



## THE HUMANITARIAN IMPERATIVE: HOW CURBING CORRUPTION CAN SAVE LIVES

Human assistance involves large sums of funding – US\$ 24.5 billion in 2014 - that can be vulnerable to corruption and diversions that hurt the needy.

Curbing corruption is a long-term effort that must be given strategic importance and adequate resources.

Leaders of humanitarian organisations, donors and affected governments must take on the responsibilities and actions required to tackle corruption and to ensure humanitarian assistance delivers on its goals.

In spite of the noble intentions that underpin humanitarian aid programmes, they can also be prone to corruption and other related abuses.

Bribery and extortion distort programme decision-making processes and increase the cost of goods and services. The impact of this kind of financial corruption is most often manifested in the diminished quantity or quality of aid resources reaching the targeted beneficiaries<sup>1</sup>.

Yet other forms of corruption – also called ‘non-financial corruption’ – can occur even when the financial accounts and other formal documentation seem in order. Examples include: nepotism and cronyism in the hiring staff; bias or political interference in the registration of beneficiaries or distribution of relief resources; the extortion of sexual favours in return for aid; or the coercion and intimidation of staff to turn a blind eye to malfeasance.

These abuses reduce the quality of humanitarian aid programmes and undermine the humanitarian mission and require different strategies for the detection, remedy and prevention of corruption. Nevertheless, promoting integrity measures, including setting up transparency and accountability systems, helps to address corruption risks and reduce the pressures, opportunities and rationalisations that drive humanitarian aid staff and other stakeholders to engage in corrupt practices.

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## THE ISSUE

### OPERATING IN CHALLENGING ENVIRONMENTS

Transparency International (TI) defines corruption as “the abuse of entrusted power for private gain”. In the case of humanitarian assistance, resources have been entrusted to organisations – including national and local governments, inter-governmental organisations, NGOs and local communities – specifically for alleviating the suffering of people affected by crises and restoring their dignity.

Most international humanitarian operations take place in fragile states, with weak rule of law, inefficient or dysfunctional public institutions including oversight organisations, and low absorptive capacity. In such contexts, principles of transparency and accountability are unknown, poorly understood or only given lip service<sup>1</sup>. Injecting large amounts of aid resources into resource-poor economies where people have urgent personal survival needs sets off desperate competition for those resources, exacerbates power imbalances, and increases opportunities and temptations for corruption.

In addition, there is often a heavy reliance on political, social and economic patronage as a normal way of operating in emergency-affected countries. Traditional power structures that aid agencies may turn to for local knowledge and feedback may be dominated by particular regional, ethnic or clan networks that discriminate against women and minorities. Nepotism and cronyism may be seen as culturally and socially appropriate<sup>2</sup>.

It is difficult for external aid providers to navigate these unfamiliar waters to find the right balance between respect for local culture and their own values, standards and processes.

As documented in the *TI Handbook for Preventing Corruption in Humanitarian Operations*, corruption risks related to **programme support functions** generally affect the areas of: finance; supply chain management (procurement, transport and asset management); and human resources.

Corruption risks also affect the different steps in the implementation of the **programme cycle** such as: needs assessment and resource allocation; selection of local partners and intermediaries; targeting and registering beneficiaries during distribution and post-distribution; programme monitoring, evaluation and closure; and coordination among different humanitarian actors.

### DRIVERS OF CORRUPTION

Corruption is driven by a number of factors that can be illustrated by the ‘fraud triangle’<sup>3</sup> model that assumes that a combination of factors – motive (pressure), rationalisation and opportunity – can explain why an individual decides to participate actively or passively in corrupt activities:

- ❖ **Motive** can include financial need or simple greed, social and economic pressures, or extortion and physical threats.
- ❖ ‘Gatekeepers’ who control access to aid resources or beneficiaries (such as customs officials, police, local authorities, militias, traditional leaders, or locally contracted staff and volunteers) may not earn a living wage and thus **rationalise** supplementing their meagre incomes through bribes. Beneficiary communities may view these resources as ‘foreign money’ from rich donors, and thus feel little ownership of, fiduciary responsibility for, or effective control over use of the aid.
- ❖ **Opportunity** addresses the risk calculation of the potential perpetrator of corruption. If, say, administrative controls are weakened due to pressure to deliver aid rapidly, if audits and programme monitoring are insufficient and superficial, or if reports of corruption are not promptly followed up, investigated and sanctions applied, the perception that corrupt practices will probably go unpunished makes them more likely to happen again.

### EXISTING CORRUPTION

Many of the countries where international operations take place also suffer from high levels of pre-existing, endemic corruption.

