

Presentation to IACC Workshop 8.2: 16 November 2006 by Pierre Landell-Mills,
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*A unique NGO funding micro-projects
to curb corruption*

www.partnershipfortransparency.info

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New Ways for Civil Society to Fight Corruption: The Partnership for Transparency Fund

Corruption obstructs development and undermines social cohesion. Tens of billions of dollars of public funds are going each year into the pockets of officials who should be serving the public interest. Civil society has many opportunities and a special responsibility to demand transparency and accountability from public officials. With this in mind, the Partnership for Transparency Fund (PTF) has pioneered ways to assist civil society organizations (CSOs)¹ to fight corruption. It has provided some US\$ 867,000 in small grants in support of 49 anti-corruption projects undertaken by CSOs in some 32 countries in all continents. It has gained considerable experience in piloting innovative anti-corruption tools that are capable of wider application. This Note describes some of these achievements and the lessons learnt.

PTF is now working with the Inter-American Development Bank and ICD in Uruguay to launch a more intensive coordinated civil society campaign against corruption in six countries in the southern cone of Latin American and with Asian Development Bank funding in five Asian countries. Other funding is pledged to enable PTF also to be active in Africa and Eastern Europe.

PTF's Underlying Theme

¹ "CSO" is taken to encompass a broad range of groups such as peoples' organizations, community/community-based organizations, community groups/associations, voluntary organizations or private voluntary development organizations, intermediary organizations, and public interest groups. The term *CSO* rather than *NGO* is used because it is seen as better reflecting the broad range of non-government organizations and other civil society bodies that may be engaged in fighting corruption.

Over the last decade, societies have come to realize the extent to which corruption and bribery have undermined their welfare and stability and hindered development efforts. Governments, the private sector and civil society alike have consequently declared the fight against corruption to be of the highest priority. This fight cannot be won without citizens' support, participation and vigilance. The media, civic and business associations, trade unions and other nongovernmental actors play a crucial role in fostering public discussion of corruption and increasing awareness about the negative impacts of corruption. They may also screen and scrutinize governmental action – both in their daily life and informal arrangements institutionalized for this purpose – thereby contributing to the detection and prevention of corruption, and the collection and channeling of input from the public toward the government's anti-corruption efforts.

Thus, CSOs have a key role to play in pressing governments to improve their performance and especially to take steps to curb corruption. Empirical evidence² indicates that the impact of involvement in governance programs and projects is substantial in terms of heightened public awareness on corruption; improved anticorruption legislation; and greater transparency in government spending and operations.

The Role of PTF

The *Partnership for Transparency Fund* (PTF) is a not-for-profit organization, established in 2000. Its Board of Directors is chaired by Kumi Naidoo, the CEO of Civicus, and includes individuals of exceptional experience in economic development and civil society drawn from Africa, Asia, Latin America, Russia, Europe and America.

By providing small grants to CSOs, PTF seeks opportunities to capitalize on the value added of CSOs as innovators, agenda setters, mobilizers and monitors in support of effective measures to combat corruption. Thus, PTF has pilot tested mechanisms and approaches used by CSOs to improve transparency, accountability and fight corruption. Experience to date has revealed the relevance and impact of CSO involvement that, through replication and scaling up, could institutionalize civil society participation in anti-corruption programmes. Furthermore, PTF supported projects (i) give voice to civil society; and (ii) demonstrate the value of partnerships between government, and civil society.

PTF, just six years old, has clearly demonstrated that small projects, involving no more than between US\$5,000 and US\$25,000, can have a substantial impact on curbing corruption when managed by effective CSOs. In this way PTF has successfully supported CSOs across the globe from Nicaragua to Mongolia, and from Tanzania to Pakistan.

PTF has demonstrated through its completed projects that small anti-corruption projects initiated by civil society can have an astonishing impact. Examples are given below. To-date key support for PTF has come from Swedish and German official agencies, from the World Bank, the UNDP and the Inter-American Development Bank. We have also attracted modest private funding. As a recent independent evaluation commissioned by UNDP reveals PTF has pioneered a uniquely effective approach to assisting CSOs directly fighting corruption across the globe.

PTF-funded projects have a direct impact on reducing corruption in the public sector, while also serving to build capacity within civil society, supporting the claim of CSOs to be valid partners of the public sector in improving governance, and increasing public awareness of practical measures that can improve the management of public resources.

² OECD. 2003. *Fighting Corruption. What Role for Civil Society? The Experience of the OECD*. Paris.

The PTF Approach

PTF is the only organization of its kind that exclusively provides very small grants – usually \$25,000 or less – to fund time-bound initiatives that are likely to have a significant *direct* impact on increasing transparency and discouraging corruption in the public sector. In most cases PTF selects projects that involve direct interaction between the CSO and public authorities by make use of tools or processes designed to curb specific corrupt activities.

These projects have included, but are not necessarily limited to:

- Monitoring public auctions, privatization and the award of public contracts;
- Tracking public expenditure
- Assisting civil society involvement in the design of anti-corruption laws and institutions;
- Protecting whistle blowers; and,
- Supporting special anti-corruption media campaigns.

PTF seeks to encourage innovative projects that pilot new replicable anti-corruption tools in country specific contexts. These projects must be seen to have a direct and sustainable impact on reducing corruption. PTF does not support stand-alone seminars, conferences or workshops unless they are seen to lead to direct action.

