

Good Governance: Community Mobilization to Combat Corruption

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Responsible Sector and Bank Unit:	Public Sector Governance - PREM
Recipient Agency:	Partnership for Transparency Fund, Inc.
Web Address:	http://www.ptfund.org
Financial Arrangements for FY09 (Amount in US \$ Million)	
Total Budget:	3.45
DGF Funding Request:	0.55
DGF Percentage:	16%
Objectives and Expected Outcomes	
<p>The Partnership for Transparency Fund (PTF) is a unique international organization which makes small-grants to civil society organizations (CSOs) in developing countries to fight corruption. PTF supports CSO involvement in seven areas: (i) transparency in public procurement; (ii) monitoring of government activities (e.g., privatization, public auction of licenses, delivery of agreed services, anticorruption programs); (iii) media campaigns; (iv) tracking of public expenditures; (v) analyses of corruption in specific country situations; (vi) promotion of transparency in government activity (freedom of information, public hearings, web-based budget information), and (vii) knowledge sharing through participation in workshops and conferences. There are five basic objectives for the proposed Bank grant: (i) to promote broad civil society involvement in good governance activities; (ii) to support specific projects to enhance transparency and integrity in public service, including procurement, public auctions, licensing, public finance management, etc.; (iii) to generate and share lessons of experience of CSO engagement in anticorruption activities; (iv) to build the capacity of CSOs to engage in the fight against corruption; and (v) to approach selected countries and provide micro-support in a “programmatic,” evidence-based manner, in order to better link the governance needs with the funding provided. This would be achieved through in-depth country diagnostics carried out by <i>Global Integrity’s</i> actionable governance indicators in selected countries. As a result of the funding from the GPP and other donors, the PTF expects its interventions to have the following effects: (i) less corruption (and consequently significant cost savings to the public) from more transparent public transactions, issuing of licenses and concessions, public auctions and public procurement; (ii) increased civil society involvement in and demand for less corrupt, and hence better quality, public services; (iii) heightened awareness by the general public about the consequences of corruption; and (iv) better understanding of the causes of corruption and the effectiveness of different interventions, and consequently stronger civil society engagement and capacity to fight corruption. The Bank will also work with PTF to undertake a review of the feasibility of, and options for, a global fund to support the demand for good governance.</p>	
Main Components	
<p>The GPP will support the PTF’s innovative grant program, which funds CSOs engaged in specific, direct, time-bound anti-corruption activities. Micro-grants (typically \$10,000-\$30,000) support the independent engagement of NGOs in anti-corruption programs. NGO involvement may include monitoring of public procurement activities, government service delivery, promotion of public anticorruption awareness, or analyses of specific departments or activities prone to corruption. By serving as an intermediary organization, the PTF provides a vehicle for channeling resources and experienced advice to qualified, effective grassroots organizations that it would not be economically feasible for the Bank to reach directly. The expected outcomes in terms of reduced corruption are difficult to quantify. However, past experience suggests that transparency in public procurement supported by the PTF has already saved millions of dollars in a major water supply and sanitation award. The broader expected outcomes include: (a) Civil society organizations in more than 50 countries will be engaged in specific anti-corruption programs. (b) PTF and <i>Global Integrity</i> will target 3-4 countries for in-country workshops with local stakeholders to discuss the results a GI governance survey and identify PTF follow-on grants designed around the resultant data. The aim is to support good governance and anticorruption with multiple CSOs in an integrated set of activities. The results will be shared through a global knowledge base. (c) More than \$2 million will be mobilized from the public and private sector to stimulate community-level engagement and action in promoting</p>	

good governance. (d) Retired specialists from the principal international and regional development institutions will be mobilized as volunteers to leverage their experience and commitment to support the international anti-corruption and good governance agenda.

Performance Indicators

(a) Number of grants made to CSOs: 55; (b) Amount of grants: \$1m over past 7 years; (c) Estimated volume of grants mobilized due to Bank involvement: \$2 million+; (d) Estimated cost savings on public procurement from Integrity Pacts: \$100 million; (e) Number of countries with PTF projects FY05-07: 35; (f) Number of IFI volunteers engaged in PTF work: 30; (g) Value of time devoted by volunteers annually: \$300,000+; (h) Number of policy/legislation changes resulting from PTF projects: 10; (i) Number of hits on PTF website per month: 2,000; (j) Number of workshops held on lessons of experience: 6.

Progress and Achievements

The PTF received a DGF grant of \$180,000 in FY05 and \$250,000 in FY07 (no funding was received in FY06) and \$380,000 in FY08. It supported 55 projects in 35 countries—including in Argentina (3 grants), Brazil (2), Bulgaria, Cambodia, Colombia, Costa Rica, Czech Republic, Ecuador (2), Ghana, India, Indonesia, Kyrgyzstan (2), Latvia (2), Liberia, Mongolia (2) Nepal, Nicaragua, Nigeria, Pakistan (2), Paraguay, Peru, Philippines (3), Poland (3) Sierra Leone, Slovakia, Tanzania (3), Uganda and Venezuela (see for reports on these countries, see: www.ptfund.org). The projects covered a broad range of activities from monitoring government expenditure to development of a four city corruption index in eastern Europe to procurement monitoring. The experience of having multiple projects in one country simultaneously (3 in Argentina on freedom of information, publicizing the reports of the Auditor General and public hearings on procurement), demonstrated that several projects in a single country might have significant impact, and the concept of such a programmatic approach will be tested in FY08-9 with the new DGF grant. Evaluations of completed projects have shown significant benefits. An independent evaluation completed by Catherine Gwin and Sylvia Saborio in May 2008 noted that “PTF is a highly valuable and effective mechanism for support of small-scale civil society efforts to fight corruption and promote greater transparency and accountability in government. Some 25 of the 29 projects examined achieved all or most of their objectives.” The model is seen as both innovative and successful in stimulating the demand-side of good governance. As a result of this experience and the World Bank’s prior support, the PTF has recently received new funding from the Inter-American Development Bank (\$600,000) and the Asian Development Bank (\$150,000) and funding from private sector firms in Latin America (\$62,500 to date). In April 2008, DFID agreed to grant 2m pounds to PTF out of its Governance and Transparency Fund.

Partners

Civil Society/NGOs.

Governance and Management

The PTF is governed by a Board of Trustees, with 12 members representing the Bank, the private sector, bilateral aid agencies, the UN, and others. The PTF is managed by a team of three retired Bank staff who serve on a volunteer basis. They are assisted by a growing number of volunteer partners, who vet proposals, assist CSOs in refining their projects, and carry out ex-post evaluations. These volunteer partners currently include retirees from the Bank, the IDB, and the ADB. CSOs submit project proposals to the PTF management, which vets them and helps refine them. PTF management also evaluates the beneficiary organizations themselves, assessing their demonstrated capacity to carry out the work and their financial records. Independent evaluations are carried out on a selected number of completed projects. The PTF reports annually to its principal donors and semi-annually to its Board of Trustees on projects being proposed, projects completed, and results. Project evaluation reports are circulated as they are carried out. The PTF accounts are audited annually by a Washington-based accounting firm.

Exit Strategy

The DGF Council has endorsed PTF under Window One in FY09. An independent evaluation has been completed in mid-2008.