

Expert meeting on Corruption Prevention in Tsunami Relief

7-8 April 2005
Jakarta, Indonesia
Borobudur Hotel (Sumba Room – 3rd floor)

Agenda

Organised jointly by the ADB/OECD Anti-Corruption Initiative for
Asia-Pacific and Transparency International

Hosted by the Government of Indonesia



Background

The Asian Development Bank (ADB), the Organisation for Economic Cooperation and Development (OECD) and Transparency International (TI) in cooperation with the Government of Indonesia are convening an expert meeting on corruption prevention in tsunami relief to be held in Jakarta on 7/8 April 2005. The meeting takes place in the framework of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific.

Participants representing government, the private sector and civil society from six affected countries - India, Indonesia, Maldives, Malaysia, Sri Lanka and Thailand – as well as donors and relevant international organisations and experts will attend. The meeting is participatory and intends to reach specific recommendations to inform the relief and reconstruction efforts and form the basis for developing generic anti-corruption guidelines for future disaster relief efforts. The aim is to benefit from and use the expertise that exists already in affected countries.

The meeting is supported through financial and in-kind contributions of the Asian Development Bank, the Government of Indonesia, the Organisation for Economic Cooperation and Development, the Swiss Agency for Development and Cooperation, Swedish International Development Cooperation Agency, Transparency International, and the UK Department for International Development.

Objectives

The purpose of the meeting is to identify concrete priority measures to be taken by each stakeholder, including governments, donor agencies, and civil society and private sector organizations involved in aid delivery and reconstruction work, to prevent and curb corruption in service delivery and procurement related to the tsunami relief. Priority will be given to measures maximizing the effectiveness of existing laws and procedures to minimize deter/reduce corruption in the context of the tsunami relief and reconstruction, as well as other measures that can assist when such laws and procedures are considered to be inadequate or inappropriate to the special circumstances of the disaster.

The meeting will seek to address the roles and responsibilities of each stakeholder group in curbing corruption in the tsunami relief and reconstruction effort, including:

- **Donors:** Ensuring local ownership; setting clear governance requirements; funding for governance activities; funding for CSO governance activities.
- **Recipient governments:** Establishing political leadership; ensuring transparent procedures; consultation; strong management systems with governance provisions.
- **Non-governmental sector:** Promoting access to information; developing appropriate monitoring tools; participation in process/decision making; mobilising public support for transparency.

Meeting Format

The meeting will be composed of an opening and a closing plenary, a roundtable session during which each affected country will briefly present its approach towards the corruption risk in relief and reconstruction efforts, followed by six thematic sessions.

One key speaker per theme, internationally recognised as expert in the matter dealt with in the concerned session, will be invited to introduce the topic and present a number of recommended actions to be taken by each major stakeholder. Their presentations will be based on a thematic issue paper prepared for the meeting. Following these presentations, a panel of three experts representing the stakeholder groups (governments, civil society, and donors) will be invited to comment on the presentation and recommendations, before an open discussion takes place. Each session's final recommendations will feed into the meeting conclusions.



The meeting recommendations, together with the experts' issue papers, are expected to form the basis for the development of guiding principles on countering corruption in humanitarian relief for use by policy makers, civil society and donor institutions. In addition, it is expected that the meeting will lead to the development of a handbook or toolkit and the implementation of training for local government officials to ensure the implementation of strategies and tactics.

Wednesday 6 April 2005 (for speakers only)

17h00: Stage meeting (Sumba C)

Final meeting for preparation between speakers, panellists and organising committee.

Thursday 7 April 2005

09h00 – 09h45: Opening

Chair: *Mr. Agus Muhammad*, Inspector General, Ministry of Finance, Indonesia

Opening remarks: *Mr. Jak Jabes*, Director, Governance and Regional Cooperation Division, ADB
Mr. Patrick Moulette, Head, Anti-Corruption Division, Directorate for Financial and Enterprises Affairs, OECD
Mr. Peter Rooke, Regional Director Asia-Pacific, Transparency International

Keynote addresses: *HE Taufik Effendi*, Minister of Administrative Reform

09h45 – 11h00: Roundtable

Chair: *Ms. Gretta Fenner*, Project Manager, ADB/OECD Anti-Corruption Initiative for Asia-Pacific
Mr. Cobus de Swardt, Global Programmes Director, Transparency International

Country presenters: *Mr. Hasnan Zahedi Bin Ahmad Zakaria*, National Security Division, Prime Minister's Department, Malaysia
Mr. Ibraim Naeem, Deputy Managing Director, Maldives Monetary Authority
Mr. K.W.D.U. Dahanayake, Director General, Foreign Aid and Budget Monitoring, Sri Lanka
Mrs. Nongkran Chanvanichporn, Director of Information Technology Centre, Office of the Prime Minister, Thailand

One government representative per concerned country provides brief overview of his/her government's basic approach to address the corruption risk in the Tsunami relief.

