Mapping the Risks of Corruption in Humanitarian Action

July 2006

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Pete Ewins, Paul Harvey, Kevin Savage and Alex Jacobs

Overseas Development Institute and Management Accounting for NGOs (MANGO)

A report for Transparency International and the U4 Anti-Corruption Resource Centre

Acknowledgements

Executive Summary

The issue of corruption in emergency relief and rehabilitation is a key concern for practitioners, who invest considerable resources and energy in trying to minimise it. However, it has barely been discussed in policy terms, and little researched. This paper aims to map the risks of corruption in the provision of humanitarian relief as an important step in helping the humanitarian community to further its existing efforts to combat corruption. As Pope (2000: xiv) argues, the obvious first step in anti-corruption efforts is to 'gain an understanding of the underlying causes, loopholes and incentives which feed corrupt practices at any level'. The costs of corruption in humanitarian relief effectively mean lives lost, not just loss of profits or lower growth. Humanitarian actors, therefore, have an obligation to take the issue seriously and make every effort to minimise the risks that humanitarian aid will be corruptly diverted.

This report examines the risk of corruption in humanitarian action. It lays out where different risks may lie within the complex system of delivery and contracts that forms the basis of humanitarian assistance. Breaking down typical models of assistance by setting out the various elements of the process in tabular form, it attempts to map where various types of corruption exist, and to show the key components of such risks. In doing so, the report aims to enable the development of more specific corruption risk maps for particular contexts, and to point to the various types of tools and methods that need to be developed in order to minimise corruption. An all-encompassing map that identifies so many risks may misleadingly give a disheartening impression of humanitarianism. The risk map shows only where risks of corruption may lie, not that corruption always occurs.

This paper is based on a literature review, the experience of the authors, interviews in London and Nairobi with humanitarian practitioners, surveys and interviews conducted by Transparency International chapters in Bangladesh, Bosnia-Herzegovina, Guatemala, Indonesia, Niger, Pakistan, Sierra Leone and Zambia. Further surveys and interviews were carried out by students from the London School of Economics and Political Science (Farrington, 2006). The paper uses the commonly accepted definition of corruption: 'the misuse of entrusted power for private gain'.

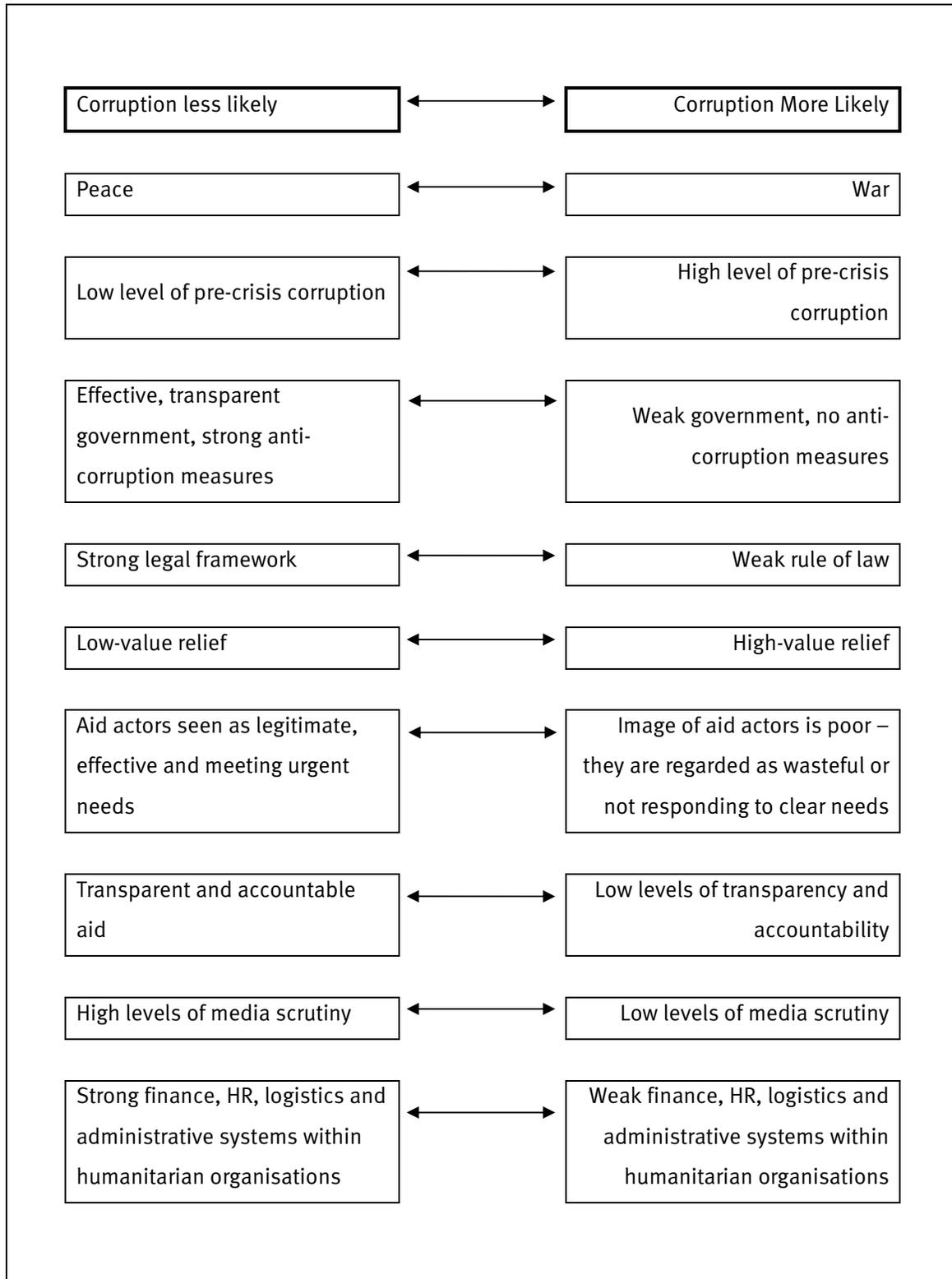## The Humanitarian Context – Factors Affecting Corruption Risk

The risk of corruption within humanitarian action is very much affected by the context in which it takes place and the nature of the action itself – the complex system by which it is delivered, the

actors involved in it and the type of emergency to which they are responding. Whether an emergency is a natural disaster or a conflict, quick-onset or slow-onset, the degree of international attention given to a crisis and whether the focus is on relief or reconstruction will change the nature of the risks being faced. Figure 1 suggests some of the key variables that influence corruption risks in different types of emergency.

The way in which assistance delivery is contracted between various actors and the model of assistance all affect the nature and likelihood of corruption risk. Humanitarian action comprises a diversity of donor organisations, bilateral and multilateral agencies, NGOs, Red Cross agencies, private contractors and military forces, all operating according to various norms and guidelines, and all relying on various sources of funding, from donor governments, appeals made by aid agencies to the general public or from private corporations and foundations. It takes place through a complicated set of relationships between many actors, including donors, implementers, implementing partners, host governments, belligerents and parties to conflicts, and those being assisted, all with widely differing levels of power and accountability. Many of the countries in which a humanitarian crisis is likely to occur feature highly in Transparency International's Corruption Perceptions Index.

In relief and reconstruction contexts, one issue often raised is the relationship between corruption and waste, profligacy and mismanagement. Local actors may perceive international relief as profligate because, for instance, of the tendency to pay much higher salaries than local norms. In Pakistan, the TI survey identified 'foreign donor officials staying in 5 star hotels and charging it to disaster relief accounts' as a form of corruption. Perhaps the best way of looking at the problem is that waste and profligacy may be perceived as corrupt particularly by local actors, and may create an environment where corruption more narrowly defined is more likely to take place.

Figure 1: Variables Affecting Risks of Corruption

Corruption less likely	⟷	Corruption More Likely
Peace	⟷	War
Low level of pre-crisis corruption	⟷	High level of pre-crisis corruption
Effective, transparent government, strong anti-corruption measures	⟷	Weak government, no anti-corruption measures
Strong legal framework	⟷	Weak rule of law
Low-value relief	⟷	High-value relief
Aid actors seen as legitimate, effective and meeting urgent needs	⟷	Image of aid actors is poor – they are regarded as wasteful or not responding to clear needs
Transparent and accountable aid	⟷	Low levels of transparency and accountability
High levels of media scrutiny	⟷	Low levels of media scrutiny
Strong finance, HR, logistics and administrative systems within humanitarian organisations	⟷	Weak finance, HR, logistics and administrative systems within humanitarian organisations

'Mapping' Corruption Risks within Humanitarian Action

This paper attempts to map corruption risks according to the different stages of a relief response, from assessment and fundraising to procurement, targeting, distribution and evaluation. It highlights the ways in which relief may be corruptly diverted during these processes. Clearly, this generic mapping exercise is just a starting point, and it is hoped that the maps produced will help in understanding risks in specific contexts and assist agencies to identify steps they can take to minimise corruption risks. Figure 2 illustrates the typical process of humanitarian assistance that is used as a framework to develop a set of tables which collectively map corruption risks.

Figure 2: Map of Corruption Risks in Humanitarian Assistance

Assistance Process | Corruption Risk Example
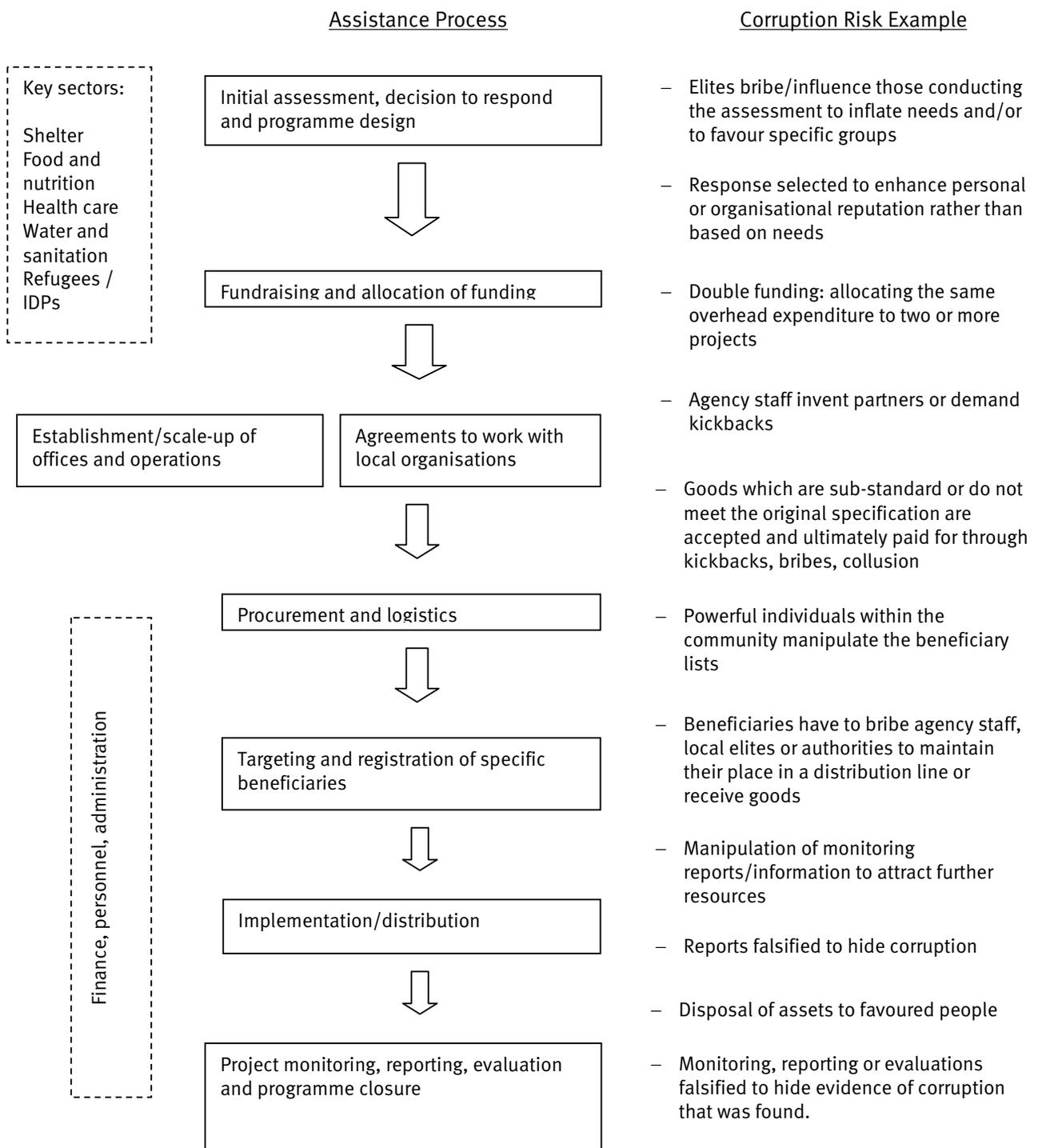
Key sectors:

Shelter
Food and nutrition
Health care
Water and sanitation
Refugees / IDPs

Finance, personnel, administration

| Initial assessment, decision to respond and programme design |

| Fundraising and allocation of funding |

| Establishment/scale-up of offices and operations | Agreements to work with local organisations |

| Procurement and logistics |

| Targeting and registration of specific beneficiaries |

| Implementation/distribution |

| Project monitoring, reporting, evaluation and programme closure |

- Elites bribe/influence those conducting the assessment to inflate needs and/or to favour specific groups

- Response selected to enhance personal or organisational reputation rather than based on needs

- Double funding: allocating the same overhead expenditure to two or more projects

- Agency staff invent partners or demand kickbacks

- Goods which are sub-standard or do not meet the original specification are accepted and ultimately paid for through kickbacks, bribes, collusion

- Powerful individuals within the community manipulate the beneficiary lists

- Beneficiaries have to bribe agency staff, local elites or authorities to maintain their place in a distribution line or receive goods

- Manipulation of monitoring reports/information to attract further resources

- Reports falsified to hide corruption

- Disposal of assets to favoured people

- Monitoring, reporting or evaluations falsified to hide evidence of corruption that was found.

Table 1 is an abbreviated version of the more detailed risk maps developed in the full report. Many of those interviewed for this study commented that procurement, logistics and payroll entailed the biggest risk of corruption, and that the sectors with the highest risks were shelter, food aid and health care. But these may also just be the areas where corruption is most visible. It is important to remember that there can be many other types of gain, and risks of corruption also arise where systems of accountability and transparency are weakest, and where the potential for individuals to exercise discretionary power is greatest. Often this is at field level, during targeting, registration and distribution processes.

Corruption can involve gains such as enhanced personal reputation, political capital or access to a service. Specific mention should also be made of sexual favours extorted in return for assistance. People may also be forced into corrupt actions by people who threaten them or their families. This illustrates the importance of an understanding of the local context when trying to prevent corruption, and highlights the many factors that need to be understood and considered when evaluating corruption risks.

Table 1: Corruption Risk Mapping

I. Initial Assessment, Decision to Respond and Programme Design		
Activity	**Risk**	**Who Gains What**
Needs assessments	Elites influence assessors	Assessors gain bribes, elites gain 'political' capital
Consultation with local authorities	Coercion to influence the shape, size or location of programme	Authorities gain political capital
	Elites influence decision makers to inflate needs and/or to favour specific social groups	Decision makers gain bribes. Elites gain 'political' capital
II. Fundraising and Allocation of Funding		
Activity	**Risk**	**Who Gains What**
Funding projects	Double funding of projects or overheads. Inflated budgets	Agency or staff gain financially with surplus funds
Appealing for funds	Bogus, 'briefcase', NGOs	Those setting-up the bogus NGO gain financially

III. Working with Local Organisations (in addition to all the risks listed in the other tables that equally apply to implementing local organisations)		
Activity	**Risk**	**Who Gains What**
Choosing partners	Influencing selection process	Staff gain bribes/kickbacks. Partners gain employment, status, access to other resources
	Funding of non-existent partners	Agency staff gain financially as would any others involved in substantiating the illusion

IV. Procurement and Logistics Risks		
Activity	**Risk**	**Who Gains What**
Procurement of goods and services	Inclusion in a tender list as a result of a bribe	Staff gains bribes, supplier gains potential
Tendering, supplier selection	Undue preference given to tenders, suppliers	Staff gains bribes, supplier gains financially
Supply of goods or services	Sub-standard, below specification, goods supplied	Supplier makes financial gain, staff may gain bribe
Warehousing, Fleet and Asset control	Diversion of stock, vehicles, parts, fuel.	Those controlling assets gain through bribes or direct sale of goods

V. Targeting and Registration Risks		
Activity	**Risk**	**Who Gains What**
Targeting and registration	Illegitimate inclusion on lists	Those in control of lists gain bribes, bribers gain assistance to which they aren't entitled
	Authorities, elites or staff give preference to individuals or groups because of bias, social obligations or coercion	Those involved in targeting and registration fulfil social obligations, avoid penalties. Beneficiaries gain assistance which they would not have otherwise received
	Powerful individuals within the community manipulate the beneficiary lists	Powerful individuals gain political and material benefit

VI. Implementation and Distribution Risks		
Activity	**Risk**	**Who Gains What**
Distributions	Those involved in the distribution divert assistance for private gain	Material gain for those diverting the assistance
	Extortion of beneficiaries	Financial, sexual or material gain by staff, local elites or authorities in return for their assistance
Post-distribution	'Taxation' of relief goods	Material gain by local elites or authorities

VII. Monitoring, Reporting and Evaluation Risks		
Activity	**Risk**	**Who Gains What**
Project visits and writing internal reports	False or exaggerated reporting by project managers	Project managers secure continued funding/employment, assistance for favoured groups
Auditing	Favourable reports that hide financial problems	Auditors gain bribes, internal auditors secure careers

VIII. Finance, Administration and Human Resources Risks		
Activity	**Risk**	**Who Gains What**
Funding transfers	Staff divert funds being paid to the agency or partner	Donor or agency staff gain financially
Recruitment of staff	Coercion to select certain people for jobs	Coercers gain patronage or kickbacks
Wages/salaries payment	Payroll frauds e.g. employees that don't exist, employees that have left, payroll salary higher than authorised salary	Those involved in perpetrating the fraud gain financially

IX. Shelter Risks		
Activity	**Risk**	**Who Gains What**
Construction	Sub-standard materials, inadequate adherence to standards, below standard work.	Contractor profits by substituting inferior materials or completing sub-standard work. Agency staff may receive bribes
Compliance with local regulations	Extortion by authorities to approve work	Individual authorities gain bribes

X. Health Sector Risks		
Activity	**Risk**	**Who Gains What**
Supply	Acceptance and use of out-of-date supplies or below specification	Supplier profits, staff may gain bribes
Use of equipment, supplies	Unauthorised use or diversion	Staff gain financially or in other ways

Conclusions

Understanding corruption better requires an analysis of where within the process of humanitarian action the risks lie. This paper makes an attempt to do this, but it should be seen very much as a first step in a constructive process of trying to more successfully minimise the risks of corruption and mitigate its effects. This paper is not intended to imply that corruption is any more or less of a problem within humanitarian relief than it is within any other industry, and within the societies in which relief is provided. But given the pervasiveness of corruption within all societies and all fields of human endeavour, it would be foolish to pretend that humanitarian relief is somehow immune. The particular characteristics of humanitarian relief and the contexts in which it is provided raise particular risks and challenges. Any corrupt abuse of emergency relief is particularly egregious and stigmatised because it implies abusing assistance that is urgently needed to save lives and alleviate acute suffering. But humanitarian actors work in difficult environments, often in war zones in which aid may be caught up in the dynamics of the conflict, and with enormous pressures to deliver relief quickly, potentially increasing the risks of corruption.

