

# Chapter 5

## Preventing corruption in disaster relief operations

**E**mergency disaster relief efforts and the ensuing rebuilding operations, by their very nature, are especially exposed to corruption. Substantial aid flows—money, goods, and services—the vital need to act quickly, and the major infrastructure projects that are often part of the rebuilding phase after a disaster exacerbate the risk of corruption. In many cases the structures in place to oversee such projects are themselves disabled after major disasters. Many of the lessons learned in preventing corruption in humanitarian relief efforts in the Asia-Pacific region draw on the experience of two major disasters that have recently struck the region—the devastating January 2001 earthquake in the Kutch region of the state of Gujarat in India and the Indian Ocean tsunami of December 2004. This chapter reviews these and some cases, and explores the lessons that were learned and continue to be learned in the rebuilding process.

The massive destruction caused by the Indian Ocean tsunami at the end of 2004 sparked an unprecedented outpouring of international attention and humanitarian aid. In response to concerns about the management of this aid and the high risk of corruption and misuse of these funds, the ADB/OECD Anti Corruption Initiative for Asia and the Pacific and Transparency International convened an expert meeting, hosted by the Government of Indonesia, to bring together government and civil society representatives from India, Indonesia, Malaysia, Maldives, Sri Lanka, and Thailand, as well as donors and international governmental and non-governmental organizations, in April 2005.

This Expert Meeting on Corruption Prevention in Tsunami Relief identified six essential elements to curb corruption and to reduce waste

and mismanagement in the delivery of humanitarian relief and reconstruction, namely: country ownership; community-driven and participatory processes; transparency of aid flows; financial safeguards and administrative capacity; oversight, monitoring, and evaluation; and effective anti-corruption enforcement and complaint handling. Helen Sutch of the World Bank and J.C. Weliamuna of Transparency International Sri Lanka elaborate on these elements and delve into some of the complexities that have been encountered in areas affected by the tsunami.

Circumstances that result in humanitarian agencies' reluctance or refusal to admit or address corruption and fraud in humanitarian aid delivery must be overcome. There may be a perception, for example, that acknowledging corruption could undermine confidence in the agencies and deter donors. This phenomenon may be attributable to the assumption that any public acknowledgement of the existence of financial mismanagement would lead to a loss of donors', taxpayers', and politicians' confidence in the aid system, and thus threaten future projects. Responses to these challenges, forwarded by Nicholas Stockton of the Humanitarian Accountability Partnership International, include addressing the systems and organizational vulnerabilities, as well as the contextual factors that compose the complex backdrop of humanitarian aid operations.

In order to advance knowledge on how to prevent corruption in humanitarian aid operations, it is essential to engage with key aid agencies, governments, and populations who have lived through disasters and who have experienced rebuilding operations first-hand to draw on practical experience and lessons learned in the Asia-Pacific region and other parts of the world. While much good practice exists in transparency in community involvement and in coordination, the practical application still often falls short of what is needed, and further work is called for to satisfy both integrity and speedy, efficient delivery criteria, particularly in relation to financial management, administrative procedures, and anti-corruption safeguards. A window of opportunity exists to further operationalize and improve on past practices, given the media attention focused on these issues and the political commitment to address these that has emerged in many quarters.

After the massive earthquake in Kutch, the government of Gujarat designed and implemented a monumental reconstruction and rehabilitation project that encompassed housing, urban and physical infrastructure reconstruction, education, health care, livelihood rehabilitation, and social and economic rehabilitation. Pramod Kumar Mishra of India's Ministry of Urban Development explains that the key

lesson in this process was the utmost importance of the involvement of the people affected by the disaster in the rebuilding efforts. Policies and projects had to be as transparent and as accessible to the population as possible in order to create awareness and to achieve acceptance and cooperation. Public involvement and consultation throughout all phases of rebuilding—policy formulation, damage assessment, project implementation, monitoring, and redress of grievances—were crucial to the success of the community and of those involved in the exceptional rebuilding accomplishments in Kutch.

# Trade-offs and sequencing: Fighting corruption in disaster relief and reconstruction

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Helen Sutch

East Asia and Pacific Regional Governance Adviser  
The World Bank

## From Principles to Guidelines: The Jakarta Framework

International experts at the Jakarta meeting on Curbing Corruption in Tsunami Relief Operations<sup>1</sup> agreed on a framework of action to ensure the appropriate management of the huge outpouring of aid and pledges of support in the wake of the Indian Ocean tsunami. This framework embraces key measures and approaches for use by policymakers, civil society, and donor and international institutions to deliver assistance to affected communities and to counter corruption in humanitarian relief and reconstruction efforts.

### Country ownership

Affected countries should exercise effective leadership over their humanitarian relief and reconstruction, and should be enabled to do so. To this end, governments of affected countries, in dialogue with local communities, civil society, donors, and the private sector, should commit themselves to translating their national reconstruction strategies into prioritized, results-oriented operational programs and take the lead in coordinating the aid they receive in conjunction with other ongoing development programs. Donors should commit themselves to respecting the affected countries' leadership in relief and reconstruction efforts and help strengthen their capacity to exercise it; they should further align with affected countries' strategies and base their overall support on these countries' national reconstruction efforts.

### Participatory, community-driven processes

The active participation of affected communities in relief and reconstruction decisions can minimize the risk of corruption in the delivery of aid. From the earliest stages of relief, through to the design, implementation, and evaluation of long-term projects, communities should be enabled to articulate their needs and assist in devising

reconstruction plans, as well as evaluate end results. The economic capacity and expertise of affected communities should be utilized wherever possible in delivering relief and reconstruction to reduce cost, ensure appropriate solutions, and assist with economic recovery.

### Transparency

Affected communities need accessible and understandable information about relief and reconstruction efforts, as well as about the relief and compensation benefits to which they are entitled, to ensure their participation in these efforts and relevant decision-making processes. Governments, public and private donors, international organizations, and local civil society organizations should implement comprehensive and harmonized information strategies that uphold internationally recognized access to information standards. Such strategies should make use of appropriate formats and local languages to ensure ease of access by local communities. Additionally, all stakeholders should seek to support the role of the media in ensuring transparency in relief and reconstruction efforts.

### Financial safeguards and administrative capacity

The transparency and traceability of aid flows is a major concern for all stakeholders. Disaster responses require the rapid flow of funds, which results in an increased risk of corruption. The establishment of appropriate mechanisms to track aid flows from source to end-user and to publish this information is crucial.

Tracking systems designed to respond to emergencies and manage and channel information to and from all stakeholders can contribute to coordinating, monitoring, and managing the overall rebuilding effort in a given country. Such systems not only trace needs and commitments, but also help meet legitimate expectations for transparency, accountability, and sound governance. It is important that these tools be developed, owned, and maintained by affected governments and communities, and used to coordinate the support of all providers of relief and reconstruction, including donors, as well as local and international non-governmental organizations.

National tracking systems need to show the funding mechanism, preferably on budget, and the contribution of multi-donor funds set up to respond to catastrophes. These systems should contain information comprehensive enough to respond to government and donor exigencies,

yet simple enough to be accessible by affected communities. International organizations and donors should support the development and maintenance of such national tracking systems; collate national information for cross-country comparison; and implement compatible international tracking systems.

