

## WORLD BANK INSTITUTE

### COUNTRY-SPECIFIC TECHNICAL ASSISTANCE TO DEVELOP ANTICORRUPTION STRATEGIES

Corruption has a negative impact on economic growth, oppresses the poor, and reduces the effectiveness of investment and international aid. Anticorruption strategies have to be an integral part of public policy so that poverty can be eradicated. Effective governance programs focus on identification and elimination of corrupt practices and behavior. Furthermore, they help countries understand the shortcomings of their policies and institutions and design their own strategies to improve governance.

To combat widespread abuse of public office, a comprehensive anticorruption approach in which the power of information is maximized by means of a national participatory process must be designed.

**Inclusion and Social Consensus.** Participaton of civil society, government, private sector, and media linked to top-level political support as well as commitment to a participatory and transparent process are a precondition for the elaboration of a strategy and action plan to fight corruption.

**National Transparency Plan Steering Committee.** The general objective of the Steering Committee is to foster the implementation of public policies that provide a favorable institutional framework to combat corruption.

**Diagnostic Tools.** Surveys of citizens, businesses and public officials conducted to collect qualitative and quantative information are central to the development of transparency action plans and strategies, which in turn help prioritize institutional reform in the public sector.

Information gives power, mobilizes public opinion for reform, and creates the environment to strengthen the success of reforms. A survey pointing to the connection between corruption-generated high costs and poor quality of public services as perceived or experienced by citizens should be included in any preliminary analysis.

The survey is conducted by an independent, usually local, organization. Additionally, indicators that measure institutional performance and political public expenditure management as well as a description of public service providers are key to designing an action plan. Survey findings are checked, through additional sources and approaches, to enhance credibility, thereby facilitating acceptance of empirical evidence and follow-up actions.

**National Workshops and Working Groups.** At national workshops, working groups focusing on key areas analyze survey results to develop a consensual anticorruption strategy. Workshops are held with the participation of all branches of state, political parties, civil society, and professional groups. The implementation of an anticorruption plan is of such importance to the country that the media are always invited.

**Strategies and Action Plans.** Workshops also help define and schedule institutional reforms. Working in close collaboration with civil society, government undertakes reform measures thus increasing its credibility.

**Strengthening Institutional Capacity.** The action plan involves workshops designed to promote free press, a supportive environment for private sector growth, and an efficient, accountable and transparent state in its executive, judiciary and legislative branches.

**Implementation Challenges.** Data are powerful tools. However, they are just part of a comprehensive participatory process. The challenge for political leadership, civil society and donor community is to ensure presence of political commitment from the beginning and capability to implement reforms needed to guarantee state institutions legitimacy.

### **Ongoing Learning**

The key components of this process are:

- Constant improvement of quality of collected data to identify priorities for institutional reform.
- Technical support for the implementation of the reform agenda emphasizing sustainability and follow-up.
- Use of best international anticorruption reform practices tailored to the country's institutional framework.

If government expresses its decision and commitment to implement the National Anticorruption Plan, and would like technical assistance from the World Bank Institute, it should follow these steps:

- (I) Send a letter to the President of the World Bank Institute expressing the government's commitment to develop a participatory anticorruption strategy (See Annex A);
- (II) Appoint a Coordinator for the National Anticorruption Plan;
- (III) Establish a Steering Committee for the National Anticorruption Plan comprised of government and civil society representatives. The World Bank will provide the required training (See Annex B: Criteria for selecting Committee members);
- (IV) Establish a Technical Unit for the Program;
- (V) Conduct a national diagnostic of public officials, businesses, and citizens to determine the areas of the country in which corruption is more concentrated and propose the possible solutions to the problem;
- (VI) Discuss and draw up a National Strategy proposal and its Action Plan;
- (VII) Streamline and interpret survey results and prepare a report; disseminate the report among all participants of the National Workshop;
- (VIII) Begin a participatory process that welcomes the opinion and experience of all sectors of society to prepare a Strategy and Action Plan;
- (IX) Review the National Strategy and Action Plan;
- (X) Prepare a National Workshop;
- (XI) Conduct the National Workshop;
- (XII) Organize a fund-raising meeting with various donors to implement the programs agreed upon at the National Workshop;
- (XIII) Implement the Action Plan and provide follow-up; and

(XIV) Evaluate the implementation of the Action Plan.

Description of steps II to XIV:

(II) **The Coordinator of the National Anticorruption Plan** will be a person who meets legitimacy standards of all social and political sectors of society, generates consensus, and has an impeccable record of unquestioned rectitude as a citizen and a person.

