Assessing Vulnerabilities to Corruption: A Tool to Improve Global Trade

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Assessing Vulnerabilities to Corruption: Improving Global Trade at the Local Level

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Abstract

Combatting corruption in global trade requires successful interventions at each point within the global supply chain. The International Republican Institute (IRI) has developed a Vulnerabilities to Corruption Assessment (VCA) process that can be utilized for analyzing the risks to corruption in governmental procurement processes, an essential step in the public procurement of goods and services. Addressing vulnerabilities to corruption within governmental procurement is necessary for reducing the incentives for corrupt practice on behalf of those who traffic in public money: civil servants and elected officials. Combating corruption in public sector procurement not only disrupts corrupt practice within the global supply chain, but creates an opportunity for public oversight and engagement. IRI’s VCA tool has been developed to assess municipal level corruption, but can be adapted for national level use as well. The tool utilizes a formalized qualitative methodology to diagnose potential risks to governmental institutions and processes around the world. The paper discusses the economic and democratic importance of local government procurement, the potential risks of corruption in the procurement process, traditional responses to corruption, and IRI’s Vulnerabilities to Corruption Assessment methodology and how it can be used to assess corruption in public procurement.

Keywords

procurement, corruption, assessment, governance, democracy, Mongolia
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Introduction

Corruption stymies democratic development and breaks down the democratic process by reducing citizen trust in government and inhibiting government’s ability to efficiently provide services and respond to citizen needs (UNDP 2015). To counter these effects, the International Republican Institute supports local stakeholders’ efforts to identify and stem corruption by assessing vulnerabilities to corruption and supporting strategic plans to address areas where corruption could occur. These strategic plans are implemented through transparency and accountability activities carried out by governments and civil society organisations. The paper will discuss the economic and democratic importance of local government procurement, the potential risks of corruption in the procurement process, traditional responses to corruption, and IRI’s Vulnerabilities to Corruption Assessment methodology and how it can be used to assess corruption in public procurement.

1. Why local governance matters

1.0.1 Cities: drivers of global economic growth

Across the globe, people are moving to urban centers. According to the United Nations, in 2014, 54 percent of the world’s population lives in urban areas, a major increase from 1950 when less than 30 percent of the world’s population lived in urban areas. This rapid growth is anticipated to continue to increase and by 2050 it is expected that two-thirds of the world’s population will live in urban areas and one-third will live in rural areas (UNDP – ESA 2014).

With increased urbanization, it is imperative that local governments are prepared for growth and recognize the importance of local governance and local procurement to the global economy. The effects of urbanization on governance and its subsequent impact on global trade is tremendous. For example, the top 100 cities ranked by their contribution to global gross domestic product (GDP) growth in the next 15 years will contribute just over 35 percent of GDP growth to
2025. And the top 600 cities will generate an estimated 60 percent of global GDP growth during this period. A significant portion of this growth will be dependent on the rising middle class in developing cities throughout Asia, Africa and Latin America, highlighting the need for strong government institutions and service provision (McKinsey & Company 2011). Weak institutions leave entire communities vulnerable to the negative effects of corruption; those vulnerabilities can manifest as poor service delivery, weakened public trust or more expensive government services.

1.0.2 The relationship between local government procurement and the economy

Countries with higher rates of corruption face lower foreign direct investment, slower growth rates and greater economic challenges (Transparency International 2014). Corruption remains a leading impediment to economic recovery, as acutely accentuated by the global recession. With urban centers commanding such an enormous influence over the world’s population and economic growth, city governance practices have an inordinate sway over everything from human development to global trade. Cities are challenged by corruption in a number of areas, including service delivery, financial management and infrastructure development, all of which negatively impact the lives of average citizens. However, one recurring challenge for municipal governments is public procurement.