### **Oversight, monitoring, and evaluation**

Effective, independent monitoring and evaluation are key to ensuring the transparent implementation of relief and reconstruction programs. The development and application of mechanisms to facilitate such monitoring are of great importance. Effective internal control and external auditing should be complemented by community-led approaches, such as people's audits, that reinforce accountability towards affected populations. Such approaches should be promoted by governments and by donors, and all stakeholders should implement the necessary action to rectify problems identified. All stakeholders should commit themselves to maintaining adequate accounts and providing timely, transparent, comprehensive, and accessible information on programming, aid flows, and expenditure.

### **Effective mechanisms for enforcement and the handling of complaints**

Affected countries should provide accessible grievance procedures, including corruption reporting channels and protection for whistle-blowers in the context of humanitarian relief and reconstruction efforts, for private and public sector employees, the media, and the general public.

## **Preventing Corruption in Humanitarian Relief Operations: The Experience of Indonesia in Post-Tsunami Reconstruction**

### **Situation in Indonesia**

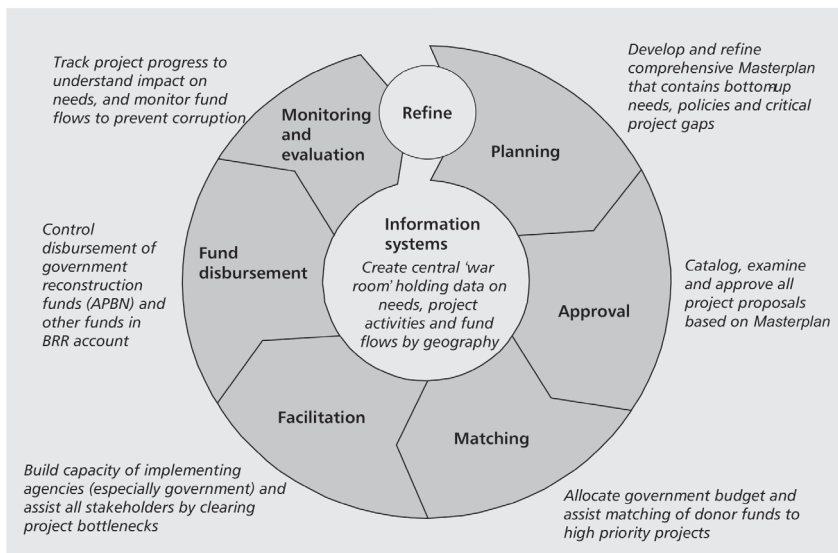
The first phase of emergency relief in Indonesia in the wake of the December 2004 tsunami has borne impressive results: community involvement has been high and the response to the tsunami was speedy. While emergency relief continues, the second phase—reconstruction—has begun. The emergence of a plethora of agencies and a wide range of assistance necessitated a governance and coordination framework. The government established the Rehabilitation and Reconstruction

Agency (Badan Rehabilitasi dan Rekonstruksi, BRR) for Aceh and Nias, and its Supervisory Board and Executing Agency (BAPEL) in April 2005. The mission of BRR is to restore livelihoods and strengthen communities in Aceh and Nias by designing and implementing a coordinated, community-driven reconstruction and development program with the highest professional standards. BRR matches resources to priority needs and helps ensure integrity in the use of the billions of dollars coming from Indonesia and around the world.

Among BAPEL's goals is to build local and national capacity to ensure long-term good governance and to prevent and punish corruption in reconstruction projects. The agency has a zero-tolerance policy towards corruption. Its anti-corruption strategy includes guidelines, codes of ethics, and anti-corruption declarations, especially in the areas of procurement, partnership, and capacity building in implementing agencies, including the central Government. These measures aim to prevent, detect, and investigate corruption—as do the system for placing and processing complaints, spot checks executed by investigation teams, and measures to enhance transparency (including the use of information technology). Additional safeguards where money comes through government systems, as well as external audits, have been put in place.

Seven main activities have been assigned to BRR (see Figure 5.1). In its first 45 days of operation, BRR has met with a number of successes. It successfully reviewed existing projects, valued at USD 1.2 billion, and approved a further 182 NGO and donor projects at USD 586 million. The agency led the revision of the 2005 budget to secure approval of grants, loans, and debt relief amounting to USD 863 million, and cleared administrative obstacles for NGOs and other agencies so that project work could continue. BRR also set up a one-stop shop for visas and obtained clearances for 1,300 containers held up at port, further facilitating reconstruction work.

Figure 5.1: Main Activities of BRR

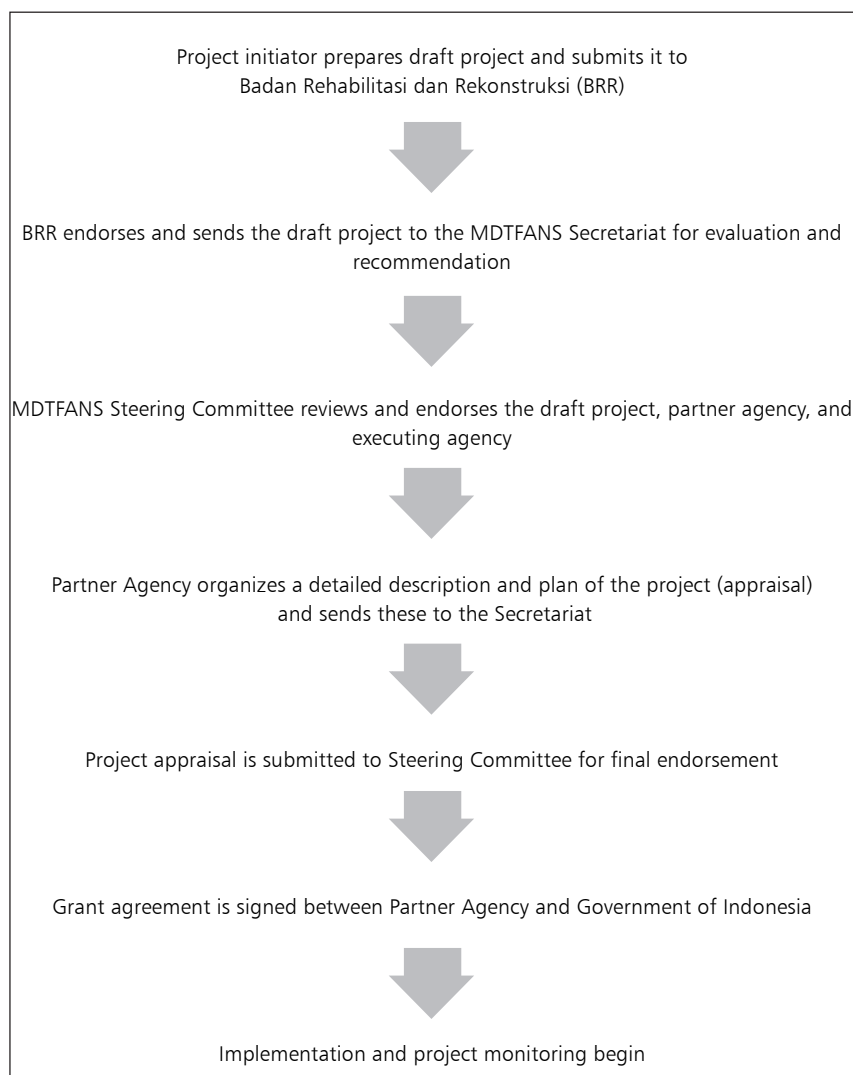


## Multi-Donor Trust Fund for Aceh and North Sumatra

The Multi-Donor Trust Fund for Aceh and North Sumatra (MDTFANS) is a partnership of the international community, the Indonesian Government, and civil society to support the recovery following the earthquakes and the tsunami. It contributes to the recovery process by providing grants for quality investments that are based on good practice, stakeholder participation, and coordination with others. In doing so, the MDTFANS seeks to reduce poverty, (re)build capacity, support good governance, and enhance sustainable development. There is a seven-step approval process for MDRFANS project funding, illustrated in Figure 5.2. Each project is required to have an anti-corruption plan based on disclosure, civil society oversight, complaints handling, collusion mitigation policies, mitigation of forgery and fraud, and sanctions and remedies.



