



## **DAC Network on Governance (GOVNET)**

### **Draft Principles for Donor Action in Anti-corruption**

#### **DAC DEVELOPMENT PARTNERSHIP FORUM IMPROVING DONOR EFFECTIVENESS IN COMBATING CORRUPTION**

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**DRAFT PRINCIPLES FOR DONOR ACTION IN ANTI-CORRUPTION**

**Background**

In 2003, the DAC Network on Governance (GOVNET) developed a report on “*Synthesis of lessons learned of donor practices in fighting corruption*”: The report reviewed both direct and indirect donor approaches in combating corruption, and highlighted that donors’ efforts were characterised by limited capacity, competing priorities and piecemeal approaches, which hindered the fight against corruption. **The need for donors to do more collectively within existing mechanisms** (without introducing parallel dialogues and additional structures) was emphasised.

The findings of this report were addressed at a GOVNET workshop on Lessons Learned in Anti-Corruption (18-19 February 2004), where participants reflected on how to highlight some of the evidence of the experiences from these different contexts and translate them into **principles for enhancing future action**. Participants agreed that, as practitioners, it would be essential to have ‘principles for action’ which are meant to guide and help shape approaches rather than dictate action.

In March 2004, **the GOVNET agreed on the importance of the “Draft principles for donor action in anti-corruption”** that had emerged from the lessons learned of donor practices in anti-corruption and **informally approved them**. A small group of GOVNET members decided to form a Task Team to take forward work on the draft principles and to pilot them. Members of this informal task team, led by the UK (DFID), include Canada (CIDA), Germany (BMZ), the Netherlands (Minbuza), Norway (NORAD), Switzerland (SDC) and UNDP.

**Draft Principles for Action**

The level of consensus around the issues of donor action in anti-corruption has increased tremendously in the international community over the last few years with international conferences and, more recently, the signature of the UN Convention on Anti-Corruption. There is broad agreement that the UN Convention offers a global framework for action in combating corruption.

The GOVNET draft principles embrace the key activities that donors are, or could, be doing to assist partner countries with the implementation of the main anti-corruption conventions. The rationale for these principles is that **donors should work together to ensure that corruption is systematically addressed in partner countries including implementation of international conventions and regional equivalents**. This enhanced collective action should lead to a more effective use of national financial resources and an increased chance of meeting Millennium Development Goal targets.

**Next Steps**

The Draft Principles are still work in progress. They are to be presented and discussed at the 2004 *DAC Partnership Forum on Improving Donor Effectiveness in Combating Corruption*. Further consultations will also be conducted with other Directorates of the OECD. Once a more definitive version of the Principles has been agreed upon, it will be presented to the GOVNET and later to the DAC for formal endorsement.

In parallel, these draft principles will serve as a basis to develop a DAC Good Practice Paper on Enhancing Donor Effectiveness in Fighting Corruption. This will be a GOVNET output and will be finalised in 2006.

## **Principle No. 1**

*We will collectively foster, follow and fit into the local vision*

*Meeting MDG 8 target 1 requires, inter alia, a commitment to fighting corruption and implementing relevant international and regional conventions and standards including the UN Convention Against Corruption (UNCAC) and the regional equivalent of the Financial Action Task Force (FATF) on anti- money laundering. The commitment should be integral to national development plans.*

In any country, donors should:

Collectively:

- Promote with government the development of a shared government-donor vision/strategy for anti-corruption action, ideally based on government commitment to implement the UN Convention (or other relevant instrument).
- Agree with government on a joint framework for dialogue and action.
- Share diagnostics, knowledge and analysis through donor collaborative mechanisms (e.g. donor sub-group) identifying gaps and reviewing progress (whenever feasible, this should be led by the host government).
- Use this mechanism as the nucleus for engagement with other key actors (e.g. civil society, private sector).
- Map out respective roles, based on comparative advantage, and identify the gaps.
- Ideally, identify from the donor group a lead donor to give leadership and drive from our side.
- Take time to understand local political, economic, social and historical contexts and challenges, and develop responses that are appropriate to them.

As individual donors:

- Agree to present our assistance explicitly as being contributions to the shared vision/strategy<sup>1</sup> and the collective donor approach.

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<sup>1</sup> This should not be taken to imply any obligation to move to formal pooling arrangements, financial or otherwise.

## **Principle No. 2**

*We will acknowledge and respond to the supply side of corruption*

*Corruption is international. It is important that donors ensure that corruption at home is not exported and/or that corrupt practices by home-based / international companies are actively discouraged. Donor and partner country strategies should be harmonised.*

Donors should:

- Engage proactively at home with relevant domestic departments to foster stronger action against the supply-side of corruption.
- Inform counterparts of this engagement.
- Contribute to strengthening inter-country co-operation frameworks (mutual legal assistance, mechanisms for asset recovery).
- Engage proactively with the private sector both at home and in partner countries.

## **Principle No. 3**

*Policy should be based on evidence*

*As with all policy, it is also important that baselines and targets are set and that progress is systematically assessed against results and lessons learned input to policy updates.*

At country level, donors should:

- Collectively foster policy and operational knowledge gathering, drawing, wherever possible, on local capacity.
- Encourage government to develop systems that better connect evidence with policy development.
- Foster the systemisation and publication by government of the measurement, and the reporting of progress on anti-corruption efforts.
- Ensure that measurement focuses on both technical advancements as well as on less tangible changes.

At the global strategic level, donors should:

- Develop a systematic approach to dividing up efforts to undertaking strategic research/knowledge gathering and synthesis and in sharing results.