Public procurement plays a large role in government budgeting and expenditures, for example, the European Union (EU) spends 14 percent each year of the EU’s GDP on procurement-related items (EC.Europa.Eu 2016). In fiscal year 2015, the United States spent more than one billion dollars on contracts and grants (USASpending.gov 2016). These trends hold true at the sub-national level as well, according to the Organisation for Economic Co-operation and Development (OECD), procurement comprises 13 percent of GDP and one-third of government expenditures in OECD countries, with 55 percent of all government procurement expenditures taking place at the sub-central level (OECD Principles for Integrity in Public Procurement 2016). As cities continue to serve as primary drivers of economic growth, and public procurement remains central to municipal budgets, the successful prognosis, mitigation and prevention of corruption therefore becomes paramount. IRI’s Vulnerabilities to Corruption tool, discussed in depth later in this paper, is one manner in which to assess, diagnose and mitigate corrupt practices.
Local governments are an important area of focus due to their role as incubators of new ideas, policies and leaders. From community organizers to city mayors, many of today’s global leaders had their first foray into politics at the local level, making best practices and political habits formed at the local level important teaching tools for higher levels of government. Perhaps more importantly, the local level is important as it is closest to citizens and is often the first point of governmental engagement. While measuring and addressing corruption at the local level is often overlooked, work in this area is essential for combating the negative impacts of corruption in the everyday lives of citizens and supporting the legitimacy of democratically elected governments.

1.1 Corruption within local government procurement

Local governments need to procure goods and services in order to fulfill their responsibility to provide services to citizens. Whether routine and straightforward, such as the purchasing of office supplies or complex and long-term development, such as the procurement of a developer for a new mass transit system, the procurement process can be vulnerable to corruption within any stage of the procurement cycle: planning, solicitation development, tendering, contract awarding and delivery. In addition, the specific procurement method used will affect the number and type of corruption vulnerabilities. Methods such as open bidding\(^1\), which may be more transparent may not always be suitable, requiring the use of restricted bidding, where only a pre-qualified group of organisations may submit bids, negotiated bidding for complex projects where exact specifications cannot be made or sole-source procurement. Even within open bidding, which is generally the preferred procurement method as it has less vulnerabilities than others, there still exists a range of risks depending upon the exact procurement regulations and legislation within a locality and enforcement of open bidding related regulation.

As noted by the United Nations Office of Drugs and Crime Guidebook on Anti-corruption in Public Procurement, studies suggest that 10-25 percent of value of public contracts may be lost to corruption, negatively affecting either service quality or overall ability to provide services (UNDOC

\(^{1}\) Defined as an open, competitive contracting process.

Studies suggest 10-25 percent of the value of public contracts may be lost to corruption.
Corruption within the procurement process can take many forms, such as collusion, bribery, embezzlement and fraud, which may occur if given the opportunity, incentive and/or lack of oversight. Endemic corruption across agencies or operations can occur where there are wide ranging systemic vulnerabilities related to the overall system of controls. Beyond procurement, endemic corruption can include distorted or non-inclusive budgeting and planning processes. Corrupt budgeting processes can divert funds before they are allocated to specific projects or creates projects that benefit an individual or group of individuals versus the public as a whole. This is contrasted with individual (or a small group) corruption which can take place where there are procedural vulnerabilities, related to an identifiable process, even though that process may involve multiple organisations. In contexts where local governments have some degree of autonomy over their own procurement processes, local governments are likely to have greater ability to address immediate or near-term measures to reduce procedural vulnerabilities. Systemic vulnerabilities might take longer to address, as they may require legislative and/or organisational behavior change.

1.1.1 Where corruption in procurement can occur

As is the case with many government processes that directly engage funds, procurement processes are replete with opportunities for corruption. According to OECD estimates, corruption “drains off between 20 and 25 percent of national procurement budgets” (OECD Insights Blog 2015). Many of these opportunities can be mitigated through oversight, transparency and proper processes, but there will always be some level of risk involved. Beginning during the needs assessment and solicitation phases, collusion on the scope of work or definition of standards can put specific vendors into positions where they are more likely than competitors to be able to provide the good or service sought by the government. This type of collusion is challenging to investigate as the bidding process itself may be fully

![The Procurement Cycle](image-url)
transparent and compliant with international procurement standards, but the process may provide favoritism. Additionally, bribe payments or promises for kickbacks upon award may also occur during the needs assessment and bid development stages, however, it is important to note that these vulnerabilities to corruption may also occur at any time throughout the procurement process.