Figure 5.2: MDTFANS Project Approval Process



### Oversight and transparency

Many measures for close oversight and improved transparency have been initiated. Monitoring will be carried out by Indonesian anti-corruption NGOs. The Corruption Eradication Commission (Komisi Pemberantasan Korupsi, KPK) will establish an office in Banda Aceh. Several communications tools have been created to ensure wide

dissemination and accessibility of information. The Unitary Website for Aceh, Nias Island, and North Sumatra Reconstruction Information Sharing, at [www.e-aceh-nias.org](http://www.e-aceh-nias.org), has centralized several information sources from the Government of Indonesia and the donor community related to post-tsunami reconstruction efforts. The MDTFANS newsflash, available at [www.mdtfans.org](http://www.mdtfans.org), provides a regular, concise overview of the status of MDTFANS concepts and projects. It covers the activities of the Secretariat and outlines upcoming events and documents. *Ceureumen* is a twice-monthly supplement of Aceh's main local daily newspaper, *Serambi*. *Ceureumen*, "mirror" in the Acehnese language, is designed to reflect the needs of tsunami survivors and help them keep in touch with the process and progress of reconstruction. Acehnese journalists, working together with Internews, an international non-governmental organization specializing in humanitarian media coverage, produce a regular two-hour radio program on Aceh reconstruction, *Peunegah Aceh*, which is broadcast throughout Aceh. Once every two weeks, the *Ceureumen* team does a 20-minute radio talk show during the *Peunegah Aceh* program, with invited guests and other journalists, based on the cover story of the latest issue. Aceh universities are planning to create a Centre for Rehabilitation and Reconstruction Information (PIRR) to provide oversight to reconstruction efforts.

### **Persistent challenges**

Whereas such communications innovations constitute important progress, reconstruction requires functional institutions as well. Aid delivery continues to be hampered: government money is often delayed for months and donor pledges are slow to materialize; local government suffers from absenteeism and from "shadow projects"; central and local government agents demand brokerage fees in return for relief. In some cases, development budgets are actually cut to meet reconstruction needs.

The biggest challenge is combining aid delivery with reform. BAPEL's planned anti-corruption framework is replete with checks and controls, which can slow reconstruction. While facilitating reconstruction, BAPEL also seeks to reform systems by strengthening local governments, promoting effective relations between central agencies and local level actors, and enhancing accountability regimes at all levels of government.

Tensions and trade-offs between anti-corruption work and delivery of humanitarian aid are inevitable. Some of these tensions may stem from the high salary supplements for government officials who implement

reconstruction projects or from the creation of district-level project management/enforcement units in major towns and cities. Another difficulty arises from the fact that during the time required to build complex anti-corruption systems, suspect projects and activities are launched. Finally, there are potential difficulties inherent to the relationship between those who deliver aid or guidance and those who receive it. Those who are advised and assisted in reconstruction may become frustrated: “If you know better than we do...why don’t you do it all?” Stakeholders are working to find solutions for both effective delivery humanitarian aid and anti-corruption work that respond to the needs of all involved.

## Conclusion

There are several strong points to be highlighted in the efforts to fight corruption in the delivery of post-tsunami humanitarian aid and reconstruction work in Indonesia. A single governance and coordinating agency with authority and integrity has been established. There are high levels of community involvement in small-scale activities. Clear anti-corruption standards and strategies for projects have been put in place, as have effective measures for transparency, access to information, complaints management, oversight, and monitoring.

Important questions remain, however, on how best to manage trade-offs or compromises between swift delivery of humanitarian aid and efforts to prevent, detect, and punish corruption. In the context of post-tsunami Indonesia, lives are at stake.

- Can immediate actions be taken to secure greater integrity and efficiency, while working towards a more complete strategy, *without* slowing delivery?
- Are there more streamlined, swifter ways to increase integrity and efficiency until better, more comprehensive systems are built?
- Can early successes towards fast, corruption-free delivery of aid spark a demonstration effect, providing an impetus for high standards and best practices in future projects?
- Could a single procurement agent be envisaged?
- Can tracking and monitoring for each project be simplified?

## Note:

<sup>1</sup> Expert Meeting on Corruption Prevention in Tsunami Relief, 7–8 April 2005, Jakarta, Indonesia; jointly organized by ADB, OECD, and Transparency International, and hosted by the Government of Indonesia.

# Corruption in disaster relief operations: Risks and pitfalls

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Nicholas Stockton

Director

Humanitarian Accountability Partnership-International

On a recent visit to Aceh, it was explained to me that there is a clear moral distinction between theft and fraud—or “trickery” as it more accurately translates into English—the latter being much less reprehensible and in particularly audacious cases perpetrated against less sympathetic targets, even considered to be rather admirable. Yet in spite of the tsunami relief operation channeling unprecedented amounts of cash into what Transparency International’s CPI index rates as the eighth-most-corrupt political economy on earth, after six months none of the relief agencies that I visited was able (or willing?) to admit to having themselves experienced a single case of fraud, although, somewhat curiously, all believed that other agencies had encountered such problems. Similarly, in 2003 while evaluating a major donor’s USD 220 million Kosovo relief operation, I was told by its foreign ministry’s audit department that not one case of financial misappropriation had occurred in any of the 217 completed contracts managed by 44 different implementing partners—a remarkable record of perfect implementation in a territory widely thought to contain one of the most criminalized economies in existence. If you took such aid donors and implementing agencies reports at face value, you would be bound to conclude that the management of humanitarian resources is nigh on perfect and that this conference might be well advised to turn its attention to other sectors.

However, on challenging the plausibility of this official record of perfect performance in Kosovo, I was told by the field coordinator in charge that he had been made aware of at least one allegation of serious fraud, but had not followed this up because “this was not in my job description”. I also learned that the Ministry’s audit process is routinely conducted in the headquarters of the implementing agencies, and that no visits are made to the field. Thus, the absence of reported cases of fraud is more likely an indication of chronically weak financial management and audit controls, rather than an indication of peerless management. This particular donor’s practices are not, I believe, unique. For example, a new initiative led by Transparency International to engage aid agencies in seeking solutions to the problem of corruption within the humanitarian aid system seems to

have encountered widespread disinterest in the issue among operational humanitarian agencies.