A major component of PTF's activities is the provision of expert advice to back its grant funding. PTF operates through a large network of persons who are highly experienced in governance work and willing to contribute as unpaid volunteers. These staff and 'advisers' evaluate, manage and monitor PTF's grants and activities. The volunteers donate their own office resources for their work. Advisers may visit CSOs, often as an extension of other business travel.

A special feature of PTF is that it is a 'virtual' (internet-based) organisation. It has no offices or expensive overheads. All communications are by email and all documents are managed and archived electronically. Board meetings and the annual members meeting all take place by teleconference. In this way the cost of delivering support to grantees has been less than 10 percent of the total amount of grants made – making PTF an exceptionally cost effective funding agency, all the more remarkable if account is taken of the technical support that is also provided.

Examples of PTF Supported Projects

Below are brief summaries of a cross section of projects that PTF has supported. Details can be found on the PTF website: www.partnershipfortransparency.info .

- **Bulgaria:** PTF funded a panel of 15 partners organized by TI Bulgaria to monitor the public auctioning of the second license for a GSM mobile cellular network. The panel ensured legal compliance with tender procedures and transparency. It is estimated that this initiative saved tens of millions of dollars.
- **Cambodia:** PTF provided a grant to the Center for Social Development to work with government and other stakeholders to elaborate a new strategy to curb corruption and to help establish a new Coalition for Transparency. This Coalition is now the main forum for civil society's anti-corruption lobby in Cambodia.
- **Costa Rica.** PTF has supported a pilot project to risk map for illegal logging in an ecologically sensitive area and to use the map to identify a number of measures to reduce forest corruption plan many of which the government agency responsible.

- **Czech Republic.** PTF supported the elaboration of a pilot city institutional corruption index for Prague, Budapest, Bratislava and Warsaw that enables the cities' accountability systems to be assessed and subsequently strengthened. This index attracted considerable interest when presented to an OECD DAC symposium in September 2004.
- **India:** PTF assisted Transparency in India to work with the Delhi state government to establish and make effective citizens charters overseen by independent ombudsmen. The outcome has been the widespread adoption of citizen charters that are now being monitored by the Public Affairs Centre in Bangalore with a support from PTF.
- **Mongolia.** PTF funded Zorig Foundation to mount a competition on anti-corruption themes among journalists, artists and media people. The winning submissions were shown on TV or radio or published in the press.
- **Nicaragua.** PTF supported a media campaign to reduce the highly excessive pensions and perks of retired presidents and top officials. Legislation has since been introduced to end these abuses.
- **Pakistan.** PTF assisted the NEDIANS, an association of professional engineers, in working with the Karachi Water Supply and Sewerage Board to establish an Integrity Pact for the public tendering and implementation of a \$100 million water supply expansion scheme. Savings on the engineering contract alone exceeded \$2 million for a PTF grant of some \$22,000.
- **Philippines.** PTF supported Government Watch, a CSO linked to Ateneo University, to monitor the Department of Education's distribution of textbooks to satellite schools. This identified ways to reduce corruption in textbook procurement and distribution. In agreement with the government, G-Watch has facilitated the mobilization of the Coca Cola company to help transport textbooks to the remoter schools and to use the boy scouts and parents to monitor text book distribution leading to much reduced leakage, valued at hundreds of thousands of dollars.
- **Poland.** PTF supported a local NGO, Asocjacje, to pilot a public expenditure monitoring system for local government expenditure aimed at creating the 'transparent commune'. The project succeeded in developing and testing an instrument to track subsidies, grants and contracts of public funds to non-governmental organizations. Project implementation included the design of the tracking instrument, piloting it in four localities, analyzing and presenting the results, developing a manual on how to handle grants, and publicizing the results in seminars, newspapers and other publications.
- **Tanzania.** PTF has funded a pilot project in Mwanza Province to track local government expenditure on education and health services. This involved developing a methodology and manuals that could be replicable elsewhere.
- **Uganda.** Uganda Joint Christian Council (UJCC) is using a PTF grant to track primary education expenditure in a pilot district, build awareness through a Citizens Forum and draft and disseminate a strategy to improve financial accountability at the local level.

Lessons Learnt

Many lessons have been learnt by PTF over the past six years' engagement with CSOs fighting corruption. The most significant are the following:

1. CSO initiatives, if they are to have impact, need to be sharply focussed on a specific abuse and need to custom design a suitable tool to address that abuse. For example, the introduction of *integrity pacts* (as was done in the case of the Karachi Water and Sewerage Board) was extraordinarily effective. G-Watch in the Philippines was very successful in reducing the 'leakage' of school textbooks using boy scouts and parents to monitor delivery. Asocjacje in Poland has been successful in designing an instrument

for tracking local government expenditure. Etica in Nicaragua was remarkable effective with its targeted media campaign against unjustifiable large pensions for ex-top officials. Well-targeted measures can often yield enormous returns for quite small outgoings.

2. CSOs need to locate and seek the cooperation of key influential officials who are sympathetic to their cause. Tackling of corruption is likely to give rise to strong counter actions by those officials that are likely to lose out. Therefore gaining the support of key top officials is often essential if the measures promoted are to be successful.
3. Transparency is an enormously powerful weapon. The constant theme of good anti-corruption work is to find ways to make transactions as public as possible and thereby shine a bright light on corrupt acts. Exposure greatly inhibits corrupt officials. Consequently, citizen monitoring is a key tool that can pay huge dividends.
4. Persist follow-up is essential to achieve a lasting impact. One off actions can be very effective, but to achieve a sustainable change in bureaucratic culture and the related behaviour of public officials requires a sustained effort.

November 2006

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