Once the solicitation has been developed and is ready for release, the process can be vulnerable to corruption if bidding documents are not transparent or accessible to potential suppliers. For example, if the evaluation criteria are not explicit, the process may be unduly influenced by members of the evaluation committee. Other challenges can occur if data security standards are not adhered to, allowing for the risk that bid proposals or information about bids could be shared with competitors who have not yet submitted bids, giving them an unfair advantage. In addition, once closed, if bids submitted are not made public and the scoring of bids received cannot be verified or understood, it is difficult for a watchdog body or bidder to ascertain that the process was fair.

In some ways, the most damaging risk for corruption is based on the delivery of goods or services due to the potential for direct negative impact on citizens. While bribes, overly specific requirements and collusion can all have negative impacts for citizens, the use of the lowest cost bid as the automatic winner can result in sub-standard material or services. In an effort to win government funding, the contractor may offer bids at such low values that they cannot actually provide quality goods or complete the services required. Therefore, the use of the ‘value for money’ approach includes non-cost criteria that incorporates quality standards ensuring the government need is addressed. Additionally, after the contract has been awarded, a lack of oversight could result in poor performance or the theft of goods procured. Without proper tracking systems, registries and oversight of progress, contracts could be awarded but never actually result in the fulfillment of the need that originally started the procurement process.

1.2 The effects of corruption in procurement

Weak institutions, poor service delivery and inadequate infrastructure stymie international investment and domestic growth. In cities where corruption in procurement is prevalent, the effects
can be varied and complex. From negatively influencing the development of the city, to eroding the social contract between government and citizens, to incentivizing more corrupt practices, the harm of corruption is evident. The distortion that corruption can create on public spending may mean that funds are allocated to projects that more easily allow bribery, kickbacks or other illegal financial incentives than those versus allocation towards the projects that address citizen’s needs. For example, spending on defense may receive more funding than needed because it is an easier area to engage in corruption, whereas citizen services like education and health may receive less than they need (Transparency International 2014).

For cities looking to expand by attracting new residents and new businesses, perceptions of widespread corruption may dissuade investors that want a stable, transparent investment opportunity. For example, companies entering into a new environment might consider the level of corruption in the judiciary to determine if they believe that they will receive a fair trial in case of litigation. Similarly, companies that may be interested in building a new factory or moving their headquarters may look for safe investments where government representatives will not look for bribes and kickbacks in the permitting and procurement processes. The impact of corruption on economic development and investments mirrors the impact of corruption on local trade. Corruption can distort trade patterns by creating unequal access to procurement markets and levying unlawful taxes on goods and services. This distortion can negatively impact job creation, investment, and exports, thus hurting the economic vitality of communities.

Weak institutions and poor governance not only negatively affect investment for a locality, but also build greater opportunities for individuals to amass personal wealth through the procurement process. Government agencies may be attracting new employees that are explicitly interested in the rent-seeking potential in their position. As noted by Transparency International, “corruption diverts talent and resources, including human resources, towards ‘lucrative’ rent-seeking activities.” Employees drawn to inefficient or rent-seeking behaviors are unlikely to be oriented towards quality, citizen-focused service delivery and therefore may contribute to a negative feedback loop that erodes the social contract (Transparency International 2014).
Where quality of goods or services provided is poor, citizens will suffer most directly. For example, sub-standard public health services or supplies can directly endanger lives, and lack of adherence to building codes and standards can create hazardous living or working conditions, some of which may not be known until an emergency occurs. Not all quality issues are going to cause such dire risks, but even in more routine procurement, such as the purchasing of printed application forms to receive government services, if these goods are not delivered on time or with correct information citizens are most impacted. Simple quality issues like these frustrate citizens and contribute to citizen lack of trust in government and an overarching unfavourable perception of government service delivery.