All of this points to a rather disturbing problem about the phenomenon of corruption in humanitarian aid operations. The agencies themselves appear to be in a state of general denial about the scale of the problem, in large part, I suspect, because there is a widely held assumption that any public acknowledgement of the existence of financial mismanagement would lead to a loss of donors', taxpayers', and politicians' confidence in the aid system, and thus threaten their income. This simplistic and, I believe, ultimately self-defeating public relations policy promotes *systemic* underinvestment in corruption control measures, which in turn produces a *systematic* under-reporting of fraud and corruption. While preparing this talk I took a look at the annual reports of six major NGOs, not one of which reported even a single case of fraud or offered any general estimate of "shrinkage". In my view, without the scale of the problem being measured and acknowledged, it is highly improbable that financial malfeasance is being adequately controlled by humanitarian agencies. Thus, the first hurdle in addressing the challenge of corruption is to persuade the donors and relief agencies that this is a "mission-critical issue". But how can we calibrate the scale of the problem when the aid system is in a state of collective denial that there is a problem in the first place? Indeed, perhaps they are right?

From almost 30 years of involvement in the aid system, over half of which I have spent "in the field", I am quite convinced that there is a veritable iceberg of corruption, with the great majority of it remaining undetected and unreported. Why do I think it is so ubiquitous a problem? There are a range of organizational, system, and contextual risk factors at play here.

## Organizational Issues

- Most humanitarian assistance projects are chronically *under-managed* in the field, mainly because of pressure from donors to meet unrealistically low "overhead" ratios. As a consequence, the typical relief project manager works 80 hours per week. It is all too easy to exploit the benefits to the system of such apparently heroic devotion to the mission, while ignoring the inevitable costs of this form of organizational irresponsibility that is incurred by field staff and ultimately also by intended beneficiaries.
- Largely because of this management overstretch, *due diligence* in human resource and financial management is rarely fulfilled. Staff

(local and international) is often recruited without proper checks, job descriptions are usually inadequate, unrealistic, or non-existent, performance management is usually absent or ad hoc. Because of shortsighted and dysfunctional human resource management practices, most relief aid is administered in the field by staff on very short-term contracts that seem almost purposely designed to encourage organizational disloyalty and all its attendant ills. The average first-phase deployment of senior emergency operations managers in response to the tsunami was probably about three weeks.

- The “*culture of urgency*” that characterizes humanitarian field operations is antipathetic to the nurturing of a “*culture of accountability*”. An almost theatrical obsession with speed means that managerial oversight is de-prioritized, and this in turn increases opportunities for corruption. Relief aid managers are subject to a perverse incentive to ignore cases of fraud because of a combination of the time-consuming consequences of fraud investigations, on the one hand, and a desire to not be tainted by the discovery of corruption, on the other.
- The habitual dependence of most major relief agencies on *expatriate managers* (more often than not, male) means that the humanitarian system’s key managerial cadre are too often devoid of local language skills and adequate cultural knowledge. Corruption is frequently perpetrated through bent procurement practices, and many expatriate managers have insufficient knowledge of local markets to be able to “sniff a rat” and initiate investigative proceedings. How many national staff appointed by expatriates are locally renowned as persistent crooks?
- The remoteness from headquarters of most humanitarian work provides by default unusual degrees of managerial autonomy in the field, allowing individualistic, arbitrary, and *authoritarian management styles* to thrive. When combined with a managerial culture that condones that oft-heard claim that “I am too busy saving lives”, good practices of consultation, participation, complaints handling, and redress mechanisms attract only meager management support. The absence of transparency, coupled with the top-down and supply-sided characteristics of the relief industry, militates against “community policing” and whistle-blowing behaviors that are essential for identifying and preventing corruption.
- Although there are a few NGOs capable of mounting sizeable relief operations, a combination of donor preference and NGO

competition tends towards *relief operations being highly fragmented*, with the individual agencies then unable to enjoy the economies of scale that would allow them to employ, for example, the procurement and internal audit specialists needed to establish a far more robust control environment in the field. Small is not always beautiful. In the international relief business, it may be something of a curse.

## System Factors

- The standard practice of aid coordination typically encourages and then sanctifies the creation of mini aid agency “*bush governorates*”, often reflected in the popular labeling of particular villages, provinces, or refugee camps. The CARE camp, the World Vision village, and the Oxfam region all reflect a standard system of humanitarian coordination that seems to respect the principle of political patronage more than performance and quality management. This further exaggerates already grossly asymmetrical power relations between aid provider and beneficiary and would automatically lead any principal-agent theorist to predict with great confidence a high incidence of cases of *inappropriate choice* (e.g., agencies being contracted to do tasks for which they are not competent) and *moral hazard* (e.g., the failure to secure the informed consent of beneficiaries to specific interventions that might be harmful to their interests). Indeed, humanitarian aid beneficiaries are typically denied any choice in the selection of the aid provider by humanitarian coordination mechanisms, and legitimate complaints are all too often dismissed as the work of political troublemakers or rent-seeking freeloaders. Agencies are normally loath to criticize each other and in most cases there are no systems for the safe handling of complaints. The costs of corruption and fraud are, of course, ultimately borne by the legitimate intended beneficiaries of relief work, and while they remain profoundly disempowered, they, who have most to gain from anti-corruption measures, are invariably excluded from participating in its identification and prevention.
- While aid coordination practices tend to reinforce contract- rather than market-based behavior, this *oligopolistic* tendency is further reinforced by the nature of the donor system that allocates resources first on the basis of national affinity, with results-based performance appraisal being of secondary concern at best, if indeed it figures at all. This takes me back to my Kosovo study, and the fact that all emergency aid contracts were awarded to organizations from the

donor country, none of which had been subjected to a system of pre-contract appraisal or any meaningful post-contract quality assurance. Similarly, when researching the practice of “strategic coordination” in Afghanistan in 2002, I came across one donor that had imposed one of its officials on the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) to ensure that the NGOs from the donor country received “their fair share” of the avowedly “unrestricted” contributions made by that donor to the UN’s emergency trust fund.

## Contextual Factors

- The great majority of relief operations are conducted in weak, fragmented, contested, or failing states, usually with *corrupted police and judicial systems*. Furthermore, agencies can rarely depend on the forces of “law and order” to comply with basic standards of due process. On various occasions in Sudan and Uganda I have found myself pleading, sometimes in vain, with enthusiastically brutal policemen not to torture potential witnesses, to refrain from the practice of subcontracting witch doctors for crime detection through divination, and not to abandon suspects to summary mob justice. Initiating a criminal investigation can often have quite horrendous consequences, and many relief workers have witnessed suspects being lynched for petty or even non-existent offences. In some contexts, the pursuit of accountability can be counterproductive in humanitarian terms.
- Another confounding factor for transparency and accountability is the *weakness of civil society* in most humanitarian theatres. Local NGOs—or their staff—are invariably contracted into the international aid system through the popular practice of “partnerships for capacity building”, and with this goes their independence. Local news media are invariably under-resourced and (a fatal flaw) are produced in local languages that have next to no penetration into the international aid milieu. It seems that humanitarian aid corruption stories have no leverage value until they hit CNN. In fact, allegations of aid agency corruption are frequently made in local newspapers, but these are rarely exported to the northern news media. A recent article by Michael Wrong of the UK *Financial Times* points out that foreign correspondents such as herself are now so dependent on the aid system to get out to remote field sites that they are reluctant to file stories that might be seen as “biting the hand that feeds them”.