The issue of corruption must be seen in the context of other competing management priorities, and some of those working in humanitarian aid feel that focusing on possible corruption risks may distract already over-stretched management capacity from more important issues. However, mitigating many of these corruption risks is essentially about good management. At a more fundamental level, it is also about greater levels of accountability and transparency to disaster-affected populations. This is where the real challenges lie: in having committed staff at all levels who believe in the humanitarian objectives of the organisation, and disaster-affected populations who understand what they are meant to be receiving, can participate in its planning and implementation and can complain if relief is corruptly abused. Investing in this would result not only in greater potential to minimise corruption, but also in more substantive accountability and consequently more effective humanitarian action.

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Boxes, Figures and Tables

1. Introduction

The issue of corruption in emergency relief and rehabilitation is a key concern for practitioners, who invest considerable resources and energy in trying to minimise it. However, it has barely been discussed in policy terms, and little researched. This paper aims to map the risks of corruption in the provision of humanitarian relief as an important step in helping the humanitarian community to further its existing efforts to combat corruption. As Pope (2000: xiv) argues, the obvious first step in anti-corruption efforts is to 'gain an understanding of the underlying causes, loopholes and incentives which feed corrupt practices at any level'. The costs of corruption in humanitarian relief effectively mean lives lost, not just loss of profits or lower growth. Humanitarian actors, therefore, have an obligation to take the issue seriously and make every effort to minimise the risks that humanitarian aid will be corruptly diverted.

The paper builds on a more general analysis of corruption within the field of humanitarian action prepared for a conference on corruption and the Indian Ocean tsunami, and readers wanting an introduction to the issue should start with that paper (Willitts-King & Harvey, 2005). It is very much a preliminary effort informed by the existing experience of the authors, a rapid and far from comprehensive literature review and a number of interviews. It is intended as a step in an ongoing process of engagement with key humanitarian actors to work with them to reduce the risks of corruption. The paper is meant to contribute to the eventual development of a toolbox of measures to minimise and tackle corruption. Given that the focus of the paper is on mapping the risks of corruption, it does not specifically consider the tools and methods for tackling and minimising it. However, during the course of the interviews, ways to mitigate risks were highlighted, and these have been captured and incorporated.

The paper attempts to delineate where in the process of assessing, planning, delivering and reporting on humanitarian assistance, corrupt abuse of power for private gain may take place. It looks in detail both at the different stages of project implementation, from assessment to targeting, delivery, reporting and evaluation, and at the different types of relief. Key challenges in the areas of procurement, finance, administration and human resources are also a focus.

The types of corruption risks faced by humanitarian actors vary hugely from context to context. An international NGO running a therapeutic feeding programme in Darfur faces very different risks from the Pakistani military delivering food aid in earthquake-affected Kashmir. The risks faced and actors involved also differ according to whether the focus is on immediate life-saving relief, or on rehabilitation and reconstruction. However, making clear distinctions between relief and

reconstruction is often difficult; emergencies and their aftermath are not characterised by neat phases, different forms of assistance are often overlapping and many crises are long-running without clear distinctions between acute emergency needs, longer-term chronic poverty and attempts at reconstruction. This paper focuses primarily on risks faced by those involved in humanitarian relief, but recognises that relief may overlap with reconstruction and that some of the risks faced will be similar.

Despite the obvious need for context-specific analysis, we argue that there are similarities in the risks faced across different contexts that make a generic mapping exercise such as this one worthwhile. The paper attempts to map the key contextual factors that affect the level of risk in the processes that are identified. These include the type and stage of emergency – whether it is a quick-onset natural disaster or a long-running civil war – as well as the economic and political contexts within which disasters take place. It is hoped that the generic risk analysis attempted here will help in the development of more context-specific risk analyses.

There is a danger that, in mapping all of the possible risks at every stage in the process, the impression is created that all of the risks listed are likely to be present. This is not the case and the paper makes no judgement about the extent to which the corrupt abuse of aid takes place in different contexts. As Walker (2005: 4) has pointed out in the context of corruption risks in relation to the tsunami response:

> *a paper focusing on the potential for corruption is in danger of painting a bleak and possibly misleading picture. Of the billions of dollars that may flow into the region, how many will be lost to corruption, a fraction of a percent, a worrying percentage? And how will this compare with other inefficiencies in the system such as mis-targeting of aid, inappropriate and poorly timed programming? We simply do not know and thus have to guard against over-reacting.*

Given that the aim of the paper is to facilitate the design of preventative measures to address all possible sources of corruption, it is necessary to list all possible corruption risks. Whilst it is certainly important to guard against over-reaction or painting too bleak a picture, the fact that in most emergencies we have little idea about the extent of corruption itself points to the fact that more analysis and better tools with which to undertake analysis and action are needed. Anecdotal evidence of the perceived likelihood of one risk occurring compared to another was received during some of the interviews, and where appropriate this is noted in the text. However,

the paper only seeks to indicate in the broadest terms areas that might be more or less prone to corruption.

The issue of corruption and how best to avoid it must be considered in the context of the difficult management environment in which humanitarian aid is provided. Humanitarian aid's prime objective is to deliver appropriate and timely relief to reduce death and suffering. The overriding principle in relief is that of humanity – the humanitarian imperative to act in the face of widespread suffering. The process of delivering relief is characterised by tensions between addressing humanitarian imperatives and accessing vulnerable populations, particularly in conflicts. At its simplest, this dilemma is expressed in whether or not to pay a bribe at a checkpoint in order to allow relief to reach needy populations. How to balance the humanitarian imperative with a concern to minimise risks of corruption and diversion of aid in difficult environments is one of the core dilemmas faced by humanitarian actors. But this should not necessarily be seen in terms of needing to tolerate levels of corruption in order for relief to reach vulnerable populations. Greater efforts to tackle and minimise corruption could arguably lead to more effective and timely relief.

The paper begins by establishing a definition of corruption and considering the different types and classifications that exist (section two). It then examines different humanitarian contexts and begins to map the many different factors and variables that affect the risks of corruption (section three). Section four sets out risk maps for each stage of the project cycle, from needs assessment to targeting, programme design and implementation and evaluation, for different sectors of relief from food aid to shelter and the different support functions within organisations. Finally, the conclusion suggests a number of practical questions that practitioners could consider when undertaking context specific risk analyses.

1.1. Methodology

This paper is based around an analytical review of the humanitarian process and the potential risks of corruption at each stage. It has drawn substantially on the experience of its authors, and has been informed by a rapid and far from comprehensive literature review. This analysis was initially expanded through a small number of interviews with experienced practitioners, and then further developed and tested through semi-structured interviews with key individuals in Nairobi, primarily focusing on Somalia, Southern Sudan and Kenya. In addition, the paper incorporates the results of a survey and semi-structured interviews conducted by Transparency International in Bangladesh, Bosnia-Herzegovina, Guatemala, Indonesia, Niger, Pakistan, Sierra Leone and Zambia. The survey tool was developed based on the corruption risks identified in a draft of this

report, and was intended in part as a way of checking that the main risks had been correctly identified (annex 1). The Transparency International chapters surveyed and interviewed between ten and 25 relief actors, and compiled reports based on the results. Finally, the paper draws on a report by students from the London School of Economics and Political Science. This was based on email survey responses from 27 people in Pakistan, Uganda and Burundi, and ten further in-depth telephone interviews (Farrington, 2006)

The surveys should be seen as illustrating perceptions of corruption amongst a range of humanitarian actors. The aim was to try and distribute the survey to as wide a selection of humanitarian practitioners as possible, including staff of UN agencies, local and international NGOs and disaster-affected governments. The survey did not include recipients of humanitarian aid or disaster-affected populations. This will be the focus of further, more in-depth case studies as part of an ongoing research project. Those surveyed should not be seen as representative in any statistical sense. There may have been bias in those who chose to respond to the survey as they were likely to be people who were willing to talk about corruption risks.

Arranged in three parts, the survey began with two general open-ended questions, one on perceptions of corruption and the other on examples of corrupt abuse. In the second part, the surveys asked humanitarian practitioners to rate the likelihood of corruption risks in specific sectors/stages of the project cycle on a scale of 1 to 5 (1 signifying the lowest risk or the least likelihood of corruption, and 5 indicating the maximum risk and likelihood of corruption). Under each sub-sector, potential corruption risks identified by this project and ODI's previous research were listed (Willitts-King & Harvey, 2005) Respondents were also asked to state whether they had had personal experience of any of these instances of corruption. It was stressed to all respondents that contributions would be confidential, and that all names of agencies, individuals and contexts would be removed in any reports.

An example of the responses and risks identified from this process is given in Box 1.

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Box 1: Corruption Risks in Bangladesh

In response to the question whether there are particular examples of abuse of relief assistance that respondents have become aware of in their professional experience, people made the following observations:

- Selection of agencies in a non-transparent way through individual and personal relationship, misstatements of achievements and biased beneficiary evaluation lead to diversion of assistance for personal gain or creating spheres of influence to mislead donors, employers and intended beneficiaries.
- Local government structures involved in corrupt practices when they select beneficiaries and distribute relief goods.
- People identified as supporters of the ruling political party being given priority in roadside shelters following flooding.
- Organisations claiming credit for farmers' own investments in post-disaster recovery.
- NGOs having to bribe government officials to receive funds from government programmes, and government officials taking bribes from NGOs to select them as partner NGOs.
- One agency ended a partnership with an NGO because it distributed relief goods to unaffected people.
- Creation of fake names and addresses of recipients of relief by government officials. No-one objected to the fake documentation because at all levels of government the officials had siphoned off relief allocations.
- Politicians putting pressure on government officials to distribute relief goods to party members. When this was refused the member of parliament ordered the distribution to be stopped.

Source: Transparency International Bangladesh survey carried out for this report.

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2. Definitions and Classifications

2.1. Corruption

This paper uses the commonly accepted definition of corruption: 'the misuse of entrusted power for private gain'. In the context of humanitarian relief, this means thinking through where power lies, what would constitute misuse, how power has been entrusted and what 'private' means. For instance, does the diversion of humanitarian relief by warring parties to support their war efforts constitute 'private' gain or informal taxation? It certainly runs counter to the humanitarian principles of humanity, neutrality, impartiality and independence, and constitutes the use of relief for purposes other than the core aims of humanitarian action: saving lives and alleviating suffering. This might indicate a need to add to the meaning of corruption a clause about the

misuse of power for purposes that run counter to humanitarian principles. However, this would risk radically expanding the scope of enquiry to cover a whole set of actions that might be undesirable, but are not necessarily corrupt.

Helpfully, Transparency International and others understand private in contrast to the concept of public good. Private gain refers not just to individuals but to families; a clan, village, tribe or caste; political parties and other political groupings; warlords and militias as well as corporations and other economic units. So, aid that is diverted not for individual gain but to support an organisation or militia would still be corruption. Given this interpretation and the risks involved in broadening the definition in a way that could include actions which are undesirable, but not necessarily corrupt, this paper therefore continues to use the common definition and to keep to a fairly narrow view of what constitutes corruption, whilst recognising the importance of wider concerns about the potential erosion of purely humanitarian objectives.

It is important to remember that 'gain' is not limited to financial gain, especially as, in relief contexts, money or assets may not be the commodity that is most highly valued. For example, 'gain' can involve the abuse of power to enhance personal reputations or for political purposes, access to physical services such as connection to a water supply or preferential treatment in recruitment, training or medical care, or, of recent note, gain in terms of sexual exploitation.

There is also the question of the relationship between organisational and individual gain. In a commercial setting, individuals may, for example, engage in corruption to promote their company and consequently gain themselves through increases in the value of their shareholdings or their reputation. In the humanitarian context, the motivation of employees to engage in this kind of corruption is arguably less directly financial as the lack of profits reduces the potential for financial gain. Nonetheless, the possibility that personal gain might motivate individuals to engage in corruption, for example massaging needs assessments in order to secure funding and consequently enhancing their own reputation, must at least theoretically exist.

There are many different types and classifications of corruption, but they can be broadly grouped under the following broad categories (Johnson, 2004):

- Bribery and graft (extortion and kickbacks)
- Kleptocracy (stealing public funds)
- Misappropriation (forgery, embezzlement, misuse of public funds)
- Non-performance of duties (cronyism)

- Influence-peddling (favour-brokering and conflicts of interest)
- Acceptance of improper gifts (speed money)
- Protecting maladministration (cover-ups and perjury)
- Abuse of power (intimidation and torture)
- Manipulation of regulations (bias and favouritism)
- Electoral malpractice (vote-buying and election rigging)
- Rent-seeking (public officials illegally charging for services after creating artificial shortage)
- Clientelism and patronage (giving material favours in exchange for support)
- Illegal campaign contributions

In relief and reconstruction contexts, one issue often raised is the relationship between corruption and waste, profligacy and mismanagement. Local actors may perceive international relief as profligate because, for instance, of the tendency to pay much higher salaries than local norms. In Pakistan, the TI survey identified 'foreign donor officials staying in 5 star hotels and charging it to disaster relief accounts' as a form of corruption. There is a fine line between waste and corruption, and where it is drawn may vary according to the perspective of different actors. This issue is discussed in more detail in Willits-King and Harvey (2005: 16), which argues that:

> *Ineffectiveness may affect the way in which humanitarian actors are perceived in the countries where they are trying to deliver relief. If local people see foreign organisations paying inflated prices for accommodation, vehicles and staff, staying in up-market hotels, and being overcharged by local traders, while at the same time not delivering effective assistance, then they may conclude that it is legitimate to exploit them. 'Profligacy' and ineffectiveness may contribute to corruption at the local level. This is likely to be a particular risk in high-profile emergencies, characterised by a sudden influx of aid agencies, problems with coordination, risks of overlapping and duplicating assistance, competition for staff and numerous actors driving up prices. An important starting point for considering the question of corruption in humanitarian relief is therefore how aid and the organisations that deliver it are perceived in societies affected by crisis.*

Perhaps the best way of looking at the problem is that waste and profligacy may be perceived as corrupt particularly by local actors, and may create an environment where corruption more narrowly defined is more likely to take place.

2.2. Risk

Conventional risk management consists of initially identifying the risk, in this case where in the humanitarian process individuals have the opportunity to use their power and authority for private gain, and then assessing the importance of the risk by considering the likelihood of it happening and its potential impact. The resulting assessment is called the gross risk. A second stage is then to identify the mitigating systems surrounding each risk and, in the light of these, to reassess the likelihood of the risk occurring and its impact. This assessment is called the net risk. In order to establish the likelihood and potential impact of the risks, these assessments are usually carried out in a specific context.

This paper focuses on identifying the generic gross risks. Although it does not go so far as assessing their likelihood and impact, it does provide a commentary on some of the factors that might make a particular risk more or less likely. It also does not attempt to identify the mitigating measures that could be employed to reduce each risk. Equally, the paper does not seek to address the potential impact of any of the risks on either a gross or a net basis. Because the paper is not focussing on specific contexts all it can do is identify potential risks or hazards. This is a first step that we hope will be useful as a starting point for use in specific contexts, where there could be an analysis of the likelihood and impact of particular risks. For example, the paper identifies bribes to get on registration lists as a potential risk. An aid agency providing support to shelter in Pakistan following the earthquake would need to examine how likely this risk was, what safeguards were in place and what the impact would be in that particular context.

3. The Humanitarian Context

3.1. Introduction

The system for the delivery of humanitarian relief, the environment in which humanitarian action takes place and the type or phase of the emergency will all affect the nature of the risks that arise. They will also affect the likelihood of their occurrence and their potential impact. This section discusses each of these aspects in turn.

3.2. The System for Delivering Humanitarian Relief

The core principles of humanitarian action are usually seen as humanity (saving lives and alleviating suffering wherever it is found), impartiality (the implementation of actions solely on the basis of need), neutrality (not favouring any side in an armed conflict) and independence (the autonomy of humanitarian objectives from the political, economic, military or other objectives

than any actor may hold in an area where humanitarian action is being implemented). (Willitts-King and Harvey, 2005).

The system to deliver humanitarian relief comprises a mosaic of actors that contract together in a variety of different ways to create different implementing modalities, and both the nature of the actors and the way in which they contract with each other will affect the risks that can occur. This mosaic of actors is made up of donor organisations, bilateral and multilateral agencies, NGOs, Red Cross movement agencies, private contractors and military forces operating according to various norms and guidelines, but with significant diversity of approach (Figure 1).