In conditions where competition is stifled or not present, government may be overpaying for goods or services. In contrast to the problem of low quality stated earlier, lack of competition can also result in government expending resources with no benefit to citizens.

The combination of the effects outlined above result in the de-legitimization of the authority of the local government and can contribute to a broader breakdown in the rule of law. The use of bribery and collusion may lead to situations where extortion of government officials is possible, potentially allowing corrupt contractors, service providers or manufacturers to further control or divert the procurement processes for their benefit. The risk for corruption is always present in these environments and communities that do not have transparent, accountable procurement practices may be at greater risk.

Corruption not only negatively impacts economic growth, but also supports unequal tax and service distribution, which stymies poverty alleviation and social welfare initiatives. As noted by Transparency International, “corruption affects the progressivity of the tax system, creating biased tax systems favouring the rich and well connected. As corruption facilitates tax evasion, ill-functioning tax administrations, and exemptions that favour the wealthy and well connected, this undermines the effectiveness of the tax base and the government’s capacity to ensure equitable wealth redistribution from the rich to the poor” (Transparency International 2014). In addition to the negative impact of corruption on wealth distribution, it can also impact government efforts to support the poor through
social welfare program and social services. For example, research in the Philippines identified that corruption in the education sector contributed to lower education outcomes, such as lower test scores and school rankings (Transparency International 2014). In sum, when corruption influences public procurement, crucial funding is diverted from addressing the needs of citizens, markets are distorted and bad decision-making processes are rewarded.

2. Traditional responses: combating corruption within procurement processes

To address the myriad problems caused by corruption in procurement processes, sub-national actors within government and outside government have developed corruption assessments and responses that speak to their respective roles within the procurement process. As noted by Transparency International’s Gateway Project, corruption assessments have traditionally taken three key approaches (Gateway Transparency 2016):

1. **Risk Assessments:** Under this approach, risks to corruption rather than corruption itself is identified. Often referred to as a “red flag” approach, risk assessments seek to identify common types of corruption and their underlying causes and then review processes to address the associated vulnerabilities. Risk assessments can take many forms and are by no means specific to procurement processes. This assessment approach is common and can be useful for identifying both procedural and cultural corruption risks in an easily understood manner. However, this approach can be limited based on the feasibility of large scale risks assessments, biased assessment methodology and execution, and is dependent on existing understanding on commonly identified risks. IRI’s Vulnerabilities to Corruption Assessment methodology is based on this approach.

2. **Comparing the law and practice:** While many countries and municipalities have passed relevant anti-corruption legislation, some specifically on mitigating corruption in public procurement, there is often a gap between the law and its implementation. This gap can be caused by weak enforcement, lack of education on the law, or limited abilities to measure compliance to that law. Assessments that utilize this approach compare the relevant law with
perceptions of corruption and/or relevant data or expert opinion on the enforcement of the law.

3. Public Data Review: This approach requires access to publicly available data, through which researchers look for red flags for corruption, such as conflicts of interest or collusive patterns between government and contractors. While this assessment method can provide specific evidence of corruption, it requires the existence of accurate, timely and accessible public information on procurement, as well as significant time and researcher capacity.

While this list is by no means exhaustive, it addresses frequently used assessment methodologies that are often combined to create a more holistic assessment. Previous research into the efficacy of respective assessment methodologies will not be revisited here, however, it is worth noting that the selection of the appropriate assessment methodology is highly context specific – both to the location of the assessment, as well as the resources of the assessing group.