These external hazards, combined with the systems and organizational vulnerabilities described above, must generate a significant degree of “shrinkage” in donated resources, yet this remains unacknowledged and thus largely uncontrolled. When confronted with an oligopoly in denial, it is all too tempting to turn towards challenges that offer more obviously achievable solutions. This is perfectly rational, and is indeed the reason why so many good people in the aid business appear to be behaving like ostriches. However, I still think that we can do better than this.

First, international relief aid is founded on a moral rather than a commercial calculus, and the “bottom line” is about basic life, health, and dignity. The opportunity costs of corruption and fraud within the humanitarian system can thus be calculated in terms of lives lost, morbidity not averted, and dignity denied. Surely, you might think, this is self-evident? Unfortunately, it is not, and I suspect this is not unconnected to the abnormally low levels of numeracy among aid agency managers. Well-planned research that measures the scale and the opportunity costs of corruption and fraud within the aid system would, I believe, have the same galvanizing effect on the humanitarian aid system as the punch delivered by the Save the Children UK/UNHCR report on sexual exploitation by aid workers in West Africa in 2003. A determined effort to stamp this out followed, and while I am sure that this scourge has not been eradicated, it most certainly has been checked, after years of system-wide denial that it was even an issue. Once the scale and consequences of the wider dimensions of corruption have been enumerated and explained, I believe action will follow.

Second, there are a number of initiatives under way to improve humanitarian emergency management practices. For example, the French inter-agency forum Coordination-Sud is promoting a quality management system specifically adapted for humanitarian emergency projects. Humanitarian Accountability Partnership-International (HAP-International) has initiated an Accountability and Quality Management Standards Development Project, with a view to establishing an accreditation and certification scheme in the latter part of 2006. At the national level, we know of several other initiatives for developing stronger mechanisms for self-regulation, most of which cite enhanced transparency and accountability as both an aim and an output. To complement these, I believe that an international humanitarian managers association needs to be formed to create a stronger motor for the promotion of more coherent quality management processes within the aid system, and in particular to challenge the ludicrous and perverse donor policies that treat management as an undesirable cost, and coordination as a free good.

Third, and in my view perhaps most critically, there is a trend towards strengthening accountability to the intended beneficiaries of humanitarian action, both at the level of agency leadership and in the field. The inaugural speech of the new High Commissioner for Refugees, Antonio Guterres, and a recent paper published by the UN Relief Coordinator Jan Egeland might both have been scripted by HAP-International. Having publicly stated the fundamental importance of transparency and accountability to the subjects of humanitarian action, both agencies must surely now take practical action to follow these commitments through. At the other end of the system, we in HAP-International see small, but in their own way quite dramatic, changes in accountability field practices. Oxfam's public notice boards and complaints boxes in Aceh are just one of many signs that reform is under way where it probably counts most. There is much still to do, but if the asymmetrical power relations between aid agencies and beneficiary populations can be addressed through the provision of accessible and safe complaints-handling mechanisms, those with the most to gain from preventing corruption will at last be in a position to play their rightful and crucial part.

To finish, my first experience of community-managed relief aid distribution convinced me over 20 years ago that real participation is the most potent tool to control fraud and corruption in the relief system. Nothing I have seen since persuades me to revise that opinion. However, to make this happen more systematically we must first identify, and persuade donors of the case to fund, an optimal management quotient for humanitarian emergency operations; we must replace the hard incentives for denying the existence of corruption and mismanagement with a system of resource allocation that rewards the application of good-quality management, transparency, and accountability principles; and finally, we need an independent mechanism for verifying agency compliance with these.

# Preventing corruption in reconstruction operations after the Kutch earthquake

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Pramod Kumar Mishra

Member Secretary, National Capital Region Planning Board  
Ministry of Urban Development, India

## 26 January 2001: A Terrible Human Tragedy

The date 26 January 2001 was marked by one of the most destructive earthquakes ever recorded on Indian soil. The natural catastrophe, hitting the country already in the wake of two consecutive years of drought, inflicted enormous damage to life and property in Kutch (Kachchh) and some other districts of Gujarat State, leaving the entire nation in a state of shock and gloom.

The massive earthquake—one of the worst in the last 180 years—measured 6.9 on the Richter scale (7.7 on the Mw scale) and was felt across most of India and Pakistan. The seismic activity's epicenter was Kutch, where the old towns of Bhuj and Bachau were flattened and severe damage was inflicted on the towns of Anjar and Rapar. Overall, 7,900 villages were affected and more than 400 villages were completely destroyed.

The earthquake, and a large number of aftershocks, affected more than 10 million people. The number of lives lost is 13,805; 167,000 people were injured and over 1 million homes were destroyed.

The United Nations Children's Fund has estimated that as many as 5 million children were directly affected through the loss of family, home, or school. Authorities have estimated that 15,000 schools were damaged or destroyed, along with more than 300 hospitals. Massive damage was also inflicted on water and sanitation systems.

More than 20,000 cattle were killed. More than 10,000 small and medium-sized industrial units went out of production, and 50,000 artisans lost their livelihoods.

In financial terms, the estimated direct loss adds up to USD 3.3 billion (for private property, livestock and other animals, municipal infrastructure, power and telecommunications infrastructure, health care and education assets), USD 635 million for indirect losses (exports and imports; agricultural, industry, and services output; remittance income; lost earning potential due to disability, trauma, etc.; unemployment, health hazards), and USD 2.1 billion for tertiary losses (long-term development, overall

investment climate, funds reallocation, community migration and relocation).

For residents of the area, the devastation was immediate and seemingly unending. The collapsed infrastructure and the loss of life undermined determination and optimism, even in a part of the world that is familiar with struggle.

### **Short- and Medium-Term Reconstruction and Rehabilitation**

In the aftermath of the earthquake, both state and society had to gear themselves for the long-haul task of reconstruction and rehabilitation. The government of Gujarat undertook a wide-ranging reconstruction and rehabilitation project. It was specially designed to address the needs of beneficiaries comprehensively and was composed of capacity building, housing, urban reconstruction, education and health care, livelihood rehabilitation, social and economic rehabilitation, and physical infrastructure reconstruction. The cost of the program was estimated at USD1.5–2.0 billion, with housing, education, and water supply constituting its largest components.

The concerted efforts of non-governmental organizations (NGOs) from across the country and the globe ensured that immediate relief was provided to the villagers, in the form of temporary housing, medical supplies, food, and clothing. The main concern was the repair and reconstruction of the villages to enable villagers to return to normal lives as soon as possible. The government also appealed to NGOs and private organizations for assistance in rebuilding shattered villages where the structural damage sustained exceeded 70%. If the involved NGOs or private organizations agreed to follow prescribed government guidelines for building, the government would often agree to bear 50% of the capital costs.

The short- and medium-term rehabilitation policy was targeted to offer immediate, effective, and transparent relief. The program comprised 28 reconstruction and rehabilitation packages, providing for 1.2 million beneficiaries and covering the rehabilitation of orphans and women, rural and handicraft artisans, housing, capacity building, industry, trade, services, agriculture, and tourism. These rehabilitation projects envisaged the revival of livelihood and economy, the resurgence of trade and enterprise, and the renewal of social capital, as well as the reinforcement of critical infrastructure.