The top ten priority countries featured in OCHA’s 2015 Consolidated Appeal all received very low rankings in TI’s 2015 Corruption Perception Index, scoring less than 25 out of a possible 100<sup>4</sup>.

Where corruption is deeply embedded, government officials routinely demand bribes or ‘facilitation payments’ for performing normal public services, and suppliers expect to win contracts based on bribery or political interference, rather than on the basis of competitive price and quality<sup>5</sup>.

### CONTEXT AFFECTS INTERNAL EFFECTIVENESS

The difficult context for humanitarian programmes has further internal impacts on aid agencies.

A rapid scale-up of programmes and staff in a sudden-onset emergency and the pressure to disburse funds and demonstrate quick results overstretches staff already stressed by the inevitable gap between needs and resources, and overloaded with multiple initiatives. In long-standing chronic or repeated emergencies, particularly conflict contexts, there is often a high level of staff burnout.

Both situations lead to high staff turnover<sup>6</sup>, with a resulting loss of local knowledge, institutional understanding or memory of the dynamics of a particular emergency, allowing mistakes and misunderstandings to be repeated.

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# RECOMMENDATIONS TO DONORS & IMPLEMENTING PARTNERS

## QUANTIFY SCALE AND IMPACT OF CORRUPTION:

- Conduct further research to develop comprehensive quantitative data regarding the scale and impact of corruption in the humanitarian aid sector.
- Determine the amount of resources lost to corruption to strengthen the rationale for investment in integrity initiatives.
- Establish a credible baseline to measure progress over time.

## ESTABLISH AN ORGANISATIONAL CULTURE OF INTEGRITY:

- Work with senior managers of humanitarian organisations to establish a culture of integrity within their organisations, give appropriate leadership signals and behave as role models for their staff.
- Embed commitments to transparency, integrity and accountability into organisations' values and policies.
- Provide incentives to discuss and report corruption, including safe and culturally appropriate complaint mechanisms.
- Build commitments to transparency, integrity and accountability into staff inductions, training and performance appraisals, to ensure that all staff have a common understanding of the risks involved.

## DEVELOP MULTI-PRONGED ANTI-CORRUPTION STRATEGIES:

- Ensure communities can participate and provide feedback at all stages of the humanitarian intervention, through a proactive approach to aid information transparency.
- Conduct audits that go 'beyond the paper trail' and increase field monitoring.
- Respond promptly to suspected corruption risks, including investigations and appropriate sanctions.
- Incorporate lessons learned through accountability into future programme design and processes.
- Establish implementation of a comprehensive anti-corruption policy and strategy as a donor criterion for agency funding eligibility.

## CARRY OUT CORRUPTION RISK ANALYSES AS PART OF EMERGENCY PREPAREDNESS:

- Enable agencies to deal with internal and external corruption risks specific to a particular response, and design a more focused strategy to reduce them, by:
  - Undertaking agency and context-specific mapping and analysis of their internal incentives and controls regarding corruption.
  - Undertaking an analysis of cultural norms, and the political, institutional, social, and power structures and dynamics in ongoing or potential crisis environments.

## CREATE –

### COLLECTIVE RESOLUTION FOR TRANSPARENCY AND ACCOUNTABILITY IN EMERGENCIES

The CREATE project, funded by EU humanitarian aid, seeks to share good practice and lessons learned, and develop recommendations and principles to enhance the integrity of humanitarian operations.

Country-specific research and comparative analysis of corruption risks will be undertaken in complex emergencies with constrained access (Afghanistan, Somalia), countries affected by massive inflows of refugees (Lebanon), and countries affected by large-scale public health emergencies (Guinea).

The project brings together TI's anti-corruption expertise with the humanitarian research and policy experience of Humanitarian Outcomes and of Groupe Urgence, Réhabilitation et Développement.

Further stakeholders involved in the project include donor agency representatives (*ECHO, DFID*), professional and sectoral networks (*CHS Alliance, ALNAP, START network, the Southern NGO network, IASC, InterAction*), *UNOCHA* and research institutions (*HPN, Academia*), as well as national and international humanitarian NGOs.

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## ENGAGE WITH AFFECTED COMMUNITIES:

- Use Information and Communications Technologies (ICTs) to communicate with communities, such as sending early warning information directly to people's mobile phones through bulk SMS and the use of social media, to improve people's access to information.
- Continue holding direct consultations and informing people regarding their rights and entitlements through public forums and direct face-to-face dialogue, particularly for those with no access to mobile phones and in areas with high levels of illiteracy.
- Involve affected communities in monitoring corruption risks, with local civil society organisations providing training and guidance. This could increase community ownership of aid programmes and reduce incentives for corrupt behaviour.