(III) **Establish a Steering Committee.** (Annex B: Criteria for selecting Committee members). To form the Committee, it is necessary to analyze its functions and mandate as well as its legal framework. In addition, to prepare the National Plan, the Committee should decide how binding its opinions will be, or define the scope of its mandate. The World Bank will provide training to the Steering Committee. The Committee will decide which areas or institutions require immediate action in coordination with the World Bank.

In this respect, a future challenge for the National Anticorruption Plan could be to integrate its efforts into the national framework of institutional and economic reform. It would be advisable for the Committee to initiate a dialogue to discuss the global and structural reforms the country needs and to decide which ones can be applied to the action matrices to be later developed by the Technical Unit in coordination with the Mission from the World Bank. In addition, it would prove useful to find out which support instruments or projects on sectoral and structural reform the World Bank can offer to actively promote the fight against corruption.

(IV) **Establish Technical Unit for the Program.** (Annex C: Term of Reference: National Technical Unit) The Technical Unit should be set up and a director should be appointed. Furthermore, a team of consultants should be hired to put forward proposals to approach the main areas of interest. In the medium term, the Unit is expected to prepare a functional, descriptive and organizational plan which clearly establishes the decision-making process and allocates supervision and coordination duties.

(V) **Conduct a national diagnostic** in order to measure corruption costs and focus public debate on institutions to prioritize reform. Using a variety of methodologies, public services users, public officials, and businesses are surveyed to analyze corruption costs, and quality and deficiencies of public services. Information on budget flow, generic public biddings, as well as international indicators of institutional performance is gathered and analyzed, thus helping to confirm survey findings through different sources.

(VI) **Discuss and draw up a National Strategy proposal and its Action Plan.** The following are some of the key steps to be taken: a) prepare sectoral documents, developed by survey consultants ; b) take into account the opinion and experience of all society's sectors to prepare the National Strategy and Action Plan; c) analyze the interplay between the National Strategy and Action Plan, and institutional and economic structural reforms; d) review and

annotate the National Strategy and Action Plan with the collaboration of all participants and the World Bank Institute, where necessary; e) prepare case studies and compile information about similar projects undertaken in other countries and regions; f) prepare a National Strategy and Action Plan document to be presented at the National Workshop; g) introduce changes and corrections to the National Strategy and Action Plan; and h) prepare the final document.

With reference to c), it should be noted that corruption is regarded as a symptom of misgovernance, weak institutions, and inefficient economic policies. Corruption seriously hinders country growth and fosters the increase of poverty. However, corruption itself is not the cause but rather the effect of a deficient State. Therefore, it is paramount to consider the main causes for each case and for each country. It is also necessary to identify which structural reforms could curb corruption. Admittedly, the impact of such measures on corruption (in taxation and customs, for example) might be indirect. Yet, indirect measures are usually more powerful and sustainable than such direct measures as convicting a number of corrupt people.

A schedule for these steps, to be implemented by the Technical Unit, should be prepared and approved by the Coordinator. In accordance with such schedule, the Mission from the World Bank would determine support activities.

- (VII) **Streamline and interpret survey results and prepare a report. Disseminate the report among all participants of the National Workshop.** Once the survey results have been streamlined and interpreted a final report is expected to be prepared and sent to the participants of the National Workshop in advance.
- (VIII) **Begin a participatory process that welcomes the opinion and experience of all sectors of society.** The Committee will analyze and decide how to disseminate results as widely as possible and count on the media for publicity. All these elements will be useful to review the National Strategy and Action Plan (IX)
- (X) **Prepare a National Workshop and (XI) Conduct the National Workshop.** The National Workshop should be prepared according to the methodology provided by the Technical Unit with the support of the World Bank.

A tentative date for the Workshop should be arranged. Before the Workshop, the Technical Unit will have to establish and implement a schedule of activities. It should include: a) description of the Workshop's objectives and methodology; b) list of participants; c) venue; d) distribution of invitations and confirmation of attendance; e) selection and preparation of materials to be used at the workshop. The schedule will be approved by the Coordinator and sent to the World Bank with its budget.

- (XII) **Organize a meeting with donors.** Once a final version of the Strategy and

Action plan has been finished, a meeting with various cooperation and development agencies will be scheduled to study and discuss the possibility of obtaining funding for the required activities. However, some of the donors might also be invited to the National Workshop depending on the scale of similar projects they are already financing.

Additionally, it is advisable for the Committee to explain their efforts at the Annual Donor Meeting to obtain financial and technical support.

- (XIII) Implement the Action Plan and provide follow-up.** To reach this stage, the Strategy and the Plan have to be ready. Nevertheless, it has been decided that in the majority of cases the Technical Unit should not carry out the activities, unless they are outside the scope of other public institutions.