Figure 1: The relief response
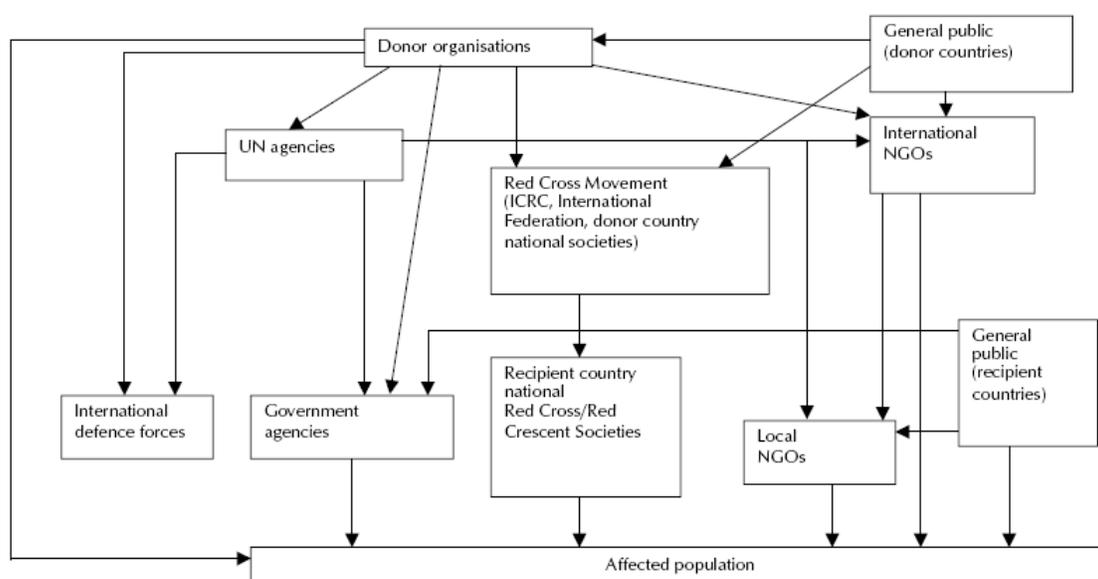
From Macrae (2002): updated diagram from Borton et al. 1996 showing the sub-contracting chain (Borton 1996; Macrae 2002)

Funding for international assistance comes from governments, from appeals made by aid agencies to the general public and from private corporations and foundations. International NGOs and operational UN agencies are the primary deliverers of international humanitarian assistance. Their funding comes from a combination of donor governments and donations from the general public, and their ability to work in emergencies depends on negotiated agreements with the sovereign government or, where sovereign authority has collapsed, the parties to a conflict. But it is important to remember that international assistance is only part of any humanitarian response and local actors, both governments and civil society, may be equally if not more important. The international response to the tsunami in India and Thailand, for instance, was relatively limited due to the capacity of the governments of these countries and their decision not to appeal for external international assistance. The initial humanitarian

response, particularly to natural disasters, is almost always led by local actors, both governmental and civil society (Twigg, 2004). Some disasters, however, overwhelm local and national capacities to respond, and lead to appeals for international assistance.

Part of the rationale for the involvement of international organisations in relief assistance is sometimes a fear that local actors may be more likely to corruptly abuse aid, although this is usually implicit and unstated. Whether international organisations are better able to minimise corruption remains unclear in part because a reluctance to discuss or analyse corruption risks in relief means that there is little or no comparative evidence or analysis on which to draw. Decisions made by donors about whom to fund in emergencies are therefore often made in part on the subjective judgements of donors about which funding mechanisms are least prone to corruption.

A variety of sub-contracting agreements are often made, with donors both directly funding NGOs and funding UN agencies that, in turn, sub-contract NGOs. Donors, international NGOs and UN agencies may also develop partnerships with national NGOs, work with national or local-level governments and directly fund smaller community-based organisations. Private, for-profit companies and militaries are also becoming increasingly involved in emergency assistance. A complex array of contractual and partnership agreements covers these various implementation mechanisms, ranging from one-off funding for projects to longer-term multi-year programme support. Some of the more common funding flows are:

- Donor funds NGO that implements directly
- NGO raises money from the general public and implements directly
- Donor funds UN agency that works through NGO partner agency
- Disaster-affected governments lead response with resources from national budget
- Donor governments fund disaster-affected governments
- Donor funds international aid agency, which in turn funds local organisation to implement projects

Each of these implementation models raises different types of corruption risks, and it is impossible to make any generalisations about which model is more or less prone to corruption. Indeed, there may be factors pulling in different directions. Having more steps in a contracting chain by, for instance, working with local partners creates additional layers of administration and reporting, where corruption might occur. However, it may also lessen risks by adding extra layers of accountability and reporting mechanisms, or by increasing the degree of accountability to and

acceptance by local populations. It is perhaps most helpful to think of the different actors involved and modes of implementation as presenting different types of corruption risks which need to be mapped and understood.

In addition to the effect of the different implementation modalities on the nature of the corruption risks that might occur, a number of more fundamental factors in this system may make it vulnerable to corruption (Walker, 2005; Stockton, 2005; TIRI, 2005). These include:

- The asymmetrical power relationship between the beneficiaries, the agencies and donors. This has resulted in low levels of transparency and accountability to disaster-affected populations, notwithstanding recent initiatives such as the Humanitarian Accountability Partnership – International principles (Stockton, 2005a and 2005b)

- The need to respond quickly to a crisis, sometimes called the need for speed, which can mean agencies do not comply with procedures designed to minimise the risks of corruption, for example a tendering process.

- As the dominant model for implementing international humanitarian action involves using expatriate managers, often on short-term contracts (whether 'northern' or 'southern'), it is possible that they will not fully understand the local context, impeding their ability to identify and tackle corruption.

- The arguably chronic under-investment in the response capacity of humanitarian actors leading to over-stretched management capacity (Adinolfi, 2005).

- A tendency for disaster responses either to be high-profile, with a proliferation of organisations, large amounts of funding and huge coordination challenges, or 'forgotten', with extremely limited resources and capacity.

In the same way that the different implementation models give rise to different types of corruption risk, so the nature of the different actors also affects the nature of the risks that occur. A wide range of actors are involved in humanitarian action, from large international organisations such as World Vision and the Red Cross movement to disaster-affected governments, UN agencies, for-profit companies and much smaller national civil society organisations. Exhaustively highlighting all of the variables is beyond the scope of this paper, but this section attempts to start a process of thinking through some of the issues.

Some of the factors that are likely to influence the types of corruption risks being faced are suggested in the table below. Clearly, the risks faced by the Red Cross movement and their capacity to respond to them are very different from those of a small national NGO in a disaster-affected country.

Table 1: Organisational Features and Corruption Risks

Features	Corruption Risks
Size – aid agencies vary from huge multinationals with budgets of up to a billion dollars per annum to tiny local NGOs	Larger organisations may have more resources to devote to management and systems. On the other hand, smaller organisations may be more responsive and locally accountable.
Funding sources – some agencies rely heavily on government funding; others receive a higher percentage of funds from donations from the general public	Donor funding creates additional reporting requirements which may increase upwards accountability. On the other hand it is often short term and project based, meaning that agencies without other funding may struggle to maintain systems and capacity.
Accountability mechanisms – reporting, monitoring and accountability, audit and investigation, transparency and participation	Organisations have different accountability mechanisms. Some have established audit and internal investigation departments. Independently managed evaluation units may also play a role in uncovering abuse. Procedures for reporting, whether evaluations are routinely made public and the level of investment in monitoring may all have an influence. Accountability and transparency to disaster affected populations and the degree of investment and commitment to ensuring greater forward accountability are likely to be crucial
Human resources	There are likely to be variations between organisations in terms of human resources. Critical variables here might be the degree of induction and training for new staff, experience and age of staff, lengths of contracts, the level of commitment and investment in national staff, degrees of management oversight and mentoring, salary levels and their perceived fairness.

Governance	There are many different models for how organisations are governed, which may impact on risks. Some big agencies have one lead headquarters, whereas in others different countries manage various country programmes. Others have devolved authority to the countries where relief is delivered and have national boards and trustees in each country.
Degree to which organisations are embedded in local contexts and culture	National NGOs and governments are likely to be embedded in local cultures and contexts in ways that bring both corruption risks but also potentially greater accountability and understanding of power dynamics. International agencies, especially if newly arrived in a country, may have less understanding of local contexts and be perceived as outsiders.
Disaster-affected populations' perceptions of relief actors	How organisations present themselves and are perceived may be important. Extravagant lifestyles or use of resources may create a perception of wealth and waste that invites abuse.

It is widely recognised that there is an urgent need for humanitarian agencies to improve the quality of their accountability to both beneficiaries and donors. In the context of corruption, accountability to beneficiaries and their representatives is particularly important because they are often best placed to recognise and fight corruption at the local level. Evaluation reports consistently describe how agencies operate with very limited accountability to their beneficiaries. Substantial efforts are underway in the sector to develop new approaches and incentives to enhance accountability to beneficiaries, but progress has been slow (ALNAP, 2005; ALNAP Global Study, 2003; Herson, 2004; Humanitarian Accountability Partnership – International, 2005).

A key variable is the role of the affected state. The state may play a leading, indeed dominant, role in emergency response, as was the case with the Indian and Thai governments' role in response to the tsunami; or they may be largely marginalised by an influx of international aid organisations (UN, NGO and Red Cross). Again, it is not possible to generalise about whether a nationally led or internationally dominated response is more likely to be corrupt, but it clearly changes the nature of the risks and where attention should focus.

The TI study in Bangladesh highlighted the importance of the role of the government together with prevailing levels of transparency and pre-crisis corruption as variables affecting the risks of corruption. It noted that 'monopoly, centralization of power, and decision-making process[es] in the public sector make room for rampant corruption in relief allocation and distribution', and noted the prevalence of bribery and political influence. In Kenya, interviewees drew a distinction

between relief programmes run solely by the government and those involving the government, donors and NGOs.

3.3 Type and Phase of Emergency

In addition to the factors that might be expected to make the humanitarian system itself vulnerable to corruption, the context of the humanitarian response contains a number of variables that also might affect the level of risk. For example, many of the countries in which recent humanitarian crises have occurred feature highly in Transparency International's Corruption Perceptions Index (Willitts-King & Harvey 2005).

The type of emergency will clearly change the nature of the risks being faced, but it is not as simple as mapping different risks according to whether we are concerned with a natural disaster or a complex emergency. It was initially envisaged that it might be possible to map corruption risks according to different types of emergencies, but it quickly became apparent that this would be both too simplistic, because of the complexities of any classification, and repetitive, because many of the risks within the system apply to different types of emergencies.

What we suggest therefore is that it is more helpful to think of corruption risks as being influenced by a number of key variables. These may make corruption more or less likely, or may simply change the characteristics of corruption risks. For example, disasters that take place where there is a strong government that plays a leading role in implementing a relief response present very different risks to situations where governments are weak and a leading role is played by international relief agencies.

A possible way of mapping risks is shown in Figure 2. This attempts to set out some of the key variables according to whether they make corruption more or less likely. Figure 2 is an illustration of the factors affecting corruption risk during typical situations of crisis where humanitarian assistance is delivered.

Figure 2: Variables Affecting Risks of Corruption

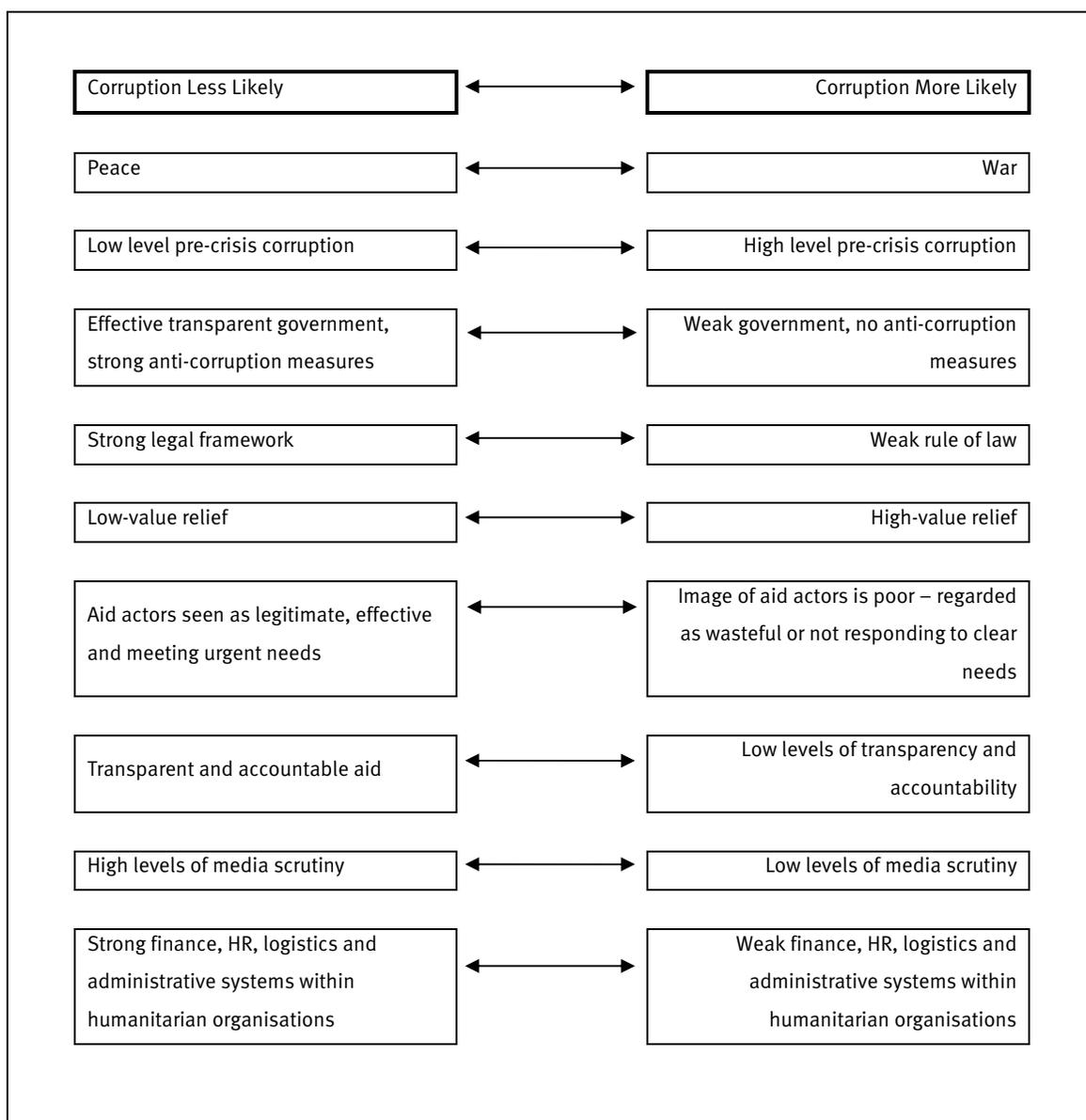| Corruption Less Likely	⟷	Corruption More Likely
Peace	⟷	War
Low level pre-crisis corruption	⟷	High level pre-crisis corruption
Effective transparent government, strong anti-corruption measures	⟷	Weak government, no anti-corruption measures
Strong legal framework	⟷	Weak rule of law
Low-value relief	⟷	High-value relief
Aid actors seen as legitimate, effective and meeting urgent needs	⟷	Image of aid actors is poor – regarded as wasteful or not responding to clear needs
Transparent and accountable aid	⟷	Low levels of transparency and accountability
High levels of media scrutiny	⟷	Low levels of media scrutiny
Strong finance, HR, logistics and administrative systems within humanitarian organisations	⟷	Weak finance, HR, logistics and administrative systems within humanitarian organisations

Table 2 presents a different attempt to map some of the key variables in corruption risks in different types of emergencies. This builds on a typology previously developed in Harvey (2005). Emergencies are distinguished according to whether they are crises relating to conflicts and natural disasters, and whether they are quick- or slow-onset. Both conflicts and natural disasters may be quick- or slow-onset. Natural disasters may also of course take place during conflicts and complex emergencies – the tsunami in Sri Lanka and Aceh being a recent example (Buchanan Smith & Christoplos, 2004; Cosgrave, 2005). In each of these different types of emergencies, there may be particular features which influence corruption risks. For example, quick-onset emergencies tend to be higher-profile and so create a larger international relief response – the

tsunami being the archetypal example. High-profile emergencies create particular corruption challenges, often with a large number of international relief agencies and corresponding difficulties with coordination and possibly competition between agencies (Walker, 2005).

Table 2: Corruption Risks in Different Types of Emergencies

	Quick-Onset		Slow-Onset	Chronic/Long Running
War/Complex Emergency	Particular risks of diversion of aid to support warring parties			
	Need for rapid response More likely to be high- profile and with many competing agencies	Large-scale displacement particularly likely, with associated risks around camps and border crossings		Long-running programmes may start to suffer from management neglect Risks of donor fatigue reducing funding and management oversight
Natural Disaster	Possible lack of understanding of local context on the part of expatriate staff.	Governments more likely to be playing strong or central role Governments may be stronger and governance not disrupted by civil war	Slow-onset natural disasters are normally droughts – food aid is usually the dominant response. May be more time for risk mapping, analysis and preparation	

The particular risks in conflicts of aid being diverted to support warring parties have been well-documented in the literature on the political economy of relief in conflicts (Collinson, 2003; Duffield, 1994; Duffield, 2000; Keen, 1994; Macrae & Zwi, 1994). Collinson (2003) argues that the political economy approach focuses on examining the nature of power in societies where vulnerability should be understood in terms of powerlessness rather than simply material need or the failure of basic entitlements.

Power and powerlessness determine the distribution of access to food and other key commodities and assets among and within different groups. Those who lack power cannot safeguard their basic political, economic and social rights and may not be able to protect themselves from violence. Vulnerability and power are therefore analysed as a political and economic process, in terms, for instance of neglect, exclusion or exploitation in which a variety of groups and actors play a part (Collinson 2003: 10).

Better analysis of the political economy of disasters is therefore crucial to an understanding of the risks of corruption in particular contexts. As Walker (2005: 5) argues: 'understanding the nature and dynamic of power and resource flow relations in the affected community is a prerequisite for designing assistance which decreases the opportunity for corruption'. Anderson (1999: 37) points out that 'when international assistance is given in the context of conflict, it both affects and is affected by that conflict'. Anderson notes five main ways in which aid affects conflict:

- The theft of aid resources by warring parties
- Aid can affect markets and reinforce war economies
- The distributional impacts of aid can affect relationships between groups and fuel tensions
- Aid can substitute for local resources to meet civilian needs, freeing them to support conflict
- Aid can legitimise particular actions and agendas.