## USE NEW TECHNOLOGIES TO INCREASE PROGRAMME EFFECTIVENESS:

- Use the internet, wireless networks, mobile phones and other technologies to detect needs, enable scale and speed of response, enhance resource transfers to match needs, and get real-time feedback from beneficiaries.
- Map emergencies, assess needs and monitor projects via mobile apps and SMS reports from staff or, if there is no signal, data recorded by phone and later transferred to a computer.
- Cash-transfer programmes using electronic technologies should be scaled up to limit the risk of 'ghost' beneficiaries and multiple registrations while also facilitating monitoring and controls.
- Publish aid information widely and compare planned projects with open data from governments, donors, researchers and non-governmental organisations.

## ADOPT STANDARDS FOR TRANSPARENCY AND ACCOUNTABILITY:

- Comply with the International Aid Transparency Initiative (IATI), and publish data on their programmes according to the IATI Activity Standard.
- Commit to and implement recognised industry standards such as the Core Humanitarian Standards (CHS).
- Adopt collective approaches to enhance accountability to affected people, such as the "Accountability Together" multi-stakeholder initiative in Kenya.

## ACCOUNTABILITY TOGETHER

Uwajibikaji Pamoja ("Accountability Together" in Kiswahili) is a web-based Integrated Complaint Referral Mechanism that aims to improve service delivery to local residents by facilitating the referral of complaints from one service provider to another.

Affected people can submit complaints or get feedback concerning aid and [service delivery](#) through three channels: a toll-free SMS line, a web-based portal, or by filling out paper forms.

Complaints range from sectors such as food aid and health services, to education, planning and housing, and public services management and concern issues such as quality and timeliness of aid services, non-inclusion, conflict of interest and behaviour of staff.

It is currently implemented by TI-Kenya in partnership with over 40 state agencies and international and local organisations. Visit [www.hajpcrm.com](http://www.hajpcrm.com) for more information.

## FROM ONLINE TO REAL LIFE

Proactively raising awareness about corruption and providing staff and volunteers with the tools to identify, report, and reduce corruption risk is an important step in tackling it in real situations.

*Preventing Corruption in Humanitarian Aid*, developed by TI Norway and the International Federation of the Red Cross and Red Crescent Societies (IFRC), are e-learning and instructor-led modules that are aimed at the wider humanitarian community, in particular programme staff and partners.

It is available online to all interested persons and organisations. You can find more here:

[www.ifrc.org/learning-platform](http://www.ifrc.org/learning-platform)

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Please note: All recommendations and the framing for this paper are based on the *Preventing Corruption in Humanitarian Assistance: Final Research Report*<sup>7</sup> and the *TI Handbook: Preventing Corruption in Humanitarian Operations*<sup>8</sup>.

<sup>1</sup> Maxwell, D. et al. (2008) op. cit. pp.8-9.

<sup>2</sup> Maxwell, D. et al. (2008) op. cit. p.9.

<sup>3</sup> Cressey, D. R. (1973) *Other People's Money*. Montclair, NJ: Patterson-Smith.

<sup>4</sup> Iraq: 16; Syria: 18; Central African Republic: 24; South Sudan: 15; Afghanistan: 11; Democratic Republic of Congo: 22; Myanmar: 22; Somalia: 8; Sudan: 12; Yemen: 18. Data not available for the West Bank-Gaza territories. *Corruption Perceptions Index 2015*. Berlin: Transparency International.

<sup>5</sup> See: Transparency International UK (2014) 'Countering Small Bribes' pp.5-6. Available at: <http://www.transparency.org.uk/publications/15-publications/1096-countering-small-bribes/>. [Accessed: 25 June 2015]; and Transparency International. (2014) 'Curbing Corruption in Public Procurement'. p.6-10. Available at: [http://www.transparency.org/whatwedo/publication/curbing\\_corruption\\_in\\_public\\_procurement\\_a\\_practical\\_guide](http://www.transparency.org/whatwedo/publication/curbing_corruption_in_public_procurement_a_practical_guide) [Accessed: 25 June 2015].

<sup>6</sup> Loquercio, D., Hammersley, M. and Emmens, B. (2006) 'Understanding and addressing staff turnover in humanitarian agencies' p.9. Available at: <http://www.odihpn.org/hpn-resources/network-papers/understanding-and-addressing-staff-turnover-in-humanitarian-agencies>. [Accessed: 25 June 2015].

<sup>7</sup> Joint publication by the Feinstein International Center (Tufts University), the Humanitarian Policy Group (Overseas Development Institute) and Transparency International.

<sup>8</sup> For more information look here: [https://www.transparency.org/whatwedo/publication/preventing\\_corruption\\_in\\_humanitarian\\_operations](https://www.transparency.org/whatwedo/publication/preventing_corruption_in_humanitarian_operations)

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