

**Written evidence submission from Africa APPG to the International Development Committee**  
**Inquiry on the ICAI report on DFID's approach to anticorruption and its impact on the poor**

1. The ICAI report has implications for the whole donor community and not just DFID. DFID has in fact done more work on anti-corruption than most donors and the Secretary of State has committed to this. The APPG feels that this reveals a deeper rooted problem with the way in which we attempt to tackle anti-corruption and our approach needs to be changed and updated in order to meet the demands of an increasingly globalised world.
2. Often the corruption that has the biggest impact on the poor is petty corruption at the local level. A lack of public services and institutions means that a culture of corruption can become embedded at the local level. Lord Chidgey, Chair of the Africa APPG said-

*"It is disturbing to find that the ICAI review has concluded that they found little evidence that the work DFID is doing to combat corruption is successfully addressing the impact of corruption as experienced by the poor. Furthermore, there is little indication that they are seeking to address the "petty" corruption that most directly affects the poor.*

*In this grey, make do and improvise economy, where every thing has a value and a price, the intervention of local officials and the services they provide access to, has a special place. A characteristic of many, if not most, poor undeveloped countries is weak and inadequate or non-existent local government services. With no structure to deliver effective public health and sanitation, communications and transport, the challenge falls on the Member of Parliament.*

*All too often, the MP's constituency visit is greeted with a general feeling of expectation of reward, or compensation or of political bribe. In the manner of a "19<sup>th</sup> Century Patron", funerals will be paid for, school uniforms and fees would be paid for, wedding parties, christenings, all manner of activities considered by the community to engage the State, would be contributed to.*

*One African MP summed this up for me by saying that every time he went to his constituency, he felt he was being used as a mobile ATM by his constituents. In this environment, it doesn't seem too big a step to move to an expectation that public officials have to be bribed to gain access to basic public services, particularly if they are scarce.*

*There seems to be scope for linking anti-corruption and its impact on the poor with DFID capacity building and institutional strengthening programmes. For example, is there any correlation between levels of corruption when provision and management of municipal and public services is improved, and when school places are available or provision of healthcare in the community improved?*

*Would a robust concentration on markedly improving services provided at local government level go some way to resolve the problem of the impact of corruption on the poor?"*

3. For public services to be improved at the local level, citizens need to make demands on it. Change must come from within and at the community level. Empowering civil societies and strengthening community networks to pressurise local officials into spending the funds on providing for basic public services. In turn, local officials and parliamentarians will have to apply more pressure on the Government to allocate funds correctly. This is no doubt difficult and complicated work that requires full inside understanding of local cultures and relationships, but assisting ordinary citizens and groups to hold their parliamentarians and thereby the executive to account is essential.

4. When there is a lack of transparency of information there will be a lack of accountability and consequently there will be corruption. Therefore, empowering citizens and community based organisations (CBOs) means gaining greater access to information. Projects that work on citizen access to information and supporting institution building should be prioritised.
  
5. In addition to understanding corruption from the community level, a deeper understanding of the power structures and relationships is needed. The forces that drive and encourage corruption must be interrogated, broken down and fully understood. Encouraging officials, politicians and those in power to change their behaviour through soft power techniques has its limitations, looking at where the accountability really lies and changing that is the key. Breaking down erroneous relationships of accountability that encourage corruption must be challenged and changed.
  
6. A prime example of misplaced accountability can often be seen in resource rich countries where the economy and wealth is dependent on a handful of large extractive MNCs that may have competing interests with electorate. This type of scenario can contribute to an environment where rentier behaviour amongst officials thrives. Governments need to be equipped with tools to insulate themselves from such forces and the relationships must re-balanced.
  
7. It has been argued that the lack of ownership of the aid received, especially when tied to conditions such as economic reform, encourages rentier behaviour. Increasing Government capacity to raise funds themselves from taxation will increase an sense of ownership by citizens. Continued work to strengthen the capacity of governments to collect revenue and spend it on public services is important but must be done in conjunction with taking stringent measures domestically and at the EU level to ensure European and UK companies are paying the tax due.
  
8. DFID's anti-corruption strategy needs to build on steps already taken to span across the departments to support and ensure our British companies operating overseas do not become entangled in corrupt dealings themselves. The issue is that when doing business in African countries, bribes for the occasional official are seen as part of the way it works. We need to support our private sector in conducting themselves properly with support of the FCO, wining contracts and doing deals based on open tender and merit.
  
9. In conclusion, the response in some parts of the media to the ICAI report has in some ways distorted the aid debate. Yes, accountability to taxpayers is important but cutting aid to countries inherently corrupt will only hurt the poor more. Some may argue that if aid stops, the Government will be forced to deliver more for its people, but as history tells us, the poor will be hit the hardest. Some argue that budget support in countries known to be corrupt should be reduced. However, reducing direct budget support will usually undermine vital public services that NGOS can simply not deliver.

The Earl of Sandwich said-

*The Independent Commission for Aid Impact is of course right to draw attention to the evil effects of corruption on the poorest in developing countries. But its criticisms of DfID as a channel of UK aid is much more serious, and of course have been distorted by sections of the media. A kinder conclusion*

*is that in dealing with governments in countries with weak judicial systems it is almost by definition impossible to avoid corruption, or association with corruption, in some form. Working through NGOs can be a way forward, but there are limits to that. More to the point, DfID already has an anti-corruption strategy and no one could argue with a recommendation to strengthen them. The ICAI must be thanked for its efforts, but in the end, it is the net effect of a particular project on the beneficiaries which really matters.*

10. A top down approach to anti-corruption will not work, a bottom up community led approach needs to be the norm. Efforts need to be focused of creating an environment where corruption cannot thrive. To do this, focus should be on strengthening accountability to citizens through access to information and local institution building and through taking a cross-departmental approach to increasing capacity for governments to collect revenues (the UK Government should also continue to push for international action at EU and G20 level to tackle tax avoidance by EU and UK businesses in developing countries).