Assessments have often served as the basis for anti-corruption initiatives led by a wide-range of anti-corruption actors, including governments. Traditionally, government actors have responded to identified or perceived corruption within the procurement process in two ways: 1) increased transparency practices and 2) enhanced accountability mechanisms. These responses manifest into changes to procurement policy, legal restrictions or increased legal enforcement, such as increased punitive measures for corrupt civil servants.

2.1 Transparency

Strengthening or increasing transparency is often a government’s first response to corruption due to the relative ease of transparency initiative implementation and its potential for wide-reaching impact. Transparency initiatives are based on the premise that in democratic societies, citizen tax dollars form the basis of governmental revenue used for procurement, thus giving citizens the right to understand and assess the public procurement of goods and services. Transparency offers governments and citizens’ opportunities for oversight in procurement processes and enables greater participation. When used successfully, it can provide for more efficient and higher quality government services. Moreover, transparency can support greater government efficiency through reduced fraud.
and waste, and has been shown to reduce the costs of services, as is the case of competitive tenders for generic medicine in the EU reduced the cost of medicine for average citizens (OECD 2016).

While transparency in public procurement can take many forms, the following initiatives serve to highlight a few governmental-led transparency mechanisms:

- **Open Contracting:** As defined by the Open Contracting Partnership, open contracting is “about publishing and using open, accessible and timely information on government contracting to engage citizens and businesses in identifying and fixing problems.” Open contracting engages each stage of the contracting process from disclosure of information on potential bids prior to the bidding process through oversight over contract implementation.” This process is becoming more popular with “an estimated US$ 9.5 trillion of money spent by government in deals with business starting to find its way into the public” and a growing trend for open contracting in specific areas, such as extractive industry contracts (Open Contracting Partnership 2016).

- **E-procurement:** As the name suggests, e-procurement refers to using digital or electronic mediums, such as the internet, to conduct the awarding of goods and services. Generally, e-procurement refers to digitization of the entire procurement process, from tendering through contracting. While the usage of digital technology to support the procurement process is not inherently transparent, e-procurement processes promote transparency by making procurement information online and widely available.

- **Transparent tendering and bidding processes:** Providing clear and readily accessible information to potential bidders on tenders, as well as the bidding process itself is essential for transparency in public procurement. Much has been written on this issue, but it is worth stressing the need for transparency in the supplier relationship, meaning that bidders are treated equally and evaluated fairly (NIGP 2016).

2.2 Accountability

While transparency mechanisms take an important first step by making information publicly available, accountability initiatives go one step further by utilizing publicly available information to
assign responsibility for procurement decisions and actions. Generally speaking, there are three primary accountability types in public procurement; each type addresses a different approach for addressing responsibility in the procurement process. The following descriptions are based on those used in the International Handbook of Public Procurement.

- **Managerial/Administrative** accountability speaks to the responsibility of managers and administrators to answer to the roles and responsibilities assigned to them. This also includes accountability over administrative processes and procedures.
  - Example: Firing of department head when corruption is identified.

- **Financial** accountability is realized primarily through financial audits, and is essentially timely and accurate reporting and review of financial information to ensure that public money is being spent wisely.
  - Example: Financial audits, conducted by external governmental auditors, identify misuse of funds and based on audit findings require changes in administrative oversight procedures by government officials.

- **Political** accountability is based on the legitimacy assigned to elected officials through the electoral process and speaks to the accountability of elected officials for actions taken by themselves or those within their purview.
  - Example: Due to corruption in executive agencies during a mayor’s tenure in office, voters do not re-elect the mayor.

The corruption context can determine the appropriate government accountability response. For example, a wide-spread corruption scandal might require political accountability, while complaints about petty corruption might be best addressed through administrative accountability. Thus, when designing anti-corruption initiatives it is necessary to consider the appropriate accountability type for a given corruption environment.

2.3 Civil society responses

While government responses to corruption are most often seen in transparency and accountability mechanisms, civil society traditionally engages on issues of corruption through participation and
oversight over procurement processes. Civil society does not usually create transparency initiatives, rather it pressures government to create transparency mechanisms. While the ultimate action is often in the hands of government, civil society plays a key role in stemming corruption in procurement processes through participation and oversight. A few civil society responses are highlighted below.