**ANNEX A**

**Letter of Intention: draft**

Dear Mr. James Wolfenshon  
President of the World Bank

Following the conversations held with the team of the World Bank Institute which is under your direction in Washington and Asunción, we would like to confirm that the Government of ..... is interested in initiating an Anticorruption Action Plan in our country and counting on the World Bank's support.

Since the beginning of our administration, we have clearly stated that fighting corruption and fostering transparency are central to our agenda.

The Government of ..... expresses its commitment to undertake the necessary institutional reforms to succeed in fighting corruption nationally. In addition, since this is a priority to our Government, we are interested in fostering the active participation of both civil society and legislative and judiciary bodies. Therefore, we request your support to gather donor funding necessary to carry out the activities of a national anticorruption program.

In particular, we request the specific support of the World Bank to do the following:

- (I) Appoint a Coordinator for the National Anticorruption Plan;
- (II) Establish a Steering Committee for the National Anticorruption Plan;
- (III) Establish a Technical Unit for the Plan;
- (IV) Conduct a national diagnostic of public officials, businesses, and citizens to determine the areas of the country in which corruption is more concentrated and propose the possible solutions to the problem;
- (V) Discuss and draw up a National Strategy proposal and the Action Plan for the country;
- (VI) Streamline and interpret survey results and prepare a report; disseminate the report among all participants of the National Workshop;
- (VII) Begin a participatory process that welcomes the opinion and experience of all sectors of society to prepare a Strategy and Action Plan;
- (VIII) Review the National Strategy and Action Plan;
- (IX) Prepare a National Workshop;
- (X) Conduct the National Workshop;
- (XI) Organize a meeting with donors;
- (XII) Implement the Action Plan and provide follow-up; and
- (XIII) Evaluate the implementation of the Action Plan.

We are committed to undertaking this program according to the Memorandum dated .....

Mr. .... will lead this initiative on my behalf, with the support of .....

Mr. ....  
President of .....

## ANNEX B

### Criteria for selecting Committee members

The Committee must comprise a proportionate number of government and civil society representatives. The number of people must be enough to ensure representation from all sectors of society and, at the same time, to function efficiently and effectively. The exact number of members for the National Committee must be determined by Guatemalans themselves. The suggested number is between 20 and 30 people. A Technical Unit for Implementation will be created and the number of members should be between 5 and 7. The Bank will train the Committee on its functions, tasks, time frames and scope of activities.

Government will be represented by high-ranking officials from key corruption-related ministries and agencies that can wield political power which is crucial to make the implementation of the program simpler and more efficient.

Society must be represented by different sectors of political society (political parties) and civil society. The group should reflect the diversity of the Guatemalan society and institutions.

Civil society must be represented by the young, all religions, businessmen, labor unions of workers and peasants, women's organizations, NGOs connected with the topic, opinion builders, etc. After conducting interviews, a shortlist is drawn. If possible, the people chosen should enjoy legitimacy, credibility, and honorability. Although it may be difficult to measure their qualities, these people must be held in great respect, accepted by public opinion and capable of building and communicating consensus.

In the case of institutions, including NGOs, the following indicators should serve as a guide:

- performance over the past 12 months
- Representativeness among civil society
- Research in areas such as corruption, transparency, and citizen participation or similar
- Projects on civil society already carried out and in progress
- Ability to forge alliances or networks with other organizations or institutions
- Years of experience in organization of initiatives in areas related to the topic

## ANNEX C

### Terms of Reference: National Technical Unit

#### I. Background

Public sector corruption has been identified as an institutional problem. Some of the reasons are the politicization of public officials, overlapping of responsibilities, lack of responsibility (together with conflicts of interest), poor salaries and bad supervision. There are three issues related to these problems:

- First.* State intervention on economic policy-making should be reduced to curb corruption incentives.
- Second.* Corruption incentives should be reduced by rewarding honesty and increasing the probability of discovering and punishing acts of corruption. This entails reform of public administration and improvement of public officials' performance (by means of, for example, strengthening legal reform and financial controls)
- Third.* The concept that corruption will be reduced by increasing transparency, awareness, and education should gain public acceptance.

#### II. Objectives

The main objective of the Technical Unit is to strengthen and support Government in promoting institutional reforms and facilitating and monitoring the implementation of the National Action Plan. The objectives of the Technical Unit are:

- a) facilitate the creation of the National Anticorruption Plan
- b) provide coordination support with the guidance of external experts
- c) serve as a link between government and civil society institutions to investigate corruption-related issues, disseminate information, and raise awareness.
- d) start national and regional awareness campaigns, integrity workshops and other activities.