During the first four years, an extraordinary number of tasks were accomplished. About 95% (898,816) of the affected private houses, 75%

of all 12,896 affected public buildings, and all 44,215 affected schoolrooms were repaired. One-third of 9,019 kilometers (km) of broken-down transmission and distribution lines and 75% of destroyed roads were restored, and about 80% of 2,700 km of needed water supply and sewage pipelines were laid. Furthermore, the livelihoods of 200,000 families were restored, to name just a few accomplishments.

## Ensuring People's Participation and Transparency

A key lesson learned following the Kutch earthquake was that people had to be involved in the reconstruction and rehabilitation process. The entire process had to be people-centered and participatory. To create awareness of the forthcoming process and to obtain acceptance and cooperation, policies and actions had to be as comprehensible and transparent as possible. In addition, an extensive system of internal and external audits allowed for reviewing and, where necessary, revising procedures or decisions taken.

### Formulating policies

A state-level advisory committee comprising representatives of the government, academic or management institutions, NGOs, and industries was formed to assist and advise in policy formulation. An operations manual for project implementation was prepared in consultation with funding agencies, clearly spelling out powers and responsibilities. The housing reconstruction program was designed in an owner-driven way to ensure homeowners' participation. Finally, a program of public-private partnership was set up to secure public participation by further involving concerned NGOs, and to enhance transparency.

### Creating awareness of policies

To create awareness not only of the project as a whole but also of ongoing processes and applicable procedures, the state government issued advertisements in the relevant newspapers at regular intervals on the individual rehabilitation packages. Government resolutions were translated into the Gujarati language and made available to the public and to NGOs. They were also published on the website of the Gujarat State Disaster Management Authority (GSDMA), [www.gsdma.org](http://www.gsdma.org), which is still used and updated regularly. Furthermore, a booklet containing a list of frequently asked questions and corresponding answers about the

available assistance and the disbursement procedure was prepared and distributed to the public and NGOs. Finally, video shows were held in two phases in affected villages to inform people about the assistance packages and to educate them about earthquake-resistant construction methods.

The Gujarat State Legal Aid Services conducted legal literacy camps in 1,800 villages to educate people about their eligibility for assistance, legal rights, and mechanisms for redress of grievances. Information kiosks were also installed in various places to provide information about assistance schemes and beneficiaries, as well as about financial resources available and disbursed.

NGOs also contributed to the public awareness and education campaign, for instance through a network of public information offices named "SETU" providing guidance on policies and acting as an interface between the affected people and the administration.

### **Assessing damage**

Damage assessment was another area in which public participation was crucial in providing equal treatment to the affected population and ensuring that aid was disbursed in a fair, effective, and appropriate manner. Each damage assessment team consisted of an engineer, a revenue department official, and a local schoolteacher or member of a local NGO. Each evaluation was subject to objective criteria and followed clear and predefined guidelines for damage assessment. To avoid inconsistency, damaged houses were assessed and photographed and this information was archived. A system for reviewing decisions on rebuilding damaged structures was put in place; despite the above-mentioned precautions, such measures became necessary in quite a few cases in which a lack of uniformity in damage assessments was detected.

### **Implementing the project**

In addition to public participation in damage assessment and awareness raising about the rights of affected people, the government of Gujarat further sought to integrate local people into a number of other crucial areas of concern. Decisions on relocation, for instance, if applicable, were taken by local self-government institutions at village level. Debris removal was conducted by a village-level committee, though problems arose in a few cases. Village civil works committees accomplished the repair of classrooms. Furthermore, town planning schemes were prepared

in consultation with the affected people; development plans, especially for the four worst-affected towns, were prepared in consultation with all stakeholders.

Moreover, housing assistance was linked to physical progress in reconstruction and was offered and released in installments. Those installments were released only upon the issuing of a quality certification by government engineers and were carried out by direct payment—in most cases through bank accounts—to the homeowners. At the same time, third-party quality audits of all the houses being reconstructed were conducted by independent agencies not involved in the rehabilitation and reconstruction program.

### Monitoring

The implementation of the program was monitored by a state-level advisory committee consisting of eminent public persons, NGO representatives, and other experts. In addition, a central implementation review group assessed and monitored implementation. Further periodic review was conducted by institutions like the Asian Development Bank (ADB) and the World Bank, as well as state-level review groups. GSDMA submitted monthly, quarterly, and annual reports to all concerned.

National commissions for minorities, socially weaker groups of society, and women were also involved in the implementation review. Social impact assessment studies were conducted to provide for real-time feedback by the affected people. Benefit monitoring and evaluation was put in place to ascertain the delivery of benefits, especially to the socially and economically weaker groups of society, women, and other vulnerable groups.

### Obtaining redress of grievances

As for redress of grievances, the reconstruction and rehabilitation program foresaw two types of committees, one at village and the other at district level. The village-level committee included a member each from the socially weaker groups of society, women's organizations, and the minority community. The district-level committee comprised five NGO representatives, a social welfare officer, the president of the local self-government, and all elected members of the legislative assembly and parliament. The district judge acted as ombudsman to inquire into any complaint and direct the district administration to follow up if needed.

## Avoiding Corruption in Humanitarian Relief and Reconstruction

Full transparency of the entire process is crucial to ensure the project's effective operation and people's participation. It is also a fundamental precondition for meeting another principal objective of the reconstruction system, namely, to minimize corruption and damage deriving from it.

In this context, the reconstruction and rehabilitation project paid special attention to the procurement of goods and services, which is highly vulnerable to corruption, even under normal circumstances. Other decisive factors to bridle corruption were the maintenance of financial discipline and the implementation of distinct disciplinary proceedings and anti-corruption measures.

### Public procurement

The procurement system provided for proper delegation of powers. Procurement approval was located at different levels, as follows:

Rs10 million:	Secretary of the Department
Rs20 million:	Secretary of the Department and Chief Executive Officer, GSDMA
Rs20–50 million:	3-Member Committee composed of the Secretary of the Department; the Chief Executive Officer, GSDMA; and the Secretary of the Finance Department
Over Rs50 million:	Governing Body

The standard procurement procedures of ADB and the World Bank were applied to all procurement related to the Kutch earthquake reconstruction. To gain broad awareness and attention to open tenders and the tendering process, notices for pending procurement of goods and services were advertised on the GSDMA website and in leading newspapers in regional and national languages. To prevent corruption in public procurement, the concerned authorities attempted, where feasible, to initiate a system of e-tendering. Expert committees were specifically established to conduct technical evaluations of received tenders, and before projects could be implemented, administrative approval had to be sought from the GSDMA.



## Financial discipline

To oversee financial discipline during the reconstruction, an independent professional accounting system was set up. It consisted of day-to-day internal as well as statutory and Comptroller and Auditor General of India audit. Annual financial statements were subject to statutory audit certificates provided twice a year or yearly.

## Disciplinary proceedings and anti-corruption measures

Various steps were taken to ensure disciplinary proceedings and provide for appropriate anti-corruption measures. A special system was established for reporting suspicions of corruption. Verification and departmental proceedings were set up. On the law enforcement side, a number of arrests and legal prosecutions were initiated in some cases.