- Citizen or community-based monitoring: citizens provide direct oversight over the procurement process, such as bid evaluations, or through the evaluation of procurement processes and end product monitoring.
- Awareness raising/information sharing: civil society organisations (CSOs) identify and disseminate information about government action or policy. Information sharing is useful as a civic education tool and for assisting CSOs in generating support for their activities.
- Watchdogs: “an individual or group (generally non-profit) that keeps an eye on a particular entity or a particular element of community concern, and warns members of the community when potential or actual problems arise” (Community Tool Box 2016). Watchdog organisations monitor government activity to support accountability.
- Participatory Audits: engage the community and CSOs in the development of a collaborative audit framework that is used to assess the quality of services provided by government.

3. IRI’s Vulnerabilities to Corruption Assessment

In order to assess the anti-corruption efforts within the local government understanding how corruption actually occurs is paramount, which IRI’s Vulnerabilities to Corruption Assessment (VCA) is designed to achieve. Since corruption is an act that is perpetrated by two sides that both want to conceal it, measuring corruption typically relies on either perceptions of corruption, recorded incidents of corruption or risks (vulnerabilities) to corruption. The overall goal of the Vulnerabilities to Corruption Assessment is to reduce corruption by improving the capacity of government officials and civil society to develop, plan and implement successful anti-corruption strategies and initiatives.

3.0.1 How can the VCA be used?
As explained above, the VCA process relies on asking those that understand best how corruption occurs and where the vulnerabilities in the system are – the government employees who are involved in the day-to-day operations in the sector. It uses a qualitative research methodology in the form of semi-structured interviews to capture the informal practices that lead to vulnerabilities in operations. In each assessment, a tailored interview protocol ensures that the methodology behind the assessment is: agreed upon by the assessment team, sensitive to local cultural and societal pressures, as well as politically feasible. When determined feasible, the VCA methodology produces an analysis of the formal rules and procedures within the operations of a sector that create regulatory ‘gaps.’ It also creates a more holistic picture of both the formal and informal practices that allow corruption to occur.

3.1 Methodology

The VCA methodology starts by identifying how the sector operates and what steps are involved from start to finish. For example, in the construction of a road project, the process would begin from site selection and continue through road maintenance. Mapping this ‘business process’ or ‘value-chain’ in the operations allows for an easier means to identify potential process gaps vulnerable to corruption.

Once a list of the steps and institutions are compiled, this information informs an official political economy analysis (PEA), which identifies key aspects of the political landscape of the location and analyzes issues such as:

- Causes of vulnerabilities.
- Level of risk the vulnerabilities pose.
- Identification of who can mitigate the vulnerabilities.
- Champions or obstructionists to reform.
- Timeframe and resources necessary to mitigate vulnerabilities.

A key aspect of the interview process is to identify a number of practitioners who know the operations of area of interest, whether in specific institutions or the whole sector and are drawn from
mid to upper level personnel who know ‘how things really work’. They can be current staff, outsiders who work with the institutions or ex-staff. The interview process consists of holding semi-structured interviews either in individuals or groups; based on IRI’s experience, individual interviews work best.

The responses will vary from person to person but over a number of interviews, from IRI’s experience typically 15-20, areas of vulnerabilities will begin to be identified and the researchers will also be able to understand that the sufficient number of interviews have been conducted if during the key interviews, no new vulnerabilities have been identified. The meeting notes from the interviews will be compiled and coded by common themes, trends and challenges. Each assessment team member will compose their recommendations and then reconvene as a group to reconcile the group’s findings and produce one single recommendation document.