Understanding the political economy of disasters is critical not just in conflict-related crises, but also in natural disasters, where control over aid can still become embedded in political processes. An example of this, drawing on the survey carried out by Transparency International Bangladesh, is given in Box 2 below. Similarly, in Pakistan respondents noted that there were examples of local officials specifically stating that recovery assistance would only be provided to those families that supported local elected officials. In Zambia, food aid distributions in 2005/6 were greatly complicated by the fact that it was an election year, and local members of parliament pressured implementing agencies to adjust distributions to include areas where they were campaigning.

Quick-onset conflicts bring the particular risk of rapid and large-scale population displacements. The huge and rapid outflow of refugees from Rwanda in 1994 is the classic example, and flows from Darfur in 2002 are a more recent case (Borton et al., 1996; International Development Committee, 2005). These may create particular risks for the corrupt abuse of power in crossing borders and in the rapid establishment of large-scale camps.

Large-scale displacement crises often become long-running and chronic crises, such as in northern Uganda and the DRC. Equally, natural disasters may need relief to continue on a regular basis, as in Ethiopia and northern Kenya. Corruption may become embedded in long-term crises because of management neglect, or because donor fatigue leads to declining resources for management oversight.

Slow-onset natural disasters are usually droughts, and the response is often dominated by food aid, meaning that corruption risks associated with food aid are likely to be particularly important. The slow onset of a crisis may also allow greater time for preparation and planning, potentially decreasing the risks of corruption. Some interviewees in Nairobi thought that slow-onset disasters were more vulnerable to corruption because they provided time for people to plan corruption schemes. Similarly, long-running crises were seen as providing an opportunity for corruption schemes to be repeated, and for defence mechanisms to be established.

There may also be features of types of crises that create particular risks. Shelter is often a particularly important sector in the relief response to earthquakes and flooding. In any emergency characterised by large-scale displacement, land rights are often a particularly difficult and contentious issue, with huge associated corruption risks.

Corruption risks may also change according to the phase of an emergency and the corresponding objectives of humanitarian action and reconstruction and rehabilitation assistance. However, it is important to stress that very few emergencies involve a simple and linear transition from relief to reconstruction or rehabilitation and development. In practice, relief and reconstruction activities overlap and take place simultaneously, and there is no neat dividing line either in terms of the actors involved or over time.

Humanitarian aid remains organised around short-term funding cycles and the concept that emergencies are temporary interruptions of normal processes. It is true that humanitarian aid has been provided for long periods in conflicts such as Sudan, Burundi and Somalia, but the humanitarian system is essentially ill-equipped to engage with chronic crises. The funding cycles of donors remain largely short-term and project-based, and the capacity of the system is arguably already fully stretched (Adinolfi, 2005).

Emergency and development assistance have long been separated within the architecture of the international aid system. Western donors usually have distinct modalities and instruments for funding emergency and development aid. Development aid is generally delivered through states, and is associated with building the capacity of the state, civil society and market institutions. Sustainability is a key concern. Emergency assistance, by contrast, is seen as the aid instrument of last resort, is associated with welfare and the free provision of services and often bypasses governments, being used to fund NGOs, the UN and the Red Cross. Development assistance is often provided with conditionality, whereas emergency aid is politically non-conditional.
The interface between relief and development, and calls for better links between them, has a long history in the academic literature (Buchanan-Smith and Maxwell, 1994). The conception of a neat linear or sequential relief-to-development continuum was seen as inadequate, and it was recognised that relief, rehabilitation and development assistance often take place simultaneously (Longhurst, 1994). Macrae (2001) argues that preserving the distinction between humanitarian and development aid is crucial to maintaining the integrity and technical efficacy of each. In conflicts and complex emergencies, linking relief and development risks a 'process of normalisation characterised by a creeping acceptance of higher levels of vulnerability, malnutrition and morbidity' (Bradbury, 2000: 3). This has been highlighted in Sudan and

Somalia, where levels of malnutrition that would once have triggered a crisis response came to be accepted as normal and were dealt with in developmental terms. Macrae and Leader (2000) also point out how work on relief-to-development links became attached to the debate on 'coherence' and the use of aid for conflict reduction. This is problematic because it can threaten key humanitarian principles.

However, recognising the complexity of the interactions between relief, reconstruction and development assistance does not mean that there are not important differences in the types of corruption risks faced in relief and reconstruction efforts. For instance, in Sudan the actors and risks involved in providing immediate relief in Darfur are not the same as those providing reconstruction assistance in south Sudan. Likewise, the immediate relief response to the tsunami and the process of longer-term reconstruction has involved changes in the actors involved, the types of activities and the levels of funding.

Humanitarian action, particularly in conflicts, is more likely to be delivered by international aid agencies. Relief is provided according to core humanitarian principles and the various standards, benchmarks and codes that have been developed, such as Sphere, the Code of Conduct and the Good Donorship Initiative (Good Humanitarian Donorship, 2003; SCHR, 1994; The Sphere Project, 2004). Assistance labelled as reconstruction is more likely to see governments playing a leading role and international financial institutions such as the World Bank becoming involved. There is also a shift in activities from a focus on meeting basic and immediate needs to reconstruction of infrastructure, recovery of livelihoods and rebuilding permanent shelter. Private sector for profit actors may also be more likely to be involved. So in terms of the risks of corruption, there is the possibility of a gradual shift in focus from international aid agencies to governments, multilaterals and private sector contractors. Afghanistan between 2000 and 2006 would provide a good example of this shift.

Local understandings of what constitutes corruption may vary in different contexts. Respondents to the survey in Uganda and Pakistan frequently mentioned local authorities using bribes to complement their salaries, but did not always see this as corrupt. Respondents also had different perceptions of the meaning of corruption, influenced by issues of gender, ethics and religion. Examples of these different perspectives included: 'standards not respected'; 'getting things unethically'; 'sometimes organisations with political and religious motives may tie relief to their agendas'; and 'women don't have the same access and opportunities'.

Different interpretations of 'misuse' can lead to different cultural perceptions of what represents corruption and what is normal or legitimate practice. For instance, giving a relative a job or a contract may be seen as a sensible way of ensuring that you are dealing with someone whose track record is known and in whom trust can be placed because of the discipline imposed by social ties. Similarly, one interviewee pointed out that favours and small gifts are often a way of building social capital. Equally, it may be an acceptable or normal part of business practice to give gifts after a deal has been struck, often known as 'baksheesh', and not so dissimilar from the Western understanding of business entertaining. This is explored more fully in section 4.9 under procurement risks.

Different perceptions of corruption are also evident in the fact that local people may see aspects of the conduct of humanitarian organisations as corrupt, but which aid agencies see as necessary and legitimate. A good example is NGOs' comparatively lavish spending on management and administration costs and the use of NGO assets for private as well as agency purposes, for example using a car in the evening for social purposes. Indeed, locals may find it difficult to distinguish between organisational and personal use, and may be unaware of agency agreements with staff. One interviewee commented that they would not stop at a shop on the way back from a meeting because of the mixed messages that this sent. Anderson (1999: 62) talks about the 'implicit ethical messages' of aid in conflict settings and how the lifestyle choices of aid agency staff can undermine their working relationships with the people they are supposed to be helping.

As noted in an earlier section, international relief assistance can sometimes be perceived by local actors as wasteful and profligate, and this may increase the risks of corruption. This is linked to the difficult issue of the salaries and motivations of staff working for aid agencies. Aid agencies often pay relatively high salaries for national staff in part because it is hoped that this will make corruption less likely. On the other hand, this may increase local perceptions of extravagance and increase the risks of abuse. Salary disparities between national and international staff may also create resentment, as can disparities between salary levels in local and international organisations. It is hoped that one of the primary constraints to corruption in humanitarian aid agencies is the altruistic motivation of staff. If humanitarian action is seen as genuinely life-saving then corruptly abusing it should be seen as particularly egregious, so corruption risks may be related to the severity and urgency of needs.

Emergency response often takes place in weak states and in the midst of conflicts, where governance systems have broken down. In these contexts, seeking bribes at roadblocks or a militia skimming relief before or after distribution could be seen as a form of taxation. Similarly,

in an environment without a formal taxation system, a militia may require an agency's local employees to make a 'contribution' from their pay. Where government employees are inadequately paid there may be a tacit understanding that they will supplement their income through rent-seeking. The practice of paying bribes at roadblocks was seen by survey respondents as a high and unavoidable risk. Both international and local aid workers reported often using their own personal funds to pay bribes at roadblocks (Farrington, 2006). Anderson (1999) summarises the way in which aid can become caught up in conflict:

> *Aid agencies, operating in areas controlled by factions, must often make 'legitimate' payments to those in power in the form of taxes and fees for services (import-export licenses, hired guards for protection, loaned use of vehicles and the like). They can use that income to finance the war or to enrich themselves. They can use aid delivery sites to control where people can (or cannot) live and thus control their loyalties or force their removal from areas. Further, when aid agencies need the permission of armed factions to gain access to people with whom they must work, that situation reinforces factional power and legitimacy* (Anderson, 1999: 50).

Conflicts may arise between the aid agencies' concepts of need and local definitions. For example, in Southern Sudan the Dinka culture is based on the concept of sharing: although the neediest should get most, everyone should get something. As a result, relief can be redistributed once agency staff have left (Duffield, 2000; Harrigan, 1998).

These issues demonstrate the need to analyse how corruption is understood in different local contexts. They also highlight the day-to-day dilemmas faced by aid providers in balancing the need to get things done with a desire to ensure that aid is not corruptly diverted. One interviewee commented that, if payments were not made, nothing would happen; another noted that it was necessary to keep interested parties happy in order to be able to operate safely, and that it was a question of being part of the system without becoming compromised. An example was given of refusing a warlord's demand to be involved in all recruitment decisions but being willing to give him some fuel. The prevailing level of need was thought by interviewees in Nairobi to be a factor in determining the likelihood of corruption.

Box 3: Perceptions of Corruption Risks in Pakistan – Issues Raised by People Interviewed by Transparency International

Bogus NGOs
Inflated cost of purchases under the umbrella of emergency
Non-transparent distribution of donations
Preparation of false data about affected people
Theft of cash and jewellery by security staff from demolished houses
Selling of donated material in the open market
Bogus bills included in accounts
Employing friends and relatives at high salaries
Foreign donor officials staying in five-star hotels and charging this to disaster relief accounts
Transport charges inflated due to shortage of vehicles
Bribes demanded at all stages by officials distributing cash donated by the government
Looting of relief goods
Purchase of expired medicines
Relief material charged to more than one donor.

4. Risk Mapping

4.1. Introduction

Figure 3 provides a broad overview of the emergency relief process consisting of various stages: initial assessment and decision to respond; initial programme design; decision to raise and allocate funding; the establishment of local offices and/or concluding agreements with local partners; procurement and logistics; identification of specific beneficiaries; implementation of the programme including distribution of assistance to beneficiaries, programme monitoring and reporting; reporting to donors; programme closure; and finally evaluation of the effectiveness of the programme. The figure also shows a stage called 'Finance, Human Resources and Administration', as this encompasses many key processes which occur both when the programme is set up and during its implementation. In addition, there are specific risks associated with the type of assistance being provided: shelter, food and nutrition; health care; water and sanitation; and internally displaced persons and refugees. This is necessarily a simplified representation of overlapping processes, and in practice it is not as sequential as is suggested, with many activities happening in parallel. There are also a number of feedback loops. For example, programme activities may need to be adapted during implementation in the light of feedback from beneficiaries, local government and staff.

Figure 3 is also simplified in that it represents an archetypal humanitarian response. However, such a simplification is problematic because of the different contexts in which responses take place. For example, the figure is based upon a response with a clear beginning and end, whereas many crises are protracted. In the following sections the risks involved in each stage are discussed based on a risk map that identifies the main activities that take place in the various stages, and the opportunities for corruption that may exist. Whilst the maps identify 'who gains what' in order to help articulate the nature of the risk, they often focus on financial gain. However, as the maps are read it is important to remember that there can be many types of gain. As noted earlier, corruption can involve non-financial gains such as an enhanced personal reputation, the acquiring of political capital or access to physical services such as connection to a water supply. Specific mention should be made of sexual corruption, in which sexual favours are extorted in return for assistance or preferential treatment. Some agencies have focused on this in recent years following scandals identified in West Africa and in the DRC (UN Office of Internal Oversight Services, 2002; UNHCR & Save the Children UK, 2002; Naik, 2002; Save the Children UK, 2006; United Nations, 2005). Equally, people may be pressured into engaging in corruption, not for any gain, but in response to threatened or actual violence or through social obligations to family, friends or others. This variety illustrates the importance of an understanding of the local context when trying to prevent corruption, and highlights the many factors that need to be understood and considered when evaluating corruption risks. Importantly, it also means that the corruption may be less visible.

Box 4: Sexual Exploitation

A Save the Children study (2006) examining children's vulnerability to exploitation and abuse during the delivery of assistance in Liberia found consistent accounts of children engaging in sex in IDP camps and communities as a means of survival. Reference was consistently made in focus group discussions to men with money or status being involved in this exploitation. Camp officials, humanitarian workers, businessmen, peacekeepers, government employees and even teachers were frequently cited. All of the communities and camp inhabitants described the widespread nature of the problem and the increasing resignation among adults and children that sex in exchange for goods, services and as a means of survival was becoming a common option for children to support themselves and their families.

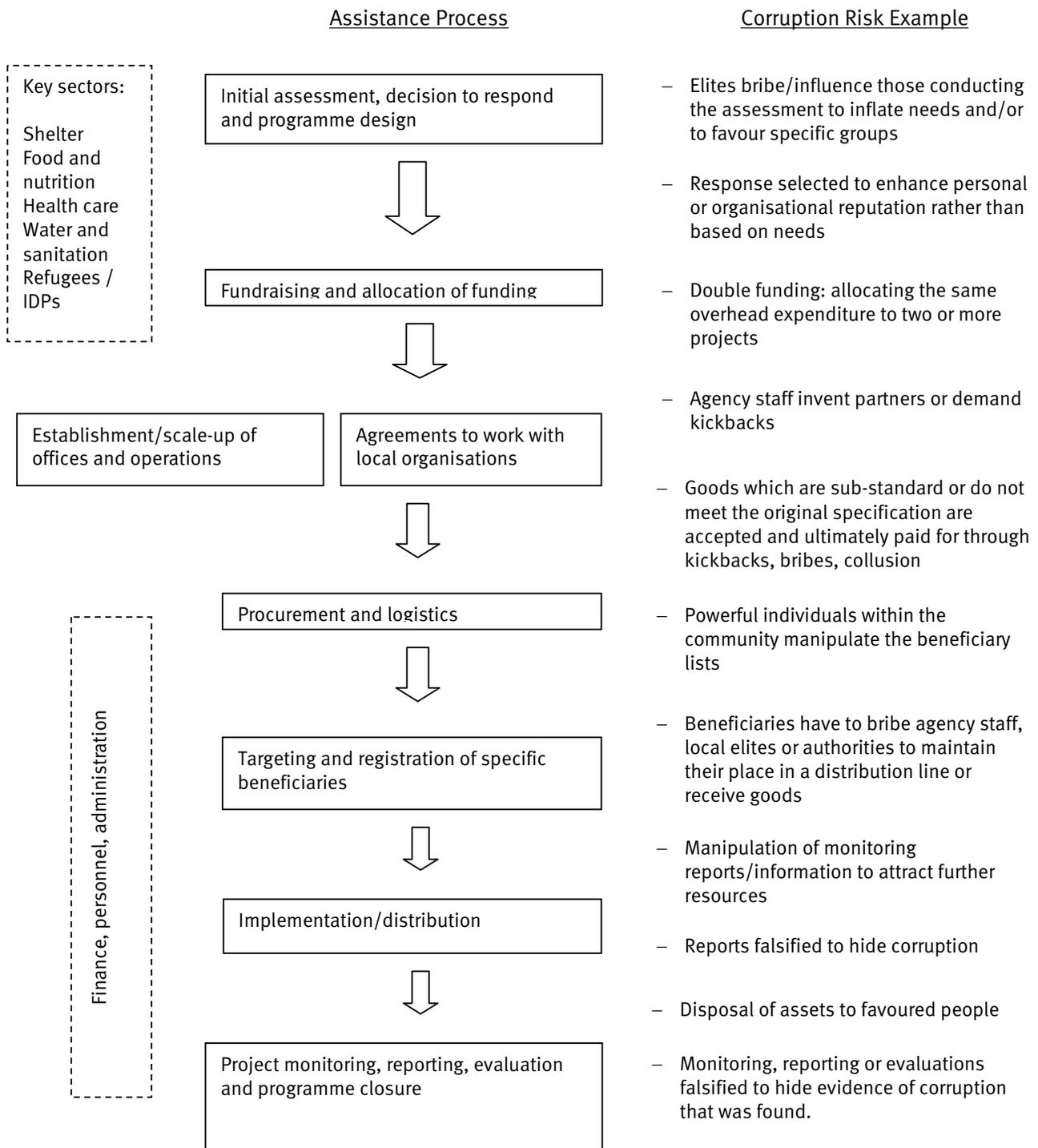National and international NGO and UN employees are seen to be people of status as they are paid relatively well compared with most other employees and often have access to a vehicle. In addition, they may be distributing food or material goods, which they can use to entice girls. It is clear that sex with underage girls by humanitarian workers continues to happen.

Source: Save the Children, 2006.

In considering the maps and the likelihood of corruption it is important to bear in mind the general point that, since corruption stems from the ability to misuse power and authority, the greatest risks of corruption follow the path of the most amount of money, goods or services. For instance, many of those interviewed for this study commented that procurement, logistics and payroll were most vulnerable, and that the sectors with the highest risks were shelter, food aid and health care. But these may also just be the processes where corruption is most visible. Risks of corruption also arise where systems of accountability and transparency are weakest and where the potential for individuals to exercise discretionary power are greatest. Often this is at field level, during targeting, registration and distribution processes.

The corruption risks inherent in the different stages of the relief process, as depicted in Figure 3, are discussed below in sections on the initial assessment, decision to respond and programme design; fundraising; working with local organisations; procurement and logistics; targeting and registration of specific beneficiaries; implementation, distribution and project monitoring, reporting and evaluation. Establishing or scaling-up local offices and programme closure are discussed in the separate section on finance, human resources and administration. There are also sections covering the different sectors of shelter; food and nutrition; health care; water and sanitation; and displacement.

