

## **Expert Meeting on Corruption Prevention in Tsunami Relief**

7-8 April 2005  
Jakarta, Indonesia

## **Meeting Conclusions and Framework for Action**



1. Humanitarian relief and reconstruction following natural disasters is particularly vulnerable to corruption. Sudden flows of large amounts of money, goods and services, pressure to deliver aid quickly, as well as the substantial economic opportunities that arise from large-scale reconstruction, all contribute to increasing the risk of corruption, waste and mismanagement. Given the scale and scope of the relief and reconstruction required following the Indian Ocean Tsunami of 26 December 2004, the Asian Development Bank (ADB), the Organisation for Economic Co-operation and Development (OECD), Transparency International (TI) and the Indonesian Government jointly hosted a two-day meeting on preventing corruption in tsunami relief. The meeting, held in Jakarta on 7-8 April 2005, was attended by representatives of six tsunami-affected countries (India, Indonesia, Malaysia, Maldives, Sri Lanka and Thailand), bilateral and international donor organisations and civil society, who discussed risks of misuse of the funds and identified concrete ways to mitigate these risks.

2. To ensure that aid funds are appropriately managed and benefit the people affected by natural disasters, participants agreed on the importance of concrete and specific actions to be taken by affected governments, civil society, donors and international governmental organisations. Participants reached a broad measure of agreement on a framework for action that provides applicable solutions to counter corruption in humanitarian relief and reconstruction efforts for use by policy makers, civil society, donor and international institutions.

3. This framework for action embraces some key measures that main stakeholders should take to assist affected countries in humanitarian relief and reconstruction efforts.

## **Framework for Action**

4. Affected communities and their governments, as well as non-governmental organisations, the private sector, donors and international governmental organisations should work together to ensure that aid delivery and relief and reconstruction efforts are not tainted by corruption. This enhanced collective action should strengthen trust between stakeholders and lead to a more effective channelling of resources to affected communities.

### ***Country Ownership***

5. Affected countries should exercise effective leadership over their humanitarian relief and reconstruction and should be enabled to do so. To this aim, governments of affected countries, in dialogue with local communities, civil society, donors and the private sector, should commit to translate their national reconstruction strategies into prioritised, results-oriented operational programs and take the lead in coordinating the aid they receive in conjunction with other on-going development programs.

6. Donors should commit to respect affected countries' leadership in relief and reconstruction efforts and help strengthen their capacity to exercise it; they should further align with affected countries' strategies and base their overall support on these countries' national reconstruction efforts.

### ***Community participation***

7. The active participation of affected communities in relief and reconstruction decisions can minimise the risk of corruption in the delivery of aid. From the earliest stages of relief, through to the design, implementation and evaluation of long-term projects, such communities should be enabled to articulate their needs, assist in devising reconstruction plans, as well as evaluate end-results. The economic capacity and expertise of affected communities should be utilised wherever possible in delivering relief and reconstruction to reduce cost, to ensure appropriate solutions and assist with economic recovery.



### ***Access to information***

8. To ensure more effective participation in relief and reconstruction efforts and in the process of making decisions on issues which impact them, affected communities need accessible and understandable information about relief and reconstruction efforts as well as about relief and compensation benefits they are entitled to. Governments, public and private donors, international organisations and local civil society organisations, should implement comprehensive and harmonised information strategies that uphold internationally recognised access to information standards. Such strategies should make use of appropriate formats and of local languages to ensure ease of access by local communities. All stakeholders should additionally seek to support the role of the media in ensuring transparency in relief and reconstruction efforts.

### ***Transparency of aid flows***

9. A major concern of all stakeholders is the transparency and traceability of aid flows. Disaster responses require the rapid flow of funds that result in an increased risk of corruption. The establishment of appropriate mechanisms to track aid flows from source to end-user as well as the publication of this information becomes crucial.

10. Coordination of information from all stakeholders through national tracking systems designed to respond to the emergency is important. Such tracking systems can contribute to coordinating, monitoring and managing the overall rebuilding effort in a given country. They not only trace needs and commitments but become an effective tool to meet legitimate expectations for transparency, accountability and sound governance. It is important that such tools be developed, owned and maintained by affected governments and communities, and used to coordinate the support of all providers of relief and reconstruction including donors and local and international non governmental organisations.