In addition, parallel processes should be conducted to review the formal procedures, legislation and regulations of the sector to identify potential process gaps. Either an anti-corruption expert with knowledge of the sector or expert from the sector can determine what ‘gaps’ exist in laws and processes that provide vulnerabilities. If this research has been previously conducted in the sector, a desk review of that literature is an option. By combining a regulatory gap analysis and with a vulnerabilities matrix, a more complete analysis for the Vulnerability to Corruption Assessment can be made.

Once a draft narrative version of the VCA is created, it can be verified through group discussions that will refine the vulnerabilities from the perspective of a number of experts. If the VCA is to serve as an evidence base for reform, these discussions need to include the sector policy makers and other stakeholders responsible for implementation in order to gain crucial buy-in. A separate Vulnerability Mitigation Plan can be created based on these discussions.

3.1.1 Why is the VCA innovative?

The VCA addresses some weaknesses in standard risk assessment methods, as it gets ‘below the surface’ of corruption mechanisms to address the vulnerabilities that exist. It explores corruption networks exploiting opportunities in the system, as well as the political will available to create
change. It relies on a methodology that prioritizes and cross-checks qualitative information and testimonies from public officials, civil society leaders and community leaders. Additionally, the methodology recognizes system weaknesses which are not only caused by malfeasance or corrupt behavior but also vulnerabilities which may be broken into three streams:

- misuse of office/power based on insufficient management and control in the current system (inefficiency);
- misuse of office/power by officials based on insufficient budget/means to execute normal operations (insufficiency); and
- misuse of office/power to obtain funds beyond those necessary for normal operations and are for private gain (malfeasance/corruption).

Taken together, these opportunities for corruption and system failures can better be labeled as vulnerabilities rather than risks. In this way it provides political leaders with a road map to mitigate the root-causes of corruption as well as a guide for civil society to apply pressure to certain areas, offices, leaders and also hold their elected officials accountable. With many global anti-corruption initiatives engaged at the national or provincial level, the VCA is unique in that it engages with local stakeholders both at the grassroots and grasstops.

3.2 Limitations

IRI has attempted to mitigate limitations or weaknesses in the VCA, namely by using participatory methodologies, however external factors may limit the effectiveness of the VCA. The key limitation is insufficient in-country political and civil society will to change the existing system. In instances where neither the political system is incentivized (perhaps by national mandate or local pressure) to change the system or civil society is silent on the issue (perhaps by operating in a closed space), issuing VCA recommendations will not be as successful as in more open or transparent societies. To this point, one of the general assumptions of the VCA process is that testimonies which are delivered through the interview process will be both honest and accurate assessments of the
stakeholder’s view, operating in a closed society can hamper either the capability of local officials to engage with structural reform or civil society to engage freely and openly about their experiences.

3.3 Recommendations

The VCA methodology is applicable to public procurement processes, as the tool can be utilized to assess many various government processes to identify potential vulnerabilities to corruption in any type of government process and at all levels. However, since IRI has not utilized the VCA for analysis specifically for government procurement processes, further research is needed in order to test its effectiveness under different corruption related constraints. Two potential avenues for further exploration are described below.

3.3.1 Testing the methodology in differential procurement environments

The VCA tool has so far proven successful in identifying corruption in public-facing service delivery environments; however, additional research in non-public facing sectors is needed. This additional piloting and comparison will help identify the role that high levels of public understanding and engagement play in making the assessment methodology impactful. Identifying the role of the public in successful VCA implementation would assist in the design of future corruption assessments and help establish best practices for public engagement in corruption assessment methodologies.

3.3.2 Development of CSO-specific tool

One of the VCA’s key limitations is its reliance upon government actors to be the primary change agents. While this approach can be successful when an anti-corruption champion is engaged, it minimizes the important role that civil society can play in combating corruption. As such, additional research and testing is needed to adapt the VCA into a tool that can be CSO-led and implemented in the absence of a governmental anti-corruption champion. To this end, the assessment team might shift the tool towards a more data based approach that analyzes available public procurement information to provide insight into governmental action and priorities.
References