11h00 – 11h30: Coffee break



11h30 – 13h30: Country ownership and participatory decision-making as means to enhance transparency (theme 1)

- Chair: *Mr. Mulya Lubis*, Transparency International Indonesia
- Presenter: *Mr. Pramod Kumar Mishra*, Member Secretary, National Capital Region Planning Board, Ministry of Urban Development, India
- Discussants: *Mr. K.W.D.U. Dahanayake*, Director General, Foreign Aid and Budget Monitoring, Sri Lanka
Mr. Joel Hellman, Senior Governance Advisor, World Bank Indonesia
Mr. J.C. Weliamuna, Transparency International Sri Lanka

Participatory decision-making in the design of aid strategies, as well as recipient country “ownership” of these strategies, are key to enhancing the transparency of relief and reconstruction efforts. By enabling resources to be matched with real needs, they can significantly reduce the risk of misuse of aid for corrupt purposes.

This session will address measures to ensure recipient country ownership of aid strategies as well as appropriate public participation in their design. Particular attention will be paid to:

- The role of donors in ensuring recipient country ownership of relief and reconstruction strategies;
- The role of recipient governments in ensuring broad societal and political participation in the development of such strategies;
- The role of civil society in facilitating citizen participation in relief and reconstruction strategy development.

13h30 – 14h30: Lunch offered by the ADB/OECD Anti-Corruption Initiative for Asia-Pacific

14h30 – 16h30: Improving the transparency of aid flows (theme 2)

- Chair: *Mr. Jak Jabes*, Director, Governance and Regional Cooperation Division, ADB
- Presenter: *Mr. Syahrial Lutan*, Inspector General, Ministry for State Planning/Head of Bappenas, Indonesia
- Discussants: *Mr. Rashid Khalikov*, Deputy Director, UN Office for the Coordination of Humanitarian Aid (invited)
Ms. Yasmin Ahmad, Administrator, Statistics and Monitoring Division, Development Co-operation Directorate, OECD
Mr. Zia Choudhury, Accountability Advisor, Humanitarian Accountability Partnership International

The high level of bilateral, multilateral and non-governmental aid flows in the context of the tsunami disaster has brought with it the increased risk of corruption in emergency relief efforts, during the medium-term distribution of goods and services and during the longer-term reconstruction phase. A key requirement to reduce such risks is the establishment of appropriate mechanisms to track aid flows from source to end-user.

This session will seek to address what can be done, and by whom, to ensure maximum transparency in the aid allocation and distribution process - focusing in particular on the



tracking of aid once it has entered the affected countries. During the session, emphasis will be placed on:

- The role of donors (including aid-giving NGOs and humanitarian organisations) in supporting the establishment of in-country tracking mechanisms and in disclosing aid given;
- The role of recipient governments in establishing tracking mechanisms and in publishing aid received and used;
- The role of civil society organisations in monitoring aid flows.

16h30 – 17h00: Coffee break

17h00 – 19h00: Strengthening financial safeguards and administrative capacity to curb the risk of corruption (theme 3)

Chair: *Dr. Juree Vichit-Vadakan*, Transparency International Thailand

Presenter: *Mr. Paul Harvey*, Research Fellow, Humanitarian Policy Group, Overseas Development Institute

Discussants: *Mr. Igusti Agung Rai*, Board Member, Supreme Audit Board, Indonesia
Mr. Jerry O'Brien, Senior Anti-Corruption Specialist, USAID (invited)
Mr. Ajith Nivard Cabraal, former President, South Asian Federation of Accountants

The significant corruption risks that arise in responding to disasters are exacerbated by any existing shortcomings in the financial and administrative systems of affected countries. In order to integrate effective corruption prevention and risk reduction strategies within relief and reconstruction efforts, it is first necessary to identify the specific risks present. Appropriate measures for strengthening the financial safeguards and administrative capacity of affected countries must then be undertaken within a specific timeframe.

This session will seek to identify appropriate risk assessment and support strategies to strengthen the financial and administrative capacities of recipient governments in the aftermath of the tsunami. Particular attention will be placed on:

- The role of recipient governments in implementing an appropriate risk assessment strategy and strengthening local financial and administrative capacity through improved coordination and control mechanisms;
- The role of donors in establishing an enabling environment for effective risk assessments by recipient governments, in strengthening the financial and administrative capacity of affected countries via coordination mechanisms, and ensuring the proper financial management of donor-led activities;
- The role of civil society organisations in advocating for the adoption of appropriate risk assessment and capacity-building and fraud-prevention strategies, as well as their role in ensuring transparent financial management of civil society-led activities.

20h30: Dinner hosted by the Government of Indonesia



Friday 8 April 2005

08h00 – 10h00: Facilitating effective and transparent procurement and implementation (theme 4)

Chair: *Mr. Peter Pease*, Public Procurement Advisor, Policy Coherence Division, Development Cooperation Department, OECD

Presenter: *Dr. Michael Wiehen*, Transparency International Germany

Discussants: *Mr. Ismail Fathy*, Auditor General, Audit Office, Maldives
Mr. Ajay Guha, Project Coordination and Procurement Division, ADB
Mr. Chong San Lee, Transparency International Malaysia

The implementation stage of relief and reconstruction efforts is particularly vulnerable to the risk of corruption. These risks vary between the relief phase, in which the distribution of goods and services may, for instance, fall prey to corrupt networks, and the longer-term reconstruction phase, in which non-transparent or closed contracting processes can lead to the corrupt diversion of resources away from the intended recipients.