## Summary

Following a massive earthquake causing widespread damage and destruction, the government of Gujarat State succeeded in installing a comprehensive reconstruction and rehabilitation program involving NGOs, industries, and other institutions. The program consisted of various features such as an owner-driven approach to housing reconstruction; participatory decision making at various levels; the involvement of affected people, people's elected representatives, and civil society; and the decentralization of decision making. Autonomy and delegation of powers, independent audit and review systems, social impact assessment, and benefit monitoring studies played a decisive role as well.

The government of Gujarat specially designed the project, taking into account the importance of the transparency of policies, proceedings, and actions, and of people's participation and integration, to ensure widespread and multi-stakeholder cooperation in avoiding corruption.

## Note:

This contribution is a slightly modified version of a paper published in *Curbing Corruption in Tsunami Relief Operations*. Proceedings of the Jakarta Expert Meeting organized by the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific and Transparency International (Jakarta, Indonesia, 7–8 April 2005), Manila, Philippines: ADB, OECD, TI. 2005.

# Sri Lanka's experience in preventing corruption in disaster relief operations

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JC Weliamuna

Executive Director

Transparency International Sri Lanka

There are a number of overall concerns related to humanitarian relief operations that arise after a major disaster. Saving lives and the race against time become the overriding priorities, whereas developing and following a systematic approach become a secondary priority. There may be a sudden inflow of substantial amounts of aid; however, the lack of a coordinated approach to manage this aid becomes problematic. In the wake of a major catastrophe, transparency and accountability are often seen to be both less important and more difficult to achieve. There is a heightened need for flexibility in the rules that govern aid delivery in order to provide effective and quick relief. Finally, unexpected reconstruction often creates substantial economic opportunities.

## Risks and Considerations in the Delivery of Relief Aid and Reconstruction

In the period immediately following an emergency, there are certain risks for corruption during the phase of providing relief aid. The procurement of goods and services for relief operations is performed through emergency contracting processes that accelerate contracting mechanisms (direct contracting). There is often no record keeping of these contracts that allows for ex-post transparency, accountability, or monitoring. The distribution of goods and services is prone to fall prey to corruption networks and bureaucratic obstacles that impede access to those in need, limit the volume of goods that are actually distributed, and lower the quality of the delivered goods. It is difficult to track the inflow of funds and therefore difficult to assess whether they reach their intended destination. Moreover, private funds are less easily identified and tracked than public and international funds; hence, expenditures and disbursements are even more difficult to monitor. However, the overriding need to save lives makes the timeliness and efficacy of the relief response a priority. Measures that introduce onerous bureaucratic requirements and unnecessary delays should be avoided. Corruption prevention efforts should be focused on the subsequent reconstruction stage.

Reconstruction efforts are often concentrated on rebuilding (or building) housing facilities and infrastructure and entail many contracting processes. Obscure and closed contracting processes create waste, adversely affect quality, and create an unfair distribution of wealth among those individuals and companies that profit from the disaster. Perversely, inappropriate contracting processes can also perpetuate these problems in the long term. Damage and needs assessments must be conducted carefully, with the participation of stakeholders, in particular those affected by the catastrophe. Otherwise, waste and extravagance are unavoidable. Waste is even more prevalent when programs are not country-driven. Unplanned development projects and “expensive expatriates” recruited for simple projects add to the burden of a country. This commonly occurs when donors impose unfair conditions without identifying country specifics.

### Overview of the Sri Lankan Post-Tsunami Scenario

As in other affected countries, the tsunami was an entirely unforeseen catastrophe requiring the immediate attention of a large number of international and local actors with no precedent to fall back on for guidance. The Government was slow to respond at first, but ultimately managed to secure international support. The people themselves, civil society and religious groups, led the initial phases of relief, without allowing further death or disaster, such as disease outbreaks or other public health catastrophes.

On 17 January 2005, a Task Force for Rebuilding the Nation (TAFREN) was entrusted with ensuring the transparent and efficient use of resources for tsunami relief, recovery, and reconstruction. Because it comprised renowned business leaders who did not, however, have expert knowledge of disaster relief operations, there were allegations that they had been selected primarily on the basis of political connections and that some willing experts had been refused access to the “the nation-building process”. TAFREN has been entrusted to coordinate with and assist government agencies and institutions in their efforts at reconstruction and rehabilitation in the tsunami-affected areas.

At the beginning of the process, all decisions and implementation plans were carried out at central government level. Local authorities and other peripheral institutions, governmental and non-governmental, were involved only to a limited extent, resulting in minimal participation from the different layers of the governance structure and the public themselves. It took some time for the public authorities to recognize the civil society as a partner in the post-tsunami rebuilding process.

Donor aid overwhelmed the country's financial and institutional structures, leading to major questions in the minds of the public. A key concern was whether the accountability framework was strong enough to ensure corruption-free use of aid. The need for intensive public participation and debate to ensure transparency in the use of post-tsunami reconstruction funds came to the forefront of the public debate, mainly because of the exclusion of the affected people at all levels of the post-tsunami recovery process. The absence of a freedom-of-information law, weak parliamentary oversight, and an attenuated anti-corruption body left Sri Lanka in particularly poor shape to monitor the funds correctly and contributed to serious questions about the capacity of the country to handle the aid.

The informal economies (i.e., the fishing community and informal communities), which did not have records of wealth or income, were among the most affected by the disaster. The risk of grossly inaccurate damage and needs assessments could not be ruled out. In this context, a multitude of allegations concerning unethical behavior or misappropriation of relief funds emerged. Rules prohibiting the construction of houses within a buffer zone (100 meters west and south and 200 meters north and east of the affected areas) were introduced, rendering landless the people in these areas whose houses were affected. It was felt that the views of the affected people and other stakeholders had not been properly sought in formulating or introducing these rules and, therefore, that such rules had been decided on arbitrarily, rather than on the basis of a careful assessment of the situation.

The North and East conflict made the situation worse. The Liberation Tigers of Tamil Eelam (LTTE) and the Government took a long time to agree on a way to ensure relief and reconstruction aid to the affected people in LTTE-controlled areas. Mishandling of the negotiations led to further conflict and political turmoil. There is a common view that neither the Government nor the LTTE should be permitted to waste or misappropriate foreign aid, whether in Government-controlled or LTTE-controlled areas.

In a welcome move, the Tsunami (Special Provisions) Act, No. 16 of 2005, came into operation on 13 June 2005, facilitating the handling of legal issues such as issuance of birth certificates, protection of children, and protection of ownership of property affected by the tsunami. Parliament also introduced Sri Lanka Disaster Management Act, No. 13 of 2005, which, among others, established the National Council for Disaster Management to introduce a national policy and program on disaster management and to monitor its implementation in future disasters.

## Way Forward

### Ensure country ownership and public participation

Sri Lanka no doubt has shown its desire to maintain country ownership in designing and implementing the projects that the country has identified on its own. The principle of public participation is relatively new to Sri Lanka, and needs to be introduced and developed from its very foundations. This will require leaving behind the traditional political belief that, between elections, the public has no role to play in policy decisions. In relation to public institutions, local authorities should immediately be included in the reconstruction process. As concerns other entities, the affected people themselves, as well as civil society organizations, need to be consulted at every stage of reconstruction. Months after the disaster, there has been definite progress in recognizing civil society participation in relief and reconstruction operations, and several local and international NGOs are working closely with many public institutions. However policymakers' attitude regarding the role of the civil society still needs to change, especially in the present environment, where some politicians reject NGOs for short-term political gain.