11. National tracking systems need to show the funding mechanism, preferably on budget, and the contribution of multi-donor funds set up for such catastrophes. Tracking systems should contain information comprehensive enough to respond to government and donor exigencies yet simple enough to be accessible by affected communities. International organisations and donors should support the development and maintenance of such national tracking systems, as well as collate national information for cross-country comparison and implement compatible international tracking systems.

### ***Monitoring and evaluation***

12. Effective independent monitoring and evaluation is key to ensuring the transparent implementation of relief and reconstruction programmes. The development and application of mechanisms to facilitate such monitoring is of vital importance. Effective internal control and external auditing should be complemented by community-led approaches, such as people's audits, that reinforce accountability towards affected peoples. Such approaches should be promoted by governments and by donors and all stakeholders should implement necessary action to rectify problems identified.

13. All stakeholders should jointly commit to maintain adequate accounts and provide timely, transparent, comprehensive and accessible information on programming, aid flows and on expenditure.



### ***Complaints and Reporting Mechanisms***

14. Affected countries should provide accessible grievance procedures including corruption reporting channels and protection for whistleblowers in the context of humanitarian relief and reconstruction efforts, including for private and public sector employees, the media and the general public.

### ***Mutual Accountability and Coordination***

15. All stakeholders are accountable for their own actions in the relief and reconstruction processes. A major priority for affected countries, civil society and donors is to enhance mutual accountability and coordination in the use of aid relief and reconstruction resources. This also helps strengthen public support for country-led reconstruction strategies.

16. Donors should coordinate both with governments and among themselves and establish a regular dialogue to avoid duplication of programming. Similarly, non-governmental actors should also coordinate with governments and among themselves and seek, where appropriate, cooperation with other stakeholders.

### ***Capacity development for improved governance and corruption deterrence***

17. As a consequence of natural disaster, local institutions may lose capacity, local government may be diminished, and civil society institutions weakened. Consequently, the strengthening of capacity of institutions and individuals in affected countries is also critical for countering corruption in disaster relief and reconstruction efforts. Capacity development for improved corruption deterrence is the responsibility of affected countries with donors and international organisations playing a supporting function. Measures aimed at strengthening local institutions and civil society organisations should recognise existing in-country expertise and, where appropriate, provide technical assistance to promote the implementation of adequate policies aimed at preventing and deterring corruption.

18. Such institutional development within both the government and non-government sectors should notably promote sound financial management, including through effective procurement arrangements and increased administrative accountability, provide for effective project implementation, ensure sound oversight of the utilisation of donor and national funds, and enhance capacity to follow-up on audit results and monitoring and evaluation reports. Institutional capacity development should also aim at ensuring that the public procurement legal and regulatory frameworks of affected countries adequately address disaster situations. Public contracts should contain an explicit anti-corruption clause embodying effective sanctions for breach, and ethics training and codes of conduct should be provided to procurement staff. While processes may be accelerated to reflect urgency, competitive bidding and other measures to promote cost effective corruption free procurement should not be bypassed except according to appropriate predetermined criteria in exceptional cases.

19. Donors should support such efforts of affected governments in their capacity development assistance and in bilateral programmes and international fora such as the ADB/OECD Initiative's procurement review and the OECD DAC/World Bank procurement capacity strengthening initiative. For aid funded procurement, they should rely on the affected country's procurement system if the latter corresponds to mutually agreed standards or, if this is not the case, should agree to other harmonised systems.



20. Full transparency is required for all information related to needs assessments, assistance pledged, delivered and utilised, procurement rules and procedures (e.g. via Integrity Pacts), contracts awarded and progress in execution via regular public reports.

## Next Steps

21. ADB, OECD and TI will disseminate this framework for action as widely as possible and publish the proceedings of the meeting. They will also:

- Actively pursue bilateral and multilateral contacts with all stakeholders for advancing the implementation of this framework for action;
- Discuss the framework for action with the international donor community in particular through the OECD DAC Network on Governance (GOVNET), as well as with other key stakeholders such as organisations involved in humanitarian relief and reconstruction;
- Encourage TI national chapters in affected countries to disseminate and discuss the framework for action with the local stakeholders;
- Consider establishing a roadmap, to be presented at the fifth ADB/OECD Anti-Corruption Conference for Asia-Pacific, to develop a set of operational guidelines which can be used for planning, tracking, monitoring and evaluating aid flows and the implementation of relief and reconstruction efforts with a view to preventing waste, mismanagement and corruption in humanitarian relief and reconstruction.