Figure 3: Map of Corruption Risks in Humanitarian Assistance

Assistance Process   Corruption Risk Example

Key sectors:

Shelter
Food and
nutrition
Health care
Water and
sanitation
Refugees /
IDPs

Initial assessment, decision to respond and programme design

- Elites bribe/influence those conducting the assessment to inflate needs and/or to favour specific groups

- Response selected to enhance personal or organisational reputation rather than based on needs

Fundraising and allocation of funding

- Double funding: allocating the same overhead expenditure to two or more projects

- Agency staff invent partners or demand kickbacks

Establishment/scale-up of offices and operations

Agreements to work with local organisations

- Goods which are sub-standard or do not meet the original specification are accepted and ultimately paid for through kickbacks, bribes, collusion

Procurement and logistics

- Powerful individuals within the community manipulate the beneficiary lists

Finance, personnel, administration

Targeting and registration of specific beneficiaries

- Beneficiaries have to bribe agency staff, local elites or authorities to maintain their place in a distribution line or receive goods

- Manipulation of monitoring reports/information to attract further resources

Implementation/distribution

- Reports falsified to hide corruption

- Disposal of assets to favoured people

Project monitoring, reporting, evaluation and programme closure

- Monitoring, reporting or evaluations falsified to hide evidence of corruption that was found.

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4.2. Initial Assessment, Decision To Respond and Programme Design

Assessments set the stage for subsequent humanitarian responses, influencing what will be delivered, to which areas and in what quantities. This presents clear opportunities for corruption by distorting assessment results to generate additional resources for particular areas or organisations, which can then be corruptly diverted.

As Darcy and Hofmann (2003) argue, the fact that assessments are largely conducted by operational agencies to substantiate requests for funding can 'encourage supply driven responses and risks distorting the scale of the threat and the importance of the proposed intervention' (Darcy & Hoffman 2003: 8). Much of the incentive to misrepresent needs may arise from organisational imperatives – the need to generate funding or to be seen to be responding to a crisis – rather than for personal gain, whether financially or in terms of reputation.

Whether inaccurate assessments should be seen as corruption, in the sense of misusing power for private gain, is something of a grey area. It would certainly be against the humanitarian principle of impartiality and would produce undesirable results, but labelling it as corruption may not be helpful, as it is more about the inevitable mixture of competing priorities that influence decision-making within organisations.

Exaggerating need or distorting assessments may, however, be corrupt if it is done deliberately and results in increased profile and reputation for individuals or organisations, even if there is no financial gain.

One of the main areas of corruption risk at this stage is that a response would be influenced by the desire to maintain or build an organisation's reputation or the reputation of individuals within an organisation. This is in contrast to putting the interests of the beneficiaries first and might lead, for instance, to needs being exaggerated or to an inappropriate analysis of humanitarian issues. Success in the relief sector is partly determined by the ability to respond quickly and, equally importantly, to be seen to do so, which may lead to pressures on organisations and staff to distort needs. Interviewees noted that inflated assessments can provide funds for other activities or expenses, such as development programme overheads.

Corruption risks in assessment may be reduced because of the different number and type of agencies and donors involved and the different channels they have for receiving information. Certainly, the importance of teams as opposed to individuals conducting assessments and the benefits of multi-agency teams were cited as useful mitigating measures in interviews. However,

experience shows that multiple actors can be swept up in the same tide of inappropriate analysis. Darcy and Hofmann (2003) note the mutual tendency of agencies and donors to construct and solve crises with little reference to evidence. There may be particular risks around the design of programmes if agency capacity, or the lack of it, can be hidden from those outside the organisation. So, for example, an agency might propose a response that is far beyond its capacity, either to enhance its profile or with the aim of corruptly diverting project funds.

Box 5: Assessing Needs

In 2000 a study on the unintended consequences of humanitarian assistance in Sudan noted:

In Government of Sudan areas, a complex system of relief committees and structures which present lists of needs to agencies in the areas of health, education, water and training. The pressure on local resources from influxes of displaced southerners creates opportunities for government officials, who determine needs and access in Government of Sudan areas of Operation Lifeline Sudan operation to control and profit from relief inputs. Thus the Wau relief committee, for example, received two tons of sorghum, half a ton of pulses and 16 gallons of oil for every distribution they facilitated. Relief inputs are negotiated more through compromises struck between agencies and the organs of government than in accordance with the actual needs of displaced people (Duffield et al., 2000: 33).

A recent study of needs assessment processes in Ethiopia concluded that needs were more negotiated than assessed. The study found that:

Current Emergency Food Security Assessment practice, although guided by the Disaster Prevention and Preparedness Commission's agreed assessment guidelines, is not rigorous as it does not follow a consistent methodology or analytical framework. The system essentially uses qualitative judgements and negotiation. The most obvious basis by which figures are generated from year to year is to adjust them up or down on the basis of whether expected or actual rainfall and cereal production are better or worse than last year.

Qualitative judgement and negotiations are not intrinsically a problem, and may well serve to draw out local knowledge from lower-level government officials, but if information is not organised through an appropriate conceptual framework and grounded in evidence from the field, the process is based on very little but a few individuals' personal perceptions (Haan et al., 2005).

Another possible area of corruption risk is at the local level, and this might also set the stage for subsequent diversion. For instance, local elites might bribe or otherwise influence the head of an assessment team or senior field staff member to exaggerate the number of people in a camp for

displaced people, allowing more resources to flow to the camp. This might enhance the reputation of local leaders because it shows that they are able to attract resources to the area and provide opportunities for subsequent diversion ('ghost IDPs'). It might also increase collusion between local elites and agency staff (to divert resources being directed at ghost IDPs). Such influence might occur at a very early stage and might be very subtle, for instance the chairman of a regional distribution committee, who is a politician, might indicate the areas in which assessments ought to be done. The pressure that local people involved in assessments can come under was consistently highlighted during interviews; in one example, an individual changed the reported location of a village so that it would be included in an area which was to receive relief.

The TI Bangladesh study noted that the selection of beneficiaries at local level is 'often guided by vested interests'. The study cited political influence (listing recipients according to their political affiliation; selecting areas/beneficiaries on the basis of media coverage; and NGO membership being a pre-requisite for eligibility). In Sierra Leone in the mid-1990s exiled chiefs were contracted to conduct censuses of IDP populations in Freetown. Investigations by aid agencies revealed that census figures had been grossly exaggerated and that food distributions had often been diverted to what the informant described as 'certain interest groups close to the chiefs' (Fanthorpe, 2003: 62).

Issues during the programme design phase may also add to the risks of subsequent diversion if the resources provided are seen by disaster-affected populations as inappropriate. For instance, in Aceh following the tsunami, a report found what were pejoratively labelled as 'aid boats' often sitting unused, their engines and other parts sold or taken for use in other boats. A local authority representative argued: 'the most important thing for many agencies is to be able to say they have given boats; whether or not the boats are then used is of little concern to some donors' (Eye on Aceh & AidWatch, 2006: 11).

Table 3: Assessment Risks

Activity	Risk	Who Gains What
Needs assessment carried out by volunteers, staff or consultants	Inaccurate assessment due to expectation or pressure from those commissioning the assessment	Personal reputation of those involved maintained or enhanced
	Consultants inflate time or costs	Consultants gain financially
	Elites bribe/influence those conducting the assessment to inflate needs and/or to favour specific groups	Assessors gain financially Elites gain 'political' capital
	Recommendations favour interventions in areas where the assessor has personal interests	Personal reputation of assessor enhanced: potential greater for receiving kickbacks where a personal relationship exists between the two parties
Discussions with national, regional or local authorities of the affected area	Coercion to influence the shape, size or location of programme under threat of restrictions or closure of existing programme	Those exercising coercion gain political capital and a group of beneficiaries (not selected according to humanitarian principles) gain assistance that they would not otherwise have been entitled to.
	Elites bribe/influence decision-makers to inflate needs and/or to favour specific social groups	Decision-makers gain financially. Elites gain 'political' capital and beneficiaries gain assistance that they would not otherwise have been entitled to
Decide the nature of the response	Response inappropriate to need in order to maintain or enhance personal or organisational reputation	Agency or personal reputation maintained or enhanced
	Response agreed despite lack of agency capacity, to maintain or enhance personal or organisational reputation	Agency or personal reputation maintained or enhanced

4.3. Fundraising and allocation of funding

A key factor in the decision to respond to a crisis and the initial programme design will be an assessment of the likely sources and levels of funding. Broadly, this will come from two sources: the public, or institutions (e.g. governments and inter-governmental agencies). In respect of money from the public there are two basic activities: the launch of an appeal, followed by the receipt of money. In respect of institutional funds there are three key activities: the preparation of proposals, the institutional decision to approve or decline a proposal and the receipt of the money. In practice, there are often discussions between an agency that is applying for funds and the potential donor to develop a proposal. In respect of institutional funding there is in effect an earlier stage. This is the earmarking of funds for certain crises, following which agencies are made aware that funds are available and sometimes specifically invited to apply for them. The humanitarian principle of impartiality states that assistance should go to those most in need, and donor governments are committed to this as part of the Good Humanitarian Donorship principles (Good Humanitarian Donorship, 2003; Willitts-King, 2004).

In practice, funds are often earmarked in line with the strategic interests of donors and not on the basis of need from a global perspective (Darcy & Hoffman, 2003; Macrae, 2002). The allocation of funds on the basis of political or strategic interests rather than on the strict basis of humanitarian need could be seen as corruption, in the sense that the power to allocate funds has been misused to benefit the interests of the donor rather than in line with strict humanitarian principles. Again, however, whether this should be seen as corruption is moot. Responses are almost always influenced by all sorts of factors that are not strictly about the level of need according to a global principle of impartiality (the level of media attention, political and strategic interests); while this may be bad public policy, it is not necessarily corrupt. It is certainly not clear where the private gain of individuals would enter into the process. Civil servants are likely to be in part making funding decisions based on the political interests of donor governments, but that is not producing personal gain nor is it necessarily abuse of office.

There is a risk that funds are diverted when NGOs and other implementing agencies apply to institutional donors for funds. This may be more likely where there is limited regulation of NGOs or in the first phase of an emergency response, when potential recipients may not always be carefully assessed. As a result, bogus NGOs may be set up, costs may be inflated and unscrupulous NGO managers may apply for funding for the same activities from two or more donors. This practice is known as 'double funding', and may be made more likely if donors are not aware of other donors' involvement and consequently believe that they are funding all of a programme's costs. These risks may be increased further where there is a high level of pre-

existing corruption, and/or where accountability over senior managers is weak. In the immediate aftermath of a major disaster, where the level of public compassion is high, it may be easier for bogus NGOs to be established, particularly if these are local and local systems of accountability are weak. There are many examples of internet-based appeals from unknown entities raising funds purportedly to help the victims of disaster.

Interviews by Transparency International in Pakistan suggested that the greatest perceived risk in humanitarian relief was bogus NGOs. This was attributed to the fact that there is no government control over forming NGOs and no subsequent monitoring of them. It was noted that these organisations are able to obtain funding from local and international donor agencies. Similarly, the TI study in Sierra Leone observed that fake relief agencies were sometimes formed to attract donor funding, and the existence of NGOs offering little or no assistance was also noted during interviews in Nairobi.

Table 4: Fundraising and Allocation Risks

Activity	Risk	Who Gains What
From Institutions		
Funds are made available/earmarked	Availability is influenced by the strategic interest of the donor rather than humanitarian principles	The donor is able to pursue its strategic goals.
Agency prepares proposals and submits them to institutional donors	Double funding: an agency gains approval for the same proposal from two donors, ultimately receiving two amounts of funding for one project	The agency or staff within the agency gain financially
	Double funding overheads: an agency allocates the same overhead expenditure to two or more projects.	The agency or staff within the agency gain financially
	An agency inflates its costs over and above what it knows they will be.	The agency or staff within the agency gain financially

Institutional donors decline/approve proposals	Donor staff bribed to secure funding	The reputation of the agency is maintained or enhanced because of the number of responses that it is seen to be able to mount and/or staff may secure their jobs through continued funding
From the Public		
Launch of an appeal	Bogus NGOs are set-up which provide little or no assistance. This can be at an international and/or local level	Those setting up the bogus NGO gain financially
	Launching an appeal involves procurement, e.g. PR consultants and advertising space, and this entails procurement risks	
Receipt of public donations		

4.4. Working with Partners

Agencies often choose to provide emergency relief by running their own programmes. However, an alternative is to work with and fund one or more local organisations to provide the relief. This may be done in conjunction with or instead of an agency's own directly implemented programme. Most agencies that work with partners have systems, policies and guidelines in place (e.g. UNHCR, 2003). Where an agency chooses to do this it must first identify and select suitable implementing partners, who will develop proposals for the agency to consider (possibly in dialogue with the agency) and then implement the projects, with support and monitoring from the international agency. Many of the corruption risks faced by local organisations are the same as those faced by international aid agencies, but there may be particular risks created by the partnership process. These are highlighted in the table below.

Working through local organisations adds another step in the chain from allocation of resources to delivery to the beneficiary, and this may increase risks. On the other hand, local organisations are at least potentially more knowledgeable about the local context and accountable to beneficiaries. Potential corruption risks are two-way: local partners may corruptly divert resources provided, or donors may corruptly abuse the power to provide funds. There are also varying degrees of engagement from funding agencies, some working intensively with local

organisations and others with a much more hands-off approach. There are often good intentions on the part of international agencies to build the capacity of local organisations, but reviews have suggested that results have at best been mixed (ALNAP, 2005; Juma & Suhrke, 2002; Smillie, 2001).

The implementing partner is exposed to all the same risks that an agency would be in carrying out its own programme, but there are also additional risks involved in partner selection and funding, in particular the risk of 'phantom' partners. Key variables in the level of risk around working with partners include the mechanisms that agencies have in place for selecting, assessing and monitoring partners, and the skills and experience of staff responsible for working with partners.

Risks are increased where partners are set up in response to a crisis, and agencies have no previous experience of operating in the area, or other relationships through which to evaluate the partner. The need to provide relief quickly may limit the time available for assessing potential local organisational partners and developing working relationships with them. These risks can be compounded by a perceived pressure to spend. For example, in Sri Lanka in 2005 humanitarian agencies struggled to handle unprecedented quantities of funds in response to the tsunami. Many preferred to work with local implementing organisations. As a result, local NGOs were flooded with money: their annual budgets increased overnight by factors of five or ten. This may have stretched existing systems (Cosgrave, 2005). In Aceh, local NGO budgets often increased by as much as 20 to 30 times pre-tsunami levels, and many NGOs may have experienced management problems as a result (Eye on Aceh & AidWatch, 2006).

Another risk that arises when an agency chooses to work through partners is that the partner may use the funds from one donor to support another project or to support overheads, which it has not been able to fund. This may occur because of poor financial controls, which have not highlighted deficits on other projects or central overhead costs. An agency may intend only to cover a temporary deficit whilst other promised funding arrives, but this becomes a permanent arrangement if the promised funding does not materialise. In interviews, it was suggested that roundtable meetings between all of a partners' donors and an audit of the partner, commissioned jointly by donors as opposed to one donor commissioning an audit of their project alone, were helpful in mitigating this and other risks, such as double funding.

Table 5: Working with Partners Risks

Activity	Risk	Who Gains What
Selection of Partners		
Identification, assessment and selection of partners	Partners' staff collude with, or are bribed by, agency staff to be included or selected. Agency staff demand kickbacks for recommending partners.	Agency staff or partners' staff gain financially. Partners gain the potential of enhanced local status, which in turn would be likely to give them access to other resources. Partners' staff potentially gain, through enhanced status, experience and continued or enhanced employment
Assessment of potentially new/additional partners' capacity	Potential partners bribe agency staff to put a more favourable gloss on their assessment so that they are more likely to be chosen and/or receive more funding than would otherwise be the case	As above
	Potential partners bribe agency staff so that they receive more funding than they otherwise would.	As above
	Agency staff invent partners or demand kickbacks from partner agencies.	Agency staff gain financially as would any others involved in the process.
Partner Programme Design and Funding		
Partners conduct needs assessments	See Needs Assessment module	
	Needs inflated because of desire to be part of a large organisation	Partners gain enhanced local status, which in turn would be likely to give them access to other resources. Partner's staff similarly gain, through enhanced status, experience and continued or enhanced employment
	Needs inflated because of bias of partner staff towards particular areas of groups.	Some local people receive benefits that they would not otherwise have been entitled to – or greater benefits than they otherwise would have received

Activity	Risk	Who Gains What
Partners prepare and/or are supported in preparing proposals	Double funding: a partner gains approval for the same proposal from two donors, ultimately receiving two amounts of funding for one project.	The agency or staff within the agency gain financially
	Double funding overheads: a partner allocates the same overhead expenditure to two or more projects	The partner or staff within the partner gain financially
	An agency inflates its costs over and above what it knows they will be – possibly supported by partner/supplier collusion	The partner or staff within the partner gain financially
Funds transmitted to partner by agency		
Pre-agreed conditions are met	Agency staff bribed to ignore or water down conditions	Agency staff gain financially. Partners gain funding which they otherwise might not have attracted By avoiding controls future diversion of funds may become easier
Funds received		
	Interest earned on funds received but not yet spent on the project may be diverted	Partner staff may gain financially or the interest may be used to make up for financial losses
	Funds diverted to support other projects or overheads	Those who will benefit from the continuation of the projects or the continued viability of the partner e.g. staff.
Partners scale up operations and implement programmes	Same corruption risks apply as for other organisations	

4.5. Procurement and Logistics

There is a widespread perception that procurement and logistics is at particularly risk from corruption because of the large sums of money that are usually involved, particularly in the case

of capital intensive sectors such as shelter and water and sanitation. Interviewees often identified procurement as one of the areas of greatest risk. This perception has led to considerable investment by humanitarian organisations in measures to mitigate the risk through the strengthening of logistics systems, in the recruitment of professional logisticians and staff training (Thomas & Rock Kopczak, 2005). Risks are not just seen as existing within the local context; expatriate as well as national staff may be involved, and interviewees noted that they had been offered bribes from businesses based in Europe. Table 6 lists the risks associated with each of the main activities: pre-emptive stockpiling; procurement; transport and fleet management; warehousing and asset control. Examples of risks given by interviewees include:

- 'I heard about a scam that had been operated by international staff hiring trucks at inflated costs for south Sudan, with a cut going directly to them from the trucking company.'
- Recently in Darfur, staff had colluded with transporters to swap imported commodities for re-bagged local produce.
- 'Before my arrival a staff member had colluded with a seed supplier to inflate the purchase price, I had to deal with the aftermath which included a legal case' (Farrington et al., 2006).