This session will seek to identify measures to facilitate effective and transparent procurement and implementation of relief and reconstruction programmes. Particular attention will be paid to:

- The establishment of appropriate donor guidelines for contracting and service delivery as well as mechanisms for ensuring appropriate coordination of donor-led activities;
- Methods for ensuring transparency in the design, procurement and implementation of recipient government contracting and service delivery;
- The role of civil society in advocating for and supporting transparent procurement and implementation, and in ensuring coordinated and transparent implementation of civil society-led activities.

10h00 – 12h00: Ensuring effective project monitoring and evaluation (theme 5)

Chair: *Mr. Patrick Moulette*, Head, Anti-Corruption Division, Directorate for Financial and Enterprise Affairs, OECD

Presenter: *Dr. Gopakumar K. Thampi*, Public Affairs Foundation, Bangalore, India

Discussants: *Dr. Pinsak Suraswadi*, Dept. of Marine and Coastal Resources, Ministry of Natural Resource and Environment, Thailand
Mr. Hans Müller, Senior Financial Officer, Humanitarian Aid Department, Swiss Agency for Development and Cooperation
Mr. Ridaya La Ode Ngkowe, Project Manager of monitoring team for Aceh and Nias, Indonesian Corruption Watch

Effective independent monitoring and evaluation is a key element in ensuring the transparent implementation of relief and reconstruction programmes.



This session will seek to identify appropriate mechanisms for facilitating such monitoring. It will focus in particular on:

- The role of donors in establishing external evaluation mechanisms (including external audits) and in supporting recipient government evaluation and civil society monitoring activities;
- The role of recipient governments in ensuring effective internal evaluations covering both service delivery and project procurement, and in engaging with civil society in monitoring and evaluation activities;
- The role of civil society in providing independent monitoring of government and donor activities and in ensuring effective evaluation of their own relief and reconstruction activities.

12h00 – 13h30: Lunch offered by Transparency International

13h30 – 15h30: Ensuring effective anti-corruption enforcement and complaint-handling mechanisms (theme 6)

- Chair: *Ms. Dini Widiastuti, Asia Programme Officer, Article 19*
- Presenter: *Mr. Abu Kassim Bin Mohamad, Director, Anti-Corruption Agency of Pulau Pinang, Malaysia*
- Discussants: *Pak Erry Riyana Hardjapamekas, Vice-Chairman / Commissioner, Anti-Corruption Commission, Indonesia*
Mr. Staffan Synnerstrom, Governance Advisor, ADB Indonesia Resident Mission
Mr. PS Bawa, Transparency International India

Anti-corruption enforcement mechanisms in many of the countries affected by the tsunami have been weakened as a result of the disaster. Strengthening local capacity to effectively enforce anti-corruption measures is therefore key to preventing large-scale corruption in the relief and reconstruction process. Mechanisms for reporting on corruption in the wake of the disaster – and measures for protecting those that do - are also a key requirement.

This session will focus on measures to strengthen enforcement capacities in the affected countries, with a particular emphasis on corruption reporting mechanisms. Particular attention will be paid to:

- The role of donors in supporting recipient government enforcement and complaints mechanisms and civil society advocacy activities, as well as ensuring appropriate reporting mechanisms for corruption in donor-led activities;
- The role of recipient governments in ensuring appropriate complaint and whistleblower protection mechanisms, as well as strengthening the role of government enforcement agencies;
- The role of civil society in advocating for and supporting recipient government enforcement activities, as well as reporting on corrupt activities.

16h00: Press conference

On invitation only



17h00 – 18h00: Closing session

Chair: *Mr. Agus Muhammad*, Inspector General, Ministry of Finance,
Indonesia

Speakers: *Mr. Jak Jabes*, Asian Development Bank
Dr. Frédéric Wehrlé, Organisation for Economic Co-operation and
Development
Mr. Peter Rooke, Regional Director Asia-Pacific, Transparency
International

Presentation of draft meeting recommendations and closing.

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Organising committee: contacts

ADB/OECD Anti-Corruption Initiative for Asia-Pacific

Jak Jabes
Director
Governance and Regional Co-operation
Division, Asian Development Bank
Phone: +63-2-6325749
Fax: +63-2-6362182
Email: jjabes@adb.org

Gretta Fenner
Project Manager Asia-Pacific
Anti-Corruption Division, Organisation for
Economic Co-operation and Development
Phone: +41-43-3001160
Fax: +33-1-44306307
Email: gretta.fenner@oecd.org

Transparency International

Peter Rooke
Regional Director Asia-Pacific
Transparency International
Phone: +49-30-3438 2031
Fax: +49-30-3470 3912
Email: prooke@transparency.org

