies to create “islands of integrity” through a public commitment to work without engaging in bribery and community-based oversight mechanisms. In Nepal, the concept of Integrity Pact does not only involve

improving the procurement process, but has been adapted to become a comprehensive effort on the part of a number of municipalities to renounce corrupt activities through solemn pledges on the part of elected officials and staff in the municipalities. It also involves establishing public grievance mechanisms as well as an effective monitoring and evaluation system within the municipalities.

Campaigns of asset disclosure⁷ for politicians

Many countries around the world have introduced systems of asset declarations for public officials as a tool to prevent corruption. The scope, coverage and level of enforcement of asset declaration laws can greatly vary from country to country, according to the local context, political situation and capacity to manage such schemes, as reflected by a newly published OECD analysis of the existing practice in the area of asset declarations in Eastern Europe and Central Asia, and in some OECD member states in Western Europe and North America (OECD, 2011). In Romania for example, all high-level government officials must disclose on a public website their financial and property holdings, the positions they hold in associations and businesses, any paid professional activities and any investment made in companies. In Angola, assets declarations of public officials are kept in sealed envelopes that can only be opened if the owner is prosecuted for a crime.

While little is known on the impact of such systems on the actual level of corruption, research findings from a comparative analysis of asset disclosure laws in 16 countries indicate that countries where wealth disclosure is combined with content verification and public access to declarations are significantly associated with lower perceived levels of corruption (Transparency International, 2006). Civil society can play an important role in monitoring the income and assets declaration of public officials and a number of TI's national chapters Georgian and Russia are currently involved in such activities.

⁷ African experience of asset declarations. U4 Expert Answer 21 April 2008 <http://www.u4.no/helpdesk/helpdesk/query.cfm?id=160>

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