A particular issue in procurement is whether international competitive tendering standards are the best way of getting cost-effective aid and controlling corruption risks. Formal systems which call for international tendering may exclude local expertise and labour. Galtung (2003) cites an example from Iraq where, according to the Governor of Basra, 20 police stations were refurbished for $25 million by international contractors; the job could have been done by qualified Iraqi companies for about $5 million. Galtung argues that huge savings could be made by using local expertise and labour instead of foreign contractors, and suggests that international competitive tendering standards are 'woefully inadequate for obtaining best value for money' (Galtung, 2003). There is a need therefore to guard against creating systems that are overly rigid or complex. Interviewees highlighted the need for procurement records to be open, accessible and easily understood, and to minimise the extent to which complex procedures become opaque.

In procurement, a set of risks around inflated costs for relief items were identified. In an emergency response a number of factors can obscure an understanding of the true market price for goods and services, making it more difficult to detect possible corruption and consequently increasing the likelihood of it occurring. The sudden arrival of a large number of organisations all seeking goods that are in short supply inevitably drives up market prices and makes it difficult to know what the 'true' price is. This can be compounded in a high-inflation economy. In addition, those ultimately responsible for the procurement process and for authorising procurement may

have to buy goods and services with which they are not familiar. Interviewees suggested ways of addressing these risks, such as establishing guidelines for what goods should cost and establishing contracts for specific goods, which can be activated when a crisis occurs as part of contingency planning.

In some contexts it may be difficult to follow certain good procurement practices. It may, for example, be difficult to obtain three tenders if the number of suppliers is limited. Even if three tenders are obtained, they may be forged or may all be written by the same person. Similarly, as in Darfur, the presence of one or two businesses in a town may enable some form of tendering process to take place, but local staff may be under considerable pressure because of family or other ties with one of the businesses. In effect, tendering only works where there is a relatively free market with a number of suppliers. One way of mitigating risks of cronyism may be to use teams to choose suppliers, made up of people from different departments.

Whilst a number of interviewees felt that the movement of goods was a relatively low-risk area because it was easy to check that the same amount of goods were received as had been despatched, others pointed out that documentation could be falsified. One example was given of the movement of 20 lorry-loads of food aid, where the despatch and delivery documentation had been falsified and the lorries had travelled empty. A further risk, in the case of food aid, is that, whilst the number of bags transported might agree, the bags might arrive underweight or might lose weight during storage. Suggested ways to mitigate these risks include transporters depositing a bond against the satisfactory delivery of goods and checking weights rather than the number of items. Transporting relief goods is often sub-contracted to private companies, and this may make risks such as payments to armed factions for access more likely. In storing and transporting relief resources, humanitarian actors need to be resilient in the face of pressure over the use of assets, for instance from local armed factions, and this may create an argument for safeguarding the principled independence of humanitarian agencies and being cautious about the use of private companies in sub-contracting arrangements.

Some goods and services lend themselves to corruption more than others. For example, vehicle fuel is notoriously difficult to control. Small amounts of fuel can be stolen from stocks or vehicle tanks and blamed on spillage, evaporation or unaccountably higher fuel consumption in particular vehicles. Although individual losses may be small, taken together a substantial amount of fuel could be lost. A project to supply water and sanitation to refugee camps had thousands of litres of fuel diverted over a number of years as controls lapsed due to management neglect. Other issues highlighted in interviews included:

- Cement can be easily diluted, and the impact only seen when structures such as latrines or water points begin to collapse.
- Aircraft flights are seen to be highly valuable and provide an opportunity for bribery to be allowed on to them or for the transport of trading goods.
- The substitution in a purchasing agreement of reconditioned or unworthy vehicles. One example was given of sub-standard bodywork which was only detected when the vehicle collapsed during loading.
- The purchase of assets is usually treated as an expense rather than a capital item. This leads to them being viewed as less valuable and therefore more prone to theft or misuse.
- Bribery in customs is a significant procurement problem, and has led some organisations such as Médecins Sans Frontières (MSF) to establish systems for bringing in essential medicines.

It is important to distinguish bribes or kickbacks, which are discussed before a transaction takes place, from baksheesh, which is paid after a transaction has been completed.. In some countries making baksheesh payments is a normal part of the business culture. One example was given during interviews of someone who had followed their organisation's purchase procedures in good faith and, once the transaction was completed, had been offered a $25,000 gift. When they had refused the gift they had been subject to coercion to accept it. One of the significant issues raised by this example is the difficulty in detecting such payments. It is also significant that the incident occurred despite purchasing controls being followed. The example also illustrates the point made by a number of people that, for many forms of corruption, the paperwork will be in order and it is a fallacy to rely on audits to detect corruption if they only focus on the paper trail. A number of interviewees stressed the importance of auditors understanding local business practices and 'keeping an eye on the big picture' (this is discussed further in section five). This example also illustrates the fact that kickbacks and bribes may often be combined with coercion. There is also a need to distinguish between entertaining and gifts as a 'normal' part of the business process, and bribes or kickbacks. For example, during interviews it was reported that Lebanese businessmen in Sierra Leone had entertained people with weekends away and motorboat trips. It was generally felt that this was a question of scale and that it was important for staff to be transparent about what they had received. One agency in Nairobi has a policy of placing all gifts in a box and then raffling them off at Christmas. Likewise, some suppliers do not press for immediate payment for a personal service (e.g. servicing a motor bike), with the aim of creating favour which will be rewarded through future unspecified benefits.
A further point made during interviews is that there can often be a pyramid of accountability, the pinnacle of which is the most senior staff member in a country, and that accountability over such people may be comparatively weak. In a water and sanitation project a commercial company had

been contracted to undertake the work, and a monitoring system involving reports from three separate sources was set up: from an individual working for another agency; from a consultant who had been specifically contracted to monitor the work; and from the local authorities. All of the reports were sent to the manager, who was also responsible for authorising the payments to the contractor. It was eventually discovered that, despite reports that the work was not satisfactory, the payments had still been made.

Table 6: Procurement and Logistics Risks

Activity	Risk	Who Gains What
Pre-emptive stockpiling	More stock is purchased than is warranted because an employee is bribed by a supplier	Employee and supplier gain financially
Procurement		
Invitations to tender	One or more of those tendering inflate their costs above market levels	Potential financial gain for the supplier
	Inflated costs supported by contractor collusion	Financial gain of one or more contractors
	Inclusion in a tender list as a result of a bribe	Employee gains financially and the potential supplier may also gain financially
Choice of supplier i.e. evaluation of tenders	Undue preference given to one tender e.g. information on other bids is shared with a supplier in return for a bribe	Employee and supplier gain financially
Placing of order	Inappropriate supplier if tendering procedures fail	Employee and supplier gain financially
	A logistician could manipulate tendering so that business is transacted through companies they have an interest in.	Employee gains financially
	'Passive corruption': delays caused in the tendering or ordering process so that eventually there is only one	Employee and supplier gain financially

Activity	Risk	Who Gains What
	supplier left who can fulfil the order in the required timescales	
Supply of goods or services	Goods which are sub-standard or do not meet the original specification are accepted and ultimately paid for	Supplier makes a financial gain and the employee may make a financial gain if they have been bribed to accept the goods or services
Transport and Fleet Management		
Choice of supplier: to buy vehicles, hire vehicles or provide the services of a transport organisation	Procurement risks as above e.g. an agency rents cars owned by agency staff, their friends or relatives	
	Disadvantageous or unfair contract terms may be accepted if control is weak	Financial gain by the contractor and financial gain by the employee if there has been a bribe to ensure acceptance of the contract
	False acceptance of claims for damages if control is weak	Financial gain by the claimant and financial gain by the employee if there has been a bribe to help acceptance of the contract
Use of own or hired vehicles	Unauthorised use for financial or other gain e.g. transporting goods for sale, 'taxi' rides or social purposes. One example was given of a vehicle being used as a hearse.	The employee and/or other people who are allowed to use the vehicle or charge for its use e.g. employee is bribed to allow a third party to run a taxi business
	Paying for the use of government vehicles and the payment being diverted, perhaps because the use of the vehicles had been given free	Whoever diverts the payment, probably a government employee
	Inappropriate use by local authorities as a result of violence/coercion, bribes	The local authorities gain the use of the asset and employees may gain financially.
Fleet security	Diversion of vehicles and spare	Gain of the thieves and employees if

Activity	Risk	Who Gains What
	parts	they have been bribed to enable or permit the theft
	Diversion of fuel – for example through falsifying logbooks	Gain of the thieves and employees if they have been bribed to enable or permit the theft
Maintenance	Inflated service costs	
	Maintenance is not done or poorly done and the full cost charged	The supplier gains financially and agency staff may gain if a bribe is involved
Movement of goods	Attack, looting, pillage/loss through extortion or coercion of agencies	Financial gain or access to goods that this will give to those carrying out these actions and the recipients. One of the 'gains' of the perpetrators may be to deny access to intended beneficiaries. Employees gain e.g. through a bribe to facilitate or accept the action
	Poor reconciliation between amounts despatched and received leads to diversion. The same risk exists at distribution if there is poor reconciliation between amounts issued from stocks and the records independently prepared at the point of distribution	Employees may/may not be bribed depending on the strength of controls. Those arranging the diversion may make a financial gain e.g. through sale. Those receiving may gain a benefit from having access to goods or services which they otherwise might not have
	Charges may be made by authorities or their representatives to allow the passage of people or goods e.g. roadblocks, visas and customs	Financial gain of the authorities or their representatives

Activity	Risk	Who Gains What
Warehousing		
	Attack, looting and pillage with collusion by staff.	Financial gain or access to goods that this will give to those carrying out these actions and the recipients. One of the 'gains' of the perpetrators may be to deny access to intended beneficiaries. Employees may gain e.g. through a bribe to facilitate or accept the action
	Theft arising from a lack of physical security or poor controls	As above
Asset Control	Theft – the risks are the same as those listed under fleet security, above	
	Unauthorised use of assets – the risks are the same as those listed under use of own or hired vehicles above	

4.6. Targeting and Registration of Specific Beneficiaries

In pursuit of the humanitarian principle of providing relief to those who are in most need agencies invest heavily in identifying specific beneficiaries, against pre-determined criteria, to whom they provide material support such as food, blankets or cash. Lengthy assessment activities are carried out to draw up 'beneficiary lists', and operating procedures are developed to give each person on the list a standard package of assistance. Targeting is notoriously difficult, prone to inclusion and exclusion errors and to divergent perceptions of need and vulnerability between aid agencies and local populations (Jaspars & Shoham, 1999; Sharp, 1999; Taylor et al., 2004). These difficulties clearly create risks of corruption and opportunities for staff or local elites to influence who is included on the list, potentially in return for a proportion of the aid delivered (a kickback), sexual favours or political support. The various potential risks are highlighted in the table below. There are also opportunities for people to try to register several times under different identities, to get on the list when they do not meet the selection criteria, or to collect an aid package two or more times (Jayne, 2001; Telford, 1997).

Both targeting and registration processes are critical points in the process of relief delivery at which power is exercised. The power of humanitarian actors to decide, often in situations of desperate need, who gets assistance and who does not is great, and this is where some of the

most critical risks for abuse of that power lie. Fanthorpe (2003) provides an example from Sierra Leone where, during a meeting to discuss NGO assistance, a woman claimed that:

> *young men on motorcycles would often visit her village to register people for benefits and to collect fees for such registration. Chiefdom authorities would likewise collect money and food for the entertainment of "VIPs" (politicians, district administrators and NGO representatives). Yet she claimed her village had never received any outside assistance since resettlement more than a year previously* (Fanthorpe 2003: 61).

In the 2005 earthquake in northern Pakistan, there is anecdotal evidence of officials demanding money in return for registering people to receive cheques, regardless of the official criteria. In a study of sexual exploitation in Liberia, Save the Children found that:

> *Some people who had ration cards were told that their names were not on the log and that they would have to buy food from the people doing the distribution or men would offer to have sex with them for food* (Save the Children 2006: 15).

Box 6 describes investigations into sexual exploitation in Burundi, suggesting that the sexual exploitation reported by Save the Children in Sierra Leone and Liberia is not an isolated case.

Box 6: Sexual Harassment and Exploitation within the Food Aid Distribution Structure in Burundi

This box highlights findings from an initiative to better understand the types of sexual harassment and exploitation in food distributions in Burundi, using innovative methodologies such as interactive theatre. Burundi is not necessarily exceptional in this regard; what is exceptional is the willingness to investigate and act on these issues.

The food aid process in Burundi is as follows. Following assessments, a specific amount of food aid rations is allocated to a geographic location. Agency staff then work with locally established distribution committees and local authorities to determine the beneficiary list for distribution. Selected recipients receive a token on the day of distribution which they submit in order to receive their food aid ration. Time is limited to follow through on the monitoring of distribution committees or recipients.

Quotes from women about sexual harassment included:

'The chief came to my house and asked if I could share a beer with him. Afterwards, he told me that he appreciated me and that he wanted me to be a beneficiary but I had to be available for him. I accepted because I didn't have any other means and I had already twice missed food aid.'

'The chief came to my house with the list of beneficiaries. He showed me all the names that had been erased and tells that my name will be erased if I don't accept to have sexual relations with him. He starts to caress me and I accept in spite of me.'

'I have received night time visits from the chief harassing me and I had to accept so I could feed my children. You know "ikigutegeye ku nda kiba kigushikiriye" meaning it is hard to escape what is linked to survival.'

'The administrator asked me to have sexual relations with him. I refused. From that day on, I could not benefit from food aid or from any other services from the municipality. Fortunately, this administrator was replaced.'

The participants in the theatre performances and the study confirmed unanimously the existence of other means of corruption: bribes, beer, promises to share the food. People who establish the list put themselves first, followed by members of their family, their friends and those who are capable of paying for beer. The person who is capable of giving more beer receives many fictitious names. After establishing the lists, the chief of the hill or sector waits before handing the list over to the administrator so that he has time to add to the list his friends or any other person who gives money. The administrator has no means to verify the lists because he does not know the names of the persons living in his municipality.

Source: Care International In Burundi 2005

The criteria and procedures for targeting may be very complex, and this complexity in itself increases the opportunities for, and risks of, corruption. It also makes it more difficult for beneficiaries to hold organisations to account, where there is an opportunity for them to do so, because the criteria may be too complicated to be understood and retained.

In addition, the credibility of the criteria may be undermined and therefore the opportunities for corruption increased where beneficiaries do not understand or accept the criteria. It is common, for instance, for disaster-affected populations to feel that everyone is poor and in need, and that everyone should have a share of the assistance. This may lead to redistribution by local communities after the initial distribution has been carried out by the agency.

In Sudan, Duffield et al. (2000) noted that there were often two distributions, one conducted according to the criteria of the external agencies and a second – as soon as the foreigners had left – conducted in accordance with local perceptions. This illustrates the differences between local and external approaches to relief, with aid agencies wanting to target the vulnerable and exclude the military, whereas the population may see everyone as in need of assistance. Duffield et al. argued that both the government of Sudan and the SPLM had limited accountability to beneficiaries, although some SPLM commanders were removed from their positions for diverting aid:

> In discussing the various forms of aid diversion, it is important to remember that
> increased resources in an area allow other forms of distribution to operate. Relief
> finds its way into the market, which creates employment, it may be distributed
> through kinship ties and even if it is taken by soldiers, it is probably prepared and
> eaten communally. Communities which regard themselves as collectively vulnerable
> do not necessarily see this as wrong (Duffield et al., 2000: 46).

Where aid becomes caught up in the political economy of conflicts there may be a risk that powerful elites or armed groups will deliberately maintain groups of civilians as visibly needy in order to attract aid resources. Duffield et al. (2000: 33) notes how these processes have unfolded in the civil war in Sudan:

> The distribution of aid resources whether in Bahr-el-Ghazal or south Darfur, is a
> factor in government attempts to control the displaced and exploit their labour, as
> well as in the government strategy of depopulating the rural areas where the SPLA
> receive support. Such aid-farming – the use of aid by the strong to exploit the
> subordinate – has become commonplace on all sides in the war. It happened in

Upper Nile in 1993, when Yuai became a centre where hungry Nuer received food aid
which was also thus available to Riek Machar's soldiers. It happened in 1994, in
Lafon, eastern Equatoria, when the regenade commander William Nuyon used
starved children to attract food aid for his soldiers. It happened in Bahr-el-Ghazal in
1998 and was one of the reasons for the depth of civilian distress there.

All of these risks become greater as the value and marketability of the assistance, for instance shelter, food and health care, increase.

Table 7: Targeting and Registration Risks

Activity	Risk	Who Gains What
Targeting and registration	Bribes to local authorities, elites or agency staff to be included on the list of beneficiaries. Local authorities, elites or agency staff demand kickbacks for inclusion on the list	Those in receipt of the bribes gain financially and beneficiaries gain assistance which they would not have otherwise received
	Local authorities, elites or agency staff give preference to individuals or groups because of bias, social obligations or coercion	Those involved in targeting and registration fulfil social obligations, avoid penalties. Beneficiaries gain assistance which they would not have otherwise received
	Beneficiaries register more than once with/without collusion of agency staff	Agency staff gain financially. Beneficiaries receive more assistance than they are entitled to
	Beneficiaries falsely claim vulnerability with/without collusion of agency staff	Agency staff gain financially and beneficiaries gain assistance which they would not have otherwise received
	Powerful individuals within the community manipulate the beneficiary lists	Powerful individuals gain political and material benefits
	'Deliberately creating displaced groups or maintaining malnourished groups to attract resources' (WFP)	Powerful individuals gain political and material benefits

4.7. Implementation and Distribution

The risks arising at this point in the relief cycle stem principally from the fact that large amounts of resources are being split up and are changing hands, often in remote places. In addition the imbalance in the power relationship between the distributor and the beneficiary is at its baldest. These risks will be increased to the extent that supervision is weak or the distributors have been given discretion in the selection of beneficiaries. Aid may be stolen, diverted or delayed to meet the preferences of local elites or to extort money or favours, or agency staff may demand kickbacks. Interviews carried out by Transparency International in Bangladesh identified the distribution process as the area of greatest corruption risk. Particular difficulties can arise in controlling or influencing what happens to assistance once it has been distributed, and there is a risk that the assistance may be stolen or redistributed in accordance with local norms and customs or the wishes of local leaders or authorities. (Anderson, 1999; De Waal, 1997).