### Strengthen the accountability structure, especially the anti-corruption mechanism

The accountability structure in Sri Lanka mainly involves three institutions:

- The anti-corruption institution (CIABOC),
- The Auditor General's Department, and
- Parliamentary supervision.

The commissioners of CIABOC and the Auditor General (the two organizations on which international support has been focused), in spite of their inherent institutional deficiencies, have shown their commitment to addressing post-tsunami corruption issues specifically. For example, the Auditor General has established a special unit on post-tsunami reconstruction issues. A special Parliamentary Select Committee for Natural Disasters was also formed, although its mandate is restricted to investigating the island's lack of preparedness and recommending steps to minimize damage in the event of a recurrence. Unfortunately, the two financial committees, the Committee on Public Enterprises (COPE) and

the Committee on Public Accounts (COPA), continue to work behind closed doors, devoid of public support and participation. To strengthen the accountability structure further, it is also necessary for the Parliament or its committees, such as the COPE or the COPA, to authorize the Auditor General to conduct value-for-money audits.

### **Ensure free flow of information**

A draft Freedom of Information Law has existed for the last two years but has yet to be passed. But despite the lack of such a law, an administrative practice could be developed by public institutions to release critical data to the public (e.g., financial information, project expenditures, implementation plans, project proposals, details on relief packages together with criteria of distribution, administrative rules governing relief operations and land acquisition). A system where information flows to the public quickly must be developed.

### **Cultivate strong political will**

The fight against corruption in post-tsunami reconstruction cannot be won without determined political will. Strong and committed leadership is needed to bolster and unite the efforts of Sri Lanka's civil society and its government to rebuild and at the same time strengthen mechanisms to enhance transparency and fight corruption, throughout the recovery period and beyond.

## **Annex: A Briefing Note from Transparency International Sri Lanka**

### **Preventing Corruption in Post-Tsunami Relief and Reconstruction Operations: Lessons and Implications for Sri Lanka**

Sri Lanka is still reeling from the trail of devastation unleashed by the tsunami of 26 December 2004. The damage caused is of unprecedented scale and magnitude: large numbers of people have been killed, those managing to survive are displaced and severely traumatized; livelihoods are wrecked beyond recognition; social networks have been dismantled and economic infrastructure has been crippled. Thanks to spontaneous and generous support and solidarity expressed by the global community, normalcy is slowly returning to the ravaged social and economic landscapes. But as we gear up for the painful but necessary step of reconstruction and rebuilding, the spectre of corruption has started to

loom large and ominous on the horizon. Not that this apparition has gone unnoticed. International aid agencies, private donors, and civil society organizations have begun to alert governments on the need to strengthen anti-corruption mechanisms and approaches.

It was against this backdrop that an expert meeting on Corruption Prevention in Tsunami Relief was held during April 7–8, in Jakarta, Indonesia. The meeting, organized jointly by the Asian Development Bank, Organization for Economic Co-operation and Development Anti-Corruption Initiative for Asia-Pacific, and Transparency International, was hosted by the Government of Indonesia. Representatives of the Government of Sri Lanka, several Sri Lankan civil society organizations, and members of Transparency International Sri Lanka participated at this meeting. The meeting concluded with participants recommending a set of principles to prevent corruption in delivering relief and reconstruction assistance to tsunami-afflicted areas.

Key recommendations identified include:

- *All stakeholders* involved in the tsunami assistance must ensure transparency and accountability in their operations, in particular in the management of the financial flows. For this, up-to-date information must be actively made available to any interested party. Further, they should coordinate their respective operations and provide for independent oversight of project implementation.
- As the *affected people's* ownership of the relief and reconstruction process is essential, operations should build on their leadership, participation, and commitment to ensuring the best use of assistance. Relief operations must therefore contribute to the strengthening of local institutions, transfer of technical skills, and should promote policies aimed at preventing corruption.
- *Donors* should coordinate with governments and among themselves to avoid duplication of assistance schemes. They should also establish uniform procurement rules, maintain and publish clear books and records, and provide assurance of full internal and external controls. They must further make a careful assessment of the local conditions so that allocated resources match needs.
- *Governments* must involve affected people and civil society in decision making, ensure information dissemination, and provide easily accessible corruption reporting channels combined with effective mechanisms to encourage and protect whistle-blowers.

- *Non-governmental organizations* play an important role in monitoring the relief and reconstruction process and in reporting any suspicion of corruption to authorities. They need to closely coordinate their activities with governments, donors and among themselves, while ensuring the maximum involvement of all groups of affected people in priority setting and decision making.

## Conclusion

How do these ideas resonate and apply in the Sri Lankan context? TISL strongly believes that certain enabling factors need to be promoted to make sustained impact on the ground.

- If there is one shining example of a positive beacon in the cross-cutting experiences of effective aid relief from different parts of the world, it is “political will”. Clear, committed, and cohesive policy statements and operational directions from the highest levels of the polity send a powerful message of uncompromising political commitment to walk the talk. TISL strongly feels that a visible political will to fight corruption in post-tsunami reconstruction is conspicuous by its absence in Sri Lanka. The need of the hour is a strong and committed leadership to address the phenomenon of corruption that lurks ominously in the shadow of the various aid pledges that have been made in the wake of the tsunami disaster. A good contrast is Indonesia, where the entire polity, cutting across all sectarian divides, has come out in one strong voice to address the emergent concerns.
- Strengthening of local institutions and networks is a must to ensure community ownership and participation in the relief and reconstruction activities. A point to emphasize is the need to identify and promote local expertise; there is a clear danger of applying universal templates to culture-specific contexts and creating solutions that are impractical and, worse, exaggerate existing problems.
- Empowering citizens and affected communities by enacting new legal measures like right-to-information, disclosure laws, and whistleblower protection acts will go a long way in ensuring effective public participation and collaboration in rolling back corrupt practices. TISL strongly calls for the urgent enactment of disclosure norms for all relief and reconstruction activities.
- There is a growing danger that all capacity-building measures related to accountability and transparency will be limited to the relief and reconstruction projects (mostly because of donor compulsions) and



will leave the larger domain of public institutions untouched. There is a strong need to strengthen critical institutions like the office of the Auditor General, independent commissions like CIABOC (Sri Lanka's Commission to Investigate Allegations of Bribery or Corruption) and parliamentary oversight committees. If these wider measures are not taken, there is a strong chance that particular projects will exist as "islands of integrity" in "oceans of corruption".

- The undercurrents of conflict embedded into the social and political fabrics need to be kept in perspective while designing participatory structures for the implementation and monitoring of relief and reconstruction works. The idea of broad-based consortiums should be promoted to make public participation more inclusive and representative.

Transparency International Sri Lanka strongly believes that these ideas, concerns, and suggestions should reverberate within all institutional spaces in the governance arena. The need of the hour is for a constructive inclusive debate and a proactive posture to reflect and review current practices and policies. TISL calls on all members of Sri Lankan society to come together in this process of renovating the governance architecture and collectively and collaboratively work to make Sri Lanka an island of integrity in the true sense.

