



IN BRIEF...

Fighting corruption – a prioritated issue

The fight against corruption is a top priority for Sida, which is not surprising given the fact that corruption is so widespread in many of the countries with which Sida works. Corruption also tends to go hand in hand with poverty; it hits poor people the hardest and aggravates need and hardship. Corruption is a serious obstacle to development.

Why does Sweden support the fight against corruption?

Corruption occurs in all countries, but there is a connection between a country's level of development and the degree of corruption. The World Bank has even identified corruption as the most serious obstacle to development.

The very purpose of development cooperation is to facilitate development and to tackle whatever prevents poor people from improving their living conditions. The fight against corruption is therefore necessary for attaining the goals of development cooperation.

Countries with weak governments, where the citizens have little influence, where many people work in the 'informal sector', where the legal system is poorly developed and where there is no free and critical press, are fertile grounds for corruption to take root.

The nature and history of corruption depends upon the society. In certain sectors, corruption is especially rife, such as in public procurement, infrastructure, the arms industry, and oil and mineral extraction. The huge capital flow that aid entails can also

encourage corrupt behaviour. But aid also brings opportunities to counter corruption, by providing support to a free media, to the courts, auditing services and civil society, etc.

Corruption costs the world an estimated SEK 7,320 billion a year, almost three times Sweden's entire GDP and ten times total global aid payments. But corruption is also costly in other ways.

Corruption stifles the development of a democratic and lawful society, and hampers growth. Moreover, it undermines national and international confidence in the country's government at immense political cost, and causes serious harm to investment and trade.

Corruption always means that money is paid 'upwards', which is to say to those who already have work, power and money. This is why it is those at the bottom of the social ladder who find themselves worst hit.

Sida defines corruption thus: "When institutions, organisations, companies or individuals exploit their position for their own improper gains and in so doing bring about damage and loss."

This includes paying extra fees (bribes) to licence-issuing authorities, to the police and courts to buy impunity, or to doctors to obtain medical care. But it can also take place on a larger scale, such as when politicians buy votes during a general election, or when top civil servants pilfer from the treasury.

It was not long ago that corruption was passed over in relative silence. It was only when a country had reached a certain level of development that it was considered a target for anti-corruption measures. It was widely thought that corruption was a domestic affair and a natural part of certain cultures. For this reason, aid donors were discouraged from interfering.

In recent years, the fight against corruption has emerged as one of the most important issues for development cooperation, and many donors have drawn up guidelines and programmes for how it is to be tackled.

Much has happened since the President of the World Bank declared war on corruption in 1995. Transparency International (TI), a global organisation that measures the degree of corruption in a society by interviewing its citizens, was formed in 1993. TI is considered a credible and reliable player in the field. Almost 100 countries signed the UN Convention against Corruption in 2003.

The Convention is the first such global framework and constitutes therefore the international community's corruption standard. In 2004, some 1,500 companies, many major corporations

included, agreed to act and cooperate against bribery and other forms of corruption. Furthermore, the OECD has adopted a convention forbidding the bribery of politicians in connection with international affairs. The OECD's Development Assistance Committee (DAC) has also adopted principles regarding the anti-corruption responsibilities of donors; these principles stress the dual-party nature of corruption, whereby it always involves a giver and a receiver.

The Millennium Goals — a joint commitment

One corner stone of anti-corruption efforts is the Millennium Goals, a pledge by the world's countries to unite to cut world poverty by half by 2015. The eighth subsidiary goal, which is about creating a "global partnership for development", has an entire section devoted to the question of good governance.

What does Sida do to fight corruption?

Sida works on a number of fronts, fighting corruption by:

- participating in international efforts to develop methods, strategies and tactics
- supporting research
- supporting organisations working to combat corruption
- countering corruption in individual countries

- educating colleagues to enable them to detect early tendencies towards corruption and act appropriately
- analysing all action taken in this respect, and having it professionally audited.

Surveying corruption in Vietnam

In Vietnam, Sida is the one donor to have been entrusted with the task of helping to survey and analyse corruption. The report is the first of its kind to be made public. It is hoped that the analysis, which is based on around a hundred seminars with representatives of public administration, the party, the public and business, will lead to an anti-corruption strategy to be adopted by Vietnam's ruling party, the parliament and the government in 2006.

Supporting anti-corruptions programmes in Bolivia

In 2005, Sida embarked on a 5-year plan to support four public authorities in Bolivia in their efforts to combat corruption. The overall objective of the scheme, which includes training civil servants, is to reduce corruption in Bolivia's public administration; one step towards this is to ensure that corruption cases lead to prosecution and trial.

Supporting better governance in Kenya

Sida has been supporting the Kenyan government's plan to reform the legal system, to strengthen law and order, and

to introduce anti-corruption measures.

Supporting auditing in Rwanda

With the help of Sida, the Swedish National Audit Bureau is working alongside its counterpart in Rwanda, which was established in 1998. One of the objective of this project is to give the audit office full control over all public money in Rwanda along with other control bodies.

An important issue for Sida

The fight against corruption is a priority issue for Sida, and the above examples are just a taste of what Sida is doing the world over.

Now that Sida is switching more from financing projects to providing budget support, often in conjunction with other donors, the conditions for fighting corruption are changing. Budget support entails larger contributions to a partner country's strategies to combat poverty through its own government budget.

Sida helps to improve financial control systems, national auditing and public transparency, all to make it easier for a check to be kept on how aid donations are being spent.

A major international analysis published in 2006 concluded that budget support is no more affected by corruption than any other kind of assistance.

TOP TWENTY RECIPIENTS OF SIDA-SUPPORT, 2005		DEGREE OF CORRUPTION	DEGREE OF DEVELOPMENT
Country	Costs in SEK	TICP Ranking*	UNDP ranking**
Tanzania	680,499,000	88	164
Mozambique	570,682,000	97	168
Sri Lanka	386,463,000	78	93
Ethiopia	380,078,000	137	170
Uganda	358,287,000	117	144
Russia	340,851,000	126	62
Bosnia and Herzegovina	329,494,000	88	68
Afghanistan	328,981,000	117	***
Sudan	317,368,000	144	141
Kenya	314,701,000	144	154
Vietnam	312,212,000	107	108
Nicaragua	305,499,000	107	112
West Bank & Gaza	260,619,000	107	102
Zambia	250,886,000	107	166
Serbia & Montenegro	226,341,000	97	***
Bangladesh	178,230,000	158	139
Rwanda	174,131,000	83	159
South Africa	170,933,000	46	120
D.R. Congo	167,483,000	144	167
Mali	162,120,000	88	174
Total	6,215,860,000		
Sweden's ranking		6	6

* The higher the number, the more corrupt the country (countries can share a ranking).

** The higher the number, the less developed the country.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development.

Sida provides resources and develops knowledge and expertise, making the world a richer place.



SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

SE-105 25 Stockholm Sweden
Visiting address: Sveavägen 20
Telephone: +46-(0)8-698 50 00
Telefax: +46-(0)8-20 88 64
www.sida.se, sida@sida.se