Again, it may difficult to distinguish between corruption and the legitimate redistribution of assistance. There is a question over when 'taxation' by local authorities of relief goods becomes corrupt, and over the distinction between legitimate sharing of relief goods between other needy but untargeted households and corrupt and enforced diversion. There is also a question here around the limits of aid agency responsibility. Often, the diversion of aid after a distribution is seen as something beyond an agency's control, and there may be an element of truth in this. However, if agencies are properly concerned with the impact of relief, then they need to take responsibility for understanding what happens to relief after distribution, and the extent to which recipients are able to use it for its intended purpose and if necessary be willing to take action to adjust how aid is delivered.

The risks of corruption in distribution processes are likely to become greater depending on the value and marketability of the assistance. This is referred to in the relevant sector risk maps.

Table 8: Implementation and Distribution Risks

Activity	Risk	Who Gains What
Transport to Distribution Point	The risk in this activity as the same as in any movement of goods – see Procurement and Logistics module	
Distribution		
	Theft with collusion on the part of staff or bribes to turn a blind eye	Material gain for the thieves and for colluding staff.

	Those involved in the distribution divert assistance for private gain	Material gain for those diverting the assistance
	Powerful individuals within communities or within an agency take larger shares than they are entitled to.	Material gain for powerful individuals
	Beneficiaries have to bribe agency staff, local elites or authorities to maintain their place in a distribution line or receive goods	Material gain
	Influence exerted by local politicians over where and to which groups relief is provided	Political capital on the part of politicians
After Distribution	Attack, looting, pillage and theft by authorities with power over the relief process	Material gain for authorities involved
	Redistribution according to local norms and customs	Material gain for local elites
	'Taxation' of relief goods by local elites or authorities	Material gain by local elites and authorities.

4.8. Monitoring, Reporting and Evaluation

Monitoring, reporting and evaluation can be critical tools for accountability and minimising corruption risks, but the process of monitoring and evaluation itself may also be prone to corrupt abuse. These risks apply in institutional donors, agencies and local organisations. A particular concern is that reporting processes may be subverted to hide evidence of corrupt diversion of aid. Expenditure reports, fuel logs, distribution reports or audits may be falsified to prevent head offices or donors from realising that aid is being corruptly abused.

Clearly, crucial to determining the level of risk is deciding the extent to which any reporting process can be analysed, checked and verified. This is often extremely limited. Access may be restricted by insecurity, donors may not have field offices or international NGOs funding local implementing partners may make only occasional visits. It is also often the case that the same staff are responsible for implementing a project and for monitoring it, making it extremely unlikely that monitoring systems will pick up abuse, as staff involved in corrupt diversion are

unlikely to report on themselves. There may therefore be a case for developing independent monitoring capacity, either through separate units within an organisation or completely independent organisations, or for exploring processes such as peer review by other aid agencies. There is also growing interest in the establishment of complaints mechanisms, but again the extent to which these are independent and recipients of aid feel genuinely able to complain about abuse without fear of losing entitlements to aid is critical (Choudhury, 2006). Thanks to a complaints mechanism in South Ossetia, 10,000 complaints were received in a single month from refugees receiving food, and this information was used to improve the programme. This was a result of full information on entitlements, distribution sites and timings (Choudhury, 2005).

In evaluations, a particular risk raised in interviews was that the evaluators (staff or consultants) are not sufficiently independent of those commissioning the work, and who need the project to be seen as a success. The lack of independence could be because of direct/indirect relationships with those involved in the project, or because the evaluators are too dependent on them for future work.

Table 9: Monitoring, Reporting and Evaluation Risks

Activity	Risk	Who Gains What
Project visits and writing internal reports	Favourably biased reporting by project managers	Project managers maintain or enhance career reputation
	False or exaggerated reporting by project managers	Project managers maintain or enhance career reputation and/or secure further assistance for favoured groups
	Community leaders manipulate assessments to attract further resources e.g. deliberately creating displaced groups or maintaining malnourished groups to attract resources (WFP guidelines)	Community leaders gain politically and beneficiaries gain assistance which they otherwise would not
Internal audit	Lack of independence of internal audit staff	Internal audit staff bolster their career within an agency by softening their observations and findings

4.9. Finance, HR and Administration

The corruption risks involved in finance, HR and administration, set out in Table 10, are broken down into the following categories:

- Finance risks. Risks can occur at any stage of funds transfer: institutional donors making payments to agencies; receipt of public donations; or making payments to local agency offices or partners. There may also be risks at in the management and movement of cash, for instance, in transfers between offices, funds held in banks or as cash and whenever payments are made. In addition, one interviewee noted that, in some contexts, the negotiation of exchange rates and bank charges can also provide scope for corruption, and suggested mitigating this risk by regularly renegotiating contracts.
- Human resources. Although the risks are grouped around recruitment, wage and salary levels and floats and payments, one interviewee pointed out that there are risks throughout the whole 'human infrastructure'. This is because they considered that human resource posts can give a lot of power to an individual, and their decisions may not be challenged strongly. Reflecting this, a number of people described the risks as centring on the issue of 'preferment', although this can also apply to not selecting people for dismissal. Interviewees also highlighted that Human Resources can be susceptible to corruption based on sexual favours. This illustrates the link between good management practice and mitigating corruption, for instance in the area of non-discrimination.

In the area of paying for goods or services, there is scope for collusion between purchasing officers and suppliers, or for purchasing officers to demand kickbacks for contracts. Two specific practices were noted.

- Receipts can often be obtained from a supplier for goods that have not been bought, i.e. a false receipt, and this can be presented for payment or used to support an expense claim. Equally, in environments where people do not read and write or where paper is in short supply, it may not be possible to obtain receipts. Farrington et al. (2006) found that the production of receipts was perceived as a high risk area because they are easily falsified and they can be even more difficult to collect during emergencies.
- A payment may be made against an invoice for which goods or services have been received but the invoice may not show a discount that was given and which was paid to the purchaser as a bribe.

In the area of human resources, it was pointed out that wages are often one of the biggest items of expenditure. The problem of 'ghost' or 'phantom' workers or 'air supply' is particularly difficult to control where payrolls are large. The dangers of employing people who are related or have close social ties to others in the agency or implementing partner were also pointed out because it makes collusion easier. However, it was also noted that, in some circumstances, it is possible that this can provide greater control and reassurance because, for example, of the disgrace brought on a family by the actions of another. One interview respondent noted that:

> the word corruption requires a lot of unpacking to decide what is culturally appropriate, if it is hiring your cousin then we would not have anybody working for us (Farrington et al., 2006).

A key administration activity in the early stages of a response is the establishment or scaling-up of a local office. Several of those interviewed for this study pointed out that this is a vulnerable time because of the need to respond quickly to the crisis, with the consequence that staff may focus on operational requirements rather than systems and procedures. The need for speed may also be in conflict with the time required for following these procedures, and can be used to justify short-circuiting them. Staff may also be new and inexperienced. This scenario also means that it is less likely that staff will hunt out corruption.

Establishing or scaling-up an office may involve obtaining local permits and licences, the recruitment of staff, finding premises, setting up administration systems and the procurement of assets. The corruption risks entailed in these activities have largely been identified above and in the section on procurement and logistics. However, it is worth noting that the requirement to obtain permits and licences provides an opportunity for officials to seek or respond to bribes, particularly if the process is slow. Moreover, the need to find or improve premises is subject to the same corruption risks as any other procurement process, with the added temptation that individuals may seek to gain status by locating themselves in an unnecessarily expensive area, or by taking on accommodation of an unnecessarily high standard.

Following the establishment of a local office there is often the need to establish sub-offices or field stores. Whilst the risks involved in this stage will be the same, there can often be higher degrees of risk because of the remoteness of the location, e.g. lack of a banking system and less physical security to prevent theft.

At the end of a response there are also risks involved in programme closure. These usually centre around the disposal of assets or severance payments to staff. Assets may be sold at below

market price in return for financial gain or stolen by staff or others, perhaps involving a payment to a guard or other staff member to facilitate the theft. Severance payments run the same corruption risks as the payment of wages and salaries. It was noted that these risks may be increased because of the lower levels of commitment and management energy that can exist at the end of a programme.

In the area of accounting risks, an interesting finding was that donors may sometimes contribute to problems. According to interview respondents, donor pressure to spend and difficulties in returning unused funds could sometimes encourage the falsification of receipts. One respondent noted:

> the first time I tried to return misused funds I was told you need to spend it and show us the receipts. Yet we were already well beyond the time we could spend it. They knew we could not spend it ... The next time we went back with a cheque and a clear explanation of why we could not spend it. Camps had been closed, everything wiped away, there was nothing left ... They gave us a really hard time and it was not easy to deal with them (Farrington et al., 2006).

Table 10: Finance and Administration Risks

Activity	Risk	Who Gains What
Donors making payments to implementing agencies and agencies paying partners	Payments made on misleading or false reports by agency or agency staff	The motives could include: the desire to keep a project going, maintaining agency or staff reputations or staff diverting funds for private gain.
	Bribes by agency staff to initiate payment, or collusion between donor and agency staff	As above
	Staff divert funds being paid to the agency or partner	Donor or agency staff gain financially
Funds transfer	Loss (fraud) within the banking system or theft through collusion if cash is being carried	Those perpetrating the fraud gain financially
Funds received	Funds diverted on receipt by agency staff	Those diverting the funds gain financially

Activity	Risk	Who Gains What
Receipt of public donations at an international or local level	Staff divert donations	Those diverting the funds gain financially
Transfers to Agency or Partner Field Offices		
Transfer initiated	'False' transfer initiated by staff in main agency office or partner head office	Staff initiating the false transfer gain financially
	Transfers made on misleading or false reports	The motives could include the desire to keep a project going or diverting funds for private gain.
Funds held at a bank	Diversion by bank staff	Bank staff gain financially
Funds held in cash	Theft with staff collusion	Staff gain financially
	Pay-offs/blackmail/pressure on staff to inform thieves about cash availability	Staff gain financially
Payments	Payment for goods or services which have not been received	This may be used by staff to divert funds for personal gain or it may be done in collusion with suppliers who share the gain
	Floats or loans requested by staff and not repaid.	Staff gain financially

Table 11: Human Resource Risks

Activity	Risk	Who Gains What
Recruitment of staff	Potential staff bribe selectors to obtain employment or a higher salary	The selectors gain financially and those obtaining employment also gain financially but also gain career experience

	Coercion by authorities/powerful local individuals to prefer certain candidates	Those exercising coercion gain patronage or fulfil social obligations and may also gain financially by requiring a formal or informal tax on the salary.
	Cronyism / Nepotism – selectors favour certain individuals or groups e.g. family, friends, ethnic group	Those selected may gain a job which they would not otherwise have been entitled to. The selectors may gain social capital
Wage∕Salary levels	Salary levels may be inflated, perhaps supported by collusion	Partner staff gain increased income and possibly status
	If a partner is expanding and salaries need to be reviewed they may be increased more than is necessary	Partner staff gain increased income and status
Wages/salaries payment	Payroll frauds e.g. non-existent employees, ex-employees, payroll salary higher than authorised salary	Those involved in perpetrating the fraud gain financially
	Unauthorised taxation of staff by authorities or powerful individuals	Those collecting the taxes gain financially
	Someone in charge of the payroll may make unauthorised loans to an employee and keep the interest payments	The person in charge of the payroll gains financially. Arguably the recipient of the loan receives a cash flow advantage and also gains financially

4.10.   Sector-Specific Risks

The following sections outline some of the risks particular to the sectors of shelter, food and nutrition, health care, water and sanitation and refugees. The intention has not been to cover all sectors, so the corruption risks encountered in protection, family tracing and psychosocial work, for instance, have not been examined.

4.10.1.Shelter

The provision of shelter is a capital-intensive activity often requiring compliance with a multitude of regulations. This makes it an attractive area for corruption.

The main activities involved in the provision of this type of assistance and listed in Table 12 are: the allocation of land and obtaining a secure title; the design of the shelter; the tendering process for construction; the construction process itself and compliance with building regulations; monitoring by independent professionals; payments to the contractor and, finally, handover to the beneficiary. The usual risks associated with beneficiary selection are likely to be increased in the case of shelter because the shelter is, in itself, such a valuable item.

Table 12: Shelter Risks

Activity	Risk	Who Gains What
The allocation of land and obtaining a secure title	Non-beneficiaries influence others to obtain commercially valuable land e.g. disputed land titles	Individuals within the authorities may receive bribes or favours to allocate land, enriching non-beneficiaries at the expense of those who have suffered losses as a result of the crisis
	Bribes or 'deals' by NGOs or individuals to local, regional or national authorities to secure or speed up an allocation of land and the title to it	Individuals within the authorities receive bribes or agreement to a course of action and beneficiaries gain access to land
Design of permanent shelters	Bribes or deals by NGOs or individuals to local, regional or national authorities to gain or speed up approval for shelter design	Individuals within the authorities receive bribes or agreement to a course of action. Beneficiaries/NGO gain approval for their preferred design, and beneficiaries gain access to shelter more speedily
Tendering process for shelter construction		

Construction	Sub-standard materials or inadequate adherence to standards – with/without bribery to have these accepted by the agency	Contractor gains financially by substituting inferior materials or completing sub-standard work. Agency staff may receive bribes
Compliance with local building regulations, licences and permits	Bribes required by authorities to approve work	Individuals within authorities gain financially
	Bribes given to pass non-compliant activity or sub-standard work	Individuals within authorities gain financially
Monitoring by independent professionals	Bribery by the contractor to gain approval for sub-standard work or early payment	Both the contractor and the independent professional gain financially
Payments to contractor: interim and final		
	Agency staff are bribed to pay for more work than has been done	Agency staff gain financially
Handover to beneficiary on completion		

4.10.2. Food and Nutrition

Food aid programmes carry a high risk of corruption because, in aggregate, they usually have a high monetary value and involve significant transportation costs. Those interviewed for the study highlighted this as one of the sectors particularly susceptible to corruption. Food aid often represents the main focus of humanitarian response, and represents by far the highest value of resources being transferred (Darcy et al., 2003). The high profile and bulk of food aid also mean that distributions are particularly visible, so again the risks identified in section 4.7 on implementation and distribution may be particularly relevant. Food aid is also often delivered in large-scale national programmes, creating particular management challenges and risks throughout the programme cycle, because of the greater scope and scale of the projects. The

procurement and logistics risks identified in previous sections may therefore be particularly pertinent, especially in large-scale food aid programmes.

Interviewees pointed out that food aid is sometimes made up of a number of different commodities, and each will be vulnerable to corruption to a different extent. This may create opportunities for mitigating risk, such as providing less-preferred products, but this needs to be balanced against the need to provide food suitable for local cultures in terms of taste, acceptability and preparation (Barrett & Maxwell, 2005).

Box 7: Corruption Risks in a Food For Work Programme in India

Food for work in Andhra Pradesh was used to aid families affected by an extended period of drought. The state received more than three million tonnes of rice between September 2001 and July 2002, enough to feed 20 million workers for nearly a year, with a market value of Rs30 billion.

Detailed field research in India over 12 months demonstrated how design faults, administrative mismanagement and local politics created conditions that were conducive to large-scale misappropriation of resources meant for the poor. Entrenched power structures and social hierarchies allowed the corruption of service delivery systems. The research highlights corrupt abuse in six main areas: public works projects, the employment of contractors, the selection of beneficiaries, wage-setting, payments and the use of labour-displacing machinery.

Four main sources of illegal profit for contractors were noted. These were claiming the full rice quote for partially completed works, claiming rice for work that had been completed under another programme, putting in separate claims to different departments for the same work and submitting inflated proposals. Most employment opportunities went to the hamlet of the village chief, and the poorest were often excluded.

The research concludes that 'cycles of corruption of the kind documented in the paper were enabled by the powerful combination of social and political power on the one hand, and illiterate, poor and powerless labourers on the other hand. Awareness of misappropriation by influential persons was high amongst potential beneficiaries. But so too was a sense of helplessness. They could not challenge contractors and officials openly because it was these very people who were patrons in day to day life'.

Source: Deshingkar and Johnson, 2003.

Table 13: Food Aid Risks

Activity	Risk	Who Gains What
Pre-emptive stockpiling	More stock is purchased than is warranted because an employee is bribed by a supplier	Employee and supplier gain financially
Purchase of food	The specific type and standard of food ordered may not be received	
Warehousing/storage		
Breaking down/splitting consignments or bagging	Poor controls over weight/items enable diversion	Those diverting the food gain financially, receive increased food aid for themselves, or gain influence through distributing the diverted food
Transport to distribution points	Risks in transport, fleet management and movement of goods – especially if controls are not based on weight	
	Diversion because of poor controls during unloading at the distribution point	Those diverting the food gain financially, receive increased food aid for themselves, or gain influence through distributing the diverted food
Distribution	Poor controls mean that some beneficiaries are able to take other beneficiaries entitlements. This could just be theft or it may be linked to corruption	Those diverting the food gain financially, receive increased food aid for themselves, or gain influence through distributing the diverted food
Food for Work		
Identifying the public works projects	Local elites secure projects that enable them to extend their influence	Local elites gain financially through improved returns on existing projects or the opportunity to establish new ones. Alternatively they may gain political or social capital

Selecting contractors or agencies	Procurement and logistics risks re invitation to tender and choice of supplier	
Contractors or agencies fulfilling their contract	Claiming the full quota for partially completed work	Contractors gain financially by selling the aid or using it to create social or political capital
	Claiming for old work that has been completed under previous programmes	Contractors gain financially by selling the aid or using it to create social or political capital
	Putting in separate claims to different departments for the same work	Contractors gain financially by selling the aid or using it to create social or political capital
	Submitting inflated proposals	Contractors gain financially by selling the aid or using it to create social or political capital
Selecting beneficiaries	See targeting and registration risks	
Setting/paying wages	Beneficiaries do not receive their full entitlement and the contractor keeps the difference	Contractors gain financially by selling the aid or using it to create social or political capital

4.10.3.Health Care

The particular risks involved with health care are set out in Table 14. These centre around out-of-date or counterfeit medical supplies, the diversion and sale of drugs and admissions and discharges, together with the standards of care of patients and the unauthorised use of medical equipment.

Where a health system is decaying, staff are not paid and medicines are not delivered, the system effectively becomes privatised as staff have no choice but to charge for their services and

the purchase of medicines. Such decay may increase the risks of corruption. NGOs may face difficult choices about whether to pay salaries and/or charge user fees, and this again may create risks of corruption. Even if the health system is not in decay, the increasing practice of charging user fees has made it more difficult for beneficiaries to know what they should receive free and what they should be charged for (Bate & Witter, 2003; Hands, 2005; Poletti, 2004). Similarly, staff may make unauthorised use of medical equipment.

Interviewees for this study pointed out that the areas of highest risk are procurement and storage processes (the risk that health care products will be repackaged and relabelled, for instance). Medical supplies are often small and highly desirable, if not of high value, and a common type of corruption involves staff setting up their own pharmacies.

Table 14: Health Sector Risks

Activity	Risk	Who Gains What
Receipt of supplies		
	Acceptance and use of fake or out-of-date supplies or those with a different specification to that which was ordered – with or without collusion of staff	Supplier and staff, if there is collusion, gain financially
Storage of health products		
Admission and discharge	Social obligations, discrimination, bribes or violence leading to ineligible people being included on the list, or priority being given to certain people or groups	People receive health care to which they would not otherwise be entitled. If bribery is involved, staff gain financially
	Social obligations, discrimination, bribes or violence leading to delayed or premature discharge	As above, with the addition that legitimate beneficiaries may be denied the care to which they

		are entitled
Standards of care	Social obligations, discrimination, bribes or violence leading to above- or below-standard care for certain individuals or groups	Beneficiaries receive more or less care than that to which they are entitled, and if bribery is involved staff gain financially
Use of medical equipment	Unauthorised use for financial or other gain	Staff gain financially or in other ways, and people gain a benefit to which they would not otherwise be entitled

4.10.4.Water and Sanitation

Water and sanitation is similar to shelter in that it is a capital-intensive activity, which makes it an attractive area for corruption. From our interviews, the key corruption risks that are specific to this sector centre on managing construction contracts with commercial companies, for example for the construction of latrines or bore holes; the substitution of sub-standard materials during construction; and the privatisation of water points. It was suggested that the options for mitigating the risks involved in contracting commercial companies include undertaking the construction project in-house, rather than outsourcing it, and ensuring that there are sufficient people with the right amount of time and appropriate skills to monitor contractors' performance.

Table 15: Water and Sanitation Risks

Activity	Risk	Who Gains What
Contracting commercial companies to undertake construction projects	Ambiguities in the contract may be exploited by the contractor	Contractor gains financially
	Contractor does not meet the specifications in the contract and/or does not adhere to the standards specified in the contract, and this is not identified before payment, e.g. bore hole or latrine depth	Contractor gains financially
	Sub-standard materials are substituted. This may involve a bribe to ensure acceptance	Contractor and anyone receiving a bribe gain financially

Privatisation of water points	By definition these must be located on someone's land, and will be nearer to some people than others. This lends itself to beneficiaries being denied access, being given restricted access or being charged for access	Those controlling access may gain financially, or may acquire political or social capital

4.10.5.Refugees and Internally Displaced People

This is a complex area, and the nature and likelihood of the risks will depend heavily on the specific context. However, an attempt has been made to identify some of the risks entailed in refugee camps, and these are set out below:

- Regulations always provide an opportunity for officials to require bribes to either comply with regulations or allow non-compliance. Equally, they provide an opportunity for people to offer bribes. The management of a refugee camp will provide many such opportunities. These will include the issue of gaining permanent access, for example the arrival of further 'children' of the family. This may also involve a bribe between a member of the refugee population from outside the camp to a member within it. Equally, bribes may be involved to allow camp residents to leave temporarily and then return.
- Whilst this paper does not seek to examine the issue of protection, there is clearly a risk in this setting of forced repatriation unless bribes are paid. Although third-country resettlement often occurs in protracted refugee situations, it is also relevant in some emergency contexts. In settings where third-country resettlement is taking place, bribery may also be paid to ensure that an individual falls within select categories prioritised for resettlement, i.e. 'woman-at-risk' or 'protection case'.
- The provision of food is another area that may be prone to corruption. For example, officials may skim food and residents receive less than their entitlement, or bribes may be paid to ensure the delivery of additional foods, or to allow the keeping of livestock such as poultry.
- Day-to-day regulations and policing may also provide opportunities for corruption, for example to ensure that domestic violence is not investigated.

4.11.   False Allegations

As noted in the introduction, mapping corruption risks inevitably brings with it a risk of implying that corruption is widespread. Allegations of corruption clearly need to be treated with care, and should not be assumed to be true. Indeed, falsely accusing people or agencies of corruption may itself be a political tool, and may be used to corruptly damage the reputation of humanitarian actors. A good example of this from Sierra Leone is given in Box 9.

Box 9: Allegations of Corruption in Sierra Leone

Complaining of exclusion from aid disbursements is a political weapon of the weak, and carries greatest force when implicating aid agency staff in corruption or other immoral practices. For example, there were allegations that the first schools to benefit from school feeding programmes would be those attended by girlfriends of members of needs assessment teams, and that any school left off the list would most likely have as a pupil a girl who had once spurned the sexual advances of one of these fieldworkers. Another example concerns a well-known Sierra Leonean civil rights activist who visited an IDP camp near Freetown. Shocked to hear inmates complain that they had received no food or clothing for weeks, the activist broadcast these allegations in the Freetown press and on local radio, taking the opportunity to chastise international aid agencies and the government. These allegations provoked considerable anger among aid agencies, which had in fact been supplying the camp on a regular basis, but the damage to their reputations had already been done.

Chiefs have also been known to use allegations of corruption as a political lever against NGOs. In one reported case, a local NGO, working in partnership with a food pipeline agency, did a round of needs assessments while the local paramount chief was still domiciled, for security reasons, in Freetown. The bags of rice were first delivered by truck to the chiefdom headquarters, checked off by representatives of the chiefdom committee and stored temporarily in the local courthouse. The paramount chief arrived just in time to see the bags being loaded onto pickups for transport to the villages of the registered beneficiaries. The chief complained that he had to support several households of starving IDPs, and brought a list of names that he demanded should be added to the register. He was politely informed that it was too late to change the register on this round. The matter appeared to be closed, but articles soon appeared in the Freetown press alleging that NGO field staff in this particular chiefdom regularly forced beneficiaries to pay for seed rice supplied by relief agencies. These allegations generated a lengthy investigation, which failed to substantiate any part of them. However, none of those involved was left in any doubt about the message that the chief was trying to convey.

Source: Fanthorpe, 2003: 61.

4.12.　　　Limitations of Measures to Minimise Corruption

As noted in the introduction, it is beyond the scope of this paper to consider tools and methods for minimising corruption risks; this will be the focus of subsequent research. However, during the research process various issues emerged that highlighted limitations to current efforts to tackle corruption.

Some interviewees noted the fundamental point that corruption risks were not being given sufficient attention within organisations. Interviews noted:

- 'Corruption is just not taken seriously enough.'
- 'I have been working for the UN for nine years and even longer for NGOs and I have never been told what to do. There are no guidelines or policies' (Farrington et al., 2006).

Respondents noted that staff are rarely briefed on the risks of corruption or on codes of conduct. The potential limitations of audits as a tool for controlling risk were also noted, as was the need for these to be complemented with more stringent and transparent monitoring systems. As one respondent stated:

> In our organisation, we are audited regularly. They regulate more than our head office … we end up being more accountable to the auditors (Farrington et al., 2006).

Many people believed that audits are a key aspect of good systems, but were sceptical of their efficacy and believed that they were often too focused on following the paper trail. This would particularly be the case where paperwork is sent to another location, perhaps in Europe, and checked there. It was for instance pointed out that auditors would rarely be able to check whether the right price had been paid for a purchase. The general view was that auditors needed to understand the local context and take a broader view, for example the extent of baksheesh, or whether government officials are poorly paid and compensate for this through seeking bribes. Other potential audit weaknesses included sample sizes which were unlikely to detect corruption, for example a few 'ghost' employees in a payroll of 700–800; the relative infrequency of visits by an agency's internal auditors and the possibility of external auditors being bribed not to find problems.

Another recurring issue was the lack of penalties or sanctions in place to deter corruption. A number of respondents reported that they had witnessed corrupt international staff 'getting away

with it' without serious penalties or prosecution. Even if staff were dismissed, there was a risk that they would just be re-hired by another organization and recycled within the system because of a reluctance to give bad references or take stronger action.

5. Conclusion

This paper is not intended to imply that corruption is any more or less of a problem within humanitarian relief than it is within any other industry, and within the societies in which relief is provided. But given the pervasiveness of corruption within all societies and all fields of human endeavour, it would be foolish to pretend that humanitarian relief is somehow immune. The particular characteristics of humanitarian relief and the contexts in which it is provided raise particular risks and challenges. Any corrupt abuse of emergency relief is particularly egregious and stigmatised because it implies abusing assistance that is urgently needed to save lives and alleviate acute suffering. But humanitarian actors work in difficult environments, often in war zones in which aid may be caught up in the dynamics of the conflict, and with enormous pressures to deliver relief quickly, potentially increasing the risks of corruption.

The first step in dealing with a problem better is understanding it, and for corruption this means understanding where within the process of humanitarian action the risks lie. This paper has made an attempt to do this, but it should be seen very much as a first step in a constructive process of trying to more successfully minimise the risks of corruption and mitigate its effects. It is also designed to be a first step in enabling the development of an anti-corruption toolbox for humanitarian agencies, which will enable them to strengthen their considerable existing efforts to tackle corruption wherever it may exist within the humanitarian system.

This paper has built on the more general analysis of corruption within the field of humanitarian relief (Willitts-King & Harvey, 2005) and has tried to map the generic risks of corruption in an archetypal relief process. One danger in doing this is to imply that the humanitarian system is rife with corruption, or that all the identified types of corruption exist in all situations. It has not been the intention of the paper to imply this, but to list all the possible opportunities for corruption.

The importance of the context in which relief takes place has been explored, and the importance of risk assessments in specific contexts recognised. What is needed is a risk mapping tool. Box 10 sets out some initial thoughts about the sorts of questions that might be included in such a tool. This attempts to set out some of the broader questions that should be asked.

Box 10: Corruption Risk Assessment Questions

What is the role of the disaster-affected government in the relief process?

- Is it involved in direct implementation?
- If so, which part of government is involved (the military, local government)?
- What are their strengths and weaknesses, and what particular risks arise?
- What, if any, regulatory or coordinating role is the government playing?
- Do anti-corruption agencies exist, and if so are they examining the relief response?
- How well is the judiciary functioning? If relief personnel were found to be corrupt would legal action be possible?

What is the level of scrutiny of the international and national media of the relief process (international media attention may be more likely to influence international aid actors)?

How does governance work at local levels? What roles are played by local authorities and other local elites, such as chiefs and tribal leaders?

How do local norms and understanding about the nature of need, poverty and vulnerability influence local understandings of the acceptability and fairness of targeting criteria?

How well do disaster-affected populations understand what relief they are entitled to, which organisations are responsible for assisting them and how to complain if corrupt abuse is going on?

- What transparency measures are in place?
- What is the degree of participation of disaster-affected populations in the planning, implementation, monitoring and evaluation of relief provision?
- Are their effective complaints mechanisms in place for disaster-affected populations?

What were the pre-crisis levels of corruption?
- What information is available to help map types of corruption risks (examples might include the TI index, opportunities to meet with local anti-corruption or human rights actors and meetings with government anti-corruption units)?

What is the political economy of the crisis (particularly in conflicts)?
- How do the warring parties sustain and finance their operations?
- To what extent is relief likely to be a target for diversion?

What are the main humanitarian actors in the crisis?

- Is the response dominated by international or national actors?
- How many international relief organisations are operating?
- How strong is the coordinating role being played by the United Nations?
- What funding models are operating? Are most international agencies implementing directly, or working through local partners? Is most funding from bilateral donors, or is most raised directly from the general public?
- How long have international actors been working in the country, and how well do international staff understand the local economic, social and political contexts in which they are operating?

What are the features of national civil society?
- How strong, effective and accountable are national NGOs involved in the relief response?

What is the focus of the relief response (food aid, shelter, health, nutrition) and what are the particular risks associated with each sector?

Within organisations, what internal policies and procedures are in place regarding corruption?
- Is there an anti-corruption or ethics policy?
- Is there a procedure for whistle-blowers?
- What measures are taken to ensure that such policies (including those related to sexual exploitation) are widely understood and openly discussed within the agency, and between the agency and its partners?

How robust and effective are finance, human resources, administration, logistics and procurement procedures within organisations?

Are human resource systems in place to provide additional capacity for rapid recruitment at the onset of a crisis?

Tackling corruption must be seen in the context of other competing management priorities, and it would be unhelpful to recommend yet another analysis tool for already over-stretched managers of humanitarian relief. Indeed, some of those working in the industry feel that focusing on possible corruption risks may take already over-stretched management capacity away from more important issues. However, mitigating many of these corruption risks is fundamentally about good management, and this involves not only having the necessary systems and procedures, but also the necessary management capacity. At a more fundamental level, it is also about greater levels of accountability and transparency to disaster-affected populations. This is where the real challenges lie: in having committed staff at all levels who believe in the humanitarian objectives of the organisation, and disaster-affected populations who understand what they are meant to

be receiving, can participate in its planning and implementation and can complain if relief is corruptly abused. The benefits of investing in this would include not only stronger potential to minimise corruption, but also more substantive accountability and consequently more effective humanitarian action.

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Annex 1

TRANSPARENCY INTERNATIONAL

Corruption in Humanitarian Assistance Survey

Transparency International in partnership with the Overseas Development Institute (ODI) is currently conducting a research project on the issue of corruption in humanitarian assistance. The issue of corruption in humanitarian assistance is a key concern for practitioners, who devote much energy to trying to minimise the risks of diversion. But it has barely been discussed in policy terms and little researched. Humanitarian actors are reluctant to discuss corruption publicly because of fears that being open about the risks and extent of diversion might erode public support and threaten operational security or the ability to operate in a country. This silence, however, inhibits sharing of learning and good practice in minimising corruption. It is hoped that this ongoing work will enable the documentation and sharing of good practice in tools for minimising the risks of corruption. There is large potential to learn from anti-corruption initiatives in the wider development field and to encourage learning among agencies from initiatives that have largely remained internal.

The project is intended to be a constructive contribution to learning about better ways to minimise the risks of corruption. As part of the project we are conducting a survey of knowledgeable individuals in countries where humanitarian assistance has been delivered, either as a result of a natural disaster or a civil conflict. The purpose of this survey is to contribute to a process of mapping the risks of corruption within humanitarian action and to identify possible measures that could prevent or counter such risks.

It is appreciated that this is a sensitive subject. All contributions will be completely confidential and all names of agencies and individuals and contexts will be removed in any reports. The intention is not to expose particular cases of corruption but to contribute to a generic mapping of where different types of risks lie in the relief process in different contexts.

We will start with two very general questions about where you feel the greatest risks of corruption lie in the relief process and then focus on particular examples of types of risk. It will end with some questions about tools for minimising corruption risks.

   a. What do you feel are the 3 greatest risks of corruption in the humanitarian relief process? (Particular sectors, stages in the project cycle or types of organisations)

b. Are there particular examples of corrupt abuse of relief assistance that you have become aware of in your professional experience?

c. Each of the following examples has been identified in a draft risk mapping report as potential risks where corrupt diversion of relief might occur. For each of them, could you rate the likelihood of the risk occurring (on a scale of 1 to 5) and whether it is a risk that you have come across in your personal experience?

Corruption Example	Likelihood 1 to 5 Rank how likely this is to occur: 1 = very unlikely 2 = unlikely 3 = possible 4 = likely 5 = very likely	*Personal Experience* Yes or No
Assessment		
1. Assessment teams are bribed to inflate needs or to favour specific groups		
2. Organisations exaggerate needs in order to increase the flow of assistance which can then be corruptly diverted		
Working with Partner Organisations		
3. International agency staff demanding payment from local partners for selection, contracts or release of funds		
Procurement and Logistics		
4. Bribes from suppliers during the procurement process to influence contract awards		
5. Staff colluding in diversion of relief goods or agency assets during storage or transport		
6. Bribes to humanitarian staff to accept sub-standard relief goods		
7. Unauthorised use of agency vehicles for private gain, e.g. transporting goods for sale, taxi service or social purposes		

Targeting and Registration		
8. Humanitarian agency staff or local authorities demanding payment or favours from beneficiaries to be registered		
9. Bribery or coercion used to influence targeting to ensure specific groups receive assistance		
Implementation and Distribution	10.	
15. Bribes demanded to allow the passage of people or goods, e.g. bribes to get visas, customs clearance, or through roadblocks.		
16. Government officials or local authorities demanding bribes for making relief payments		
17. Local authorities or powerful elites seizing relief after it has been distributed		
18. Recycling relief goods – buying or seizing them from beneficiaries and re-selling them to humanitarian agencies		
Finance, Administration and Human Resources		
11. Accounting malpractices such as inflating invoices or fake receipts		
10. Double funding – organisations receive funding for the same project from different donors		
11. Bogus organisations are set up to receive donor funding but do not provide any assistance		
12. Cronyism in recruitment – hiring friends and relatives		

Monitoring and Reporting		
14. False reporting to inflate beneficiary numbers, ghost staff or exaggerate project outputs to claim more funds		
Sector-Specific Risks		
19. Use of sub-standard materials or inadequate adherence to standards in construction projects – with or without bribes to have these accepted by agency.		
20. Acceptance and use of out-of-date or counterfeit medical supplies– with or without collusion of staff		
21. Skimming of food aid – giving beneficiaries lower weights than they are entitled to and selling the remainder		

d. Would you be able to give me examples of the corruption risks mentioned above with which you have had personal experience?

e. What can people do if relief assistance is being corruptly diverted? Is there anywhere where complaints can be made?

f. Are there are any particular measures to minimise corruption risks that you feel have been particularly successful?

Respondent: (please indicate from what kind of organisation)

- ❑   International humanitarian assistance agency
- ❑   National/local humanitarian non-governmental organisation
- ❑   Government agency responsible for humanitarian assistance
- ❑   Donor agency
- ❑   Civil society organisation
- ❑   Media/journalism
- ❑   Other (specify if possible)