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# GOOD ANTI-CORRUPTION PRACTICES IN THE WATER, EDUCATION AND HEALTH SECTORS IN SUB-SAHARAN AFRICA



**Good Anti-Corruption  
Practices in the Water,  
Education and Health Sectors  
in Sub-Saharan Africa**

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Good Anti-Corruption Practices in the Water, Education  
and Health Sectors in Sub-Saharan Africa

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# Table of contents

<b>Acronyms and Abbreviations</b>	<b>7</b>
<b>Executive Summary</b>	<b>11</b>
i) Overview	11
ii) Study objective and scope	12
iii) Study methodology	12
iv) Key findings	13
v) Key lessons and recommendations	14
<b>1.0 Overview of the Water and Sanitation Sector</b>	<b>16</b>
1.1. Status on access to clean water and sanitation	16
1.2. Risks and challenges to the attainment of the MDGs on water and sanitation in Sub-Saharan Africa	17
1.3. Defining corruption in the water sector	17
1.4. Cost of corruption to the water sector	18
1.5. Ongoing strategies and interventions to fight corruption in the water sector	19
References	22
<b>2.0 Case Study Uganda: Increased government oversight through a Strengthened National Water and Sewerage Corporation</b>	<b>23</b>
2.1 Introduction	23
2.2 Drivers of the progress in the water sector	23
2.3 Status of corruption in the water sector	24
2.4. Causes of corruption in the water sector	25
2.5. Anti-corruption efforts in the water sector	25
2.6. Case study of Integrity Framework at the National Water and Sewerage Corporation	26
References	29
<b>3.0 Case Study Kenya: Corruption and vulnerability Assessments in the Water Sector undertaken by Transparency International Kenya</b>	<b>30</b>
3.1 Overview	30
3.2 Access to water and sanitation facilities in Kenya	30
3.3 Corruption in the Kenya water and sanitation sector	31
3.4. Ongoing reforms to curb corruption in the water and sanitation sector	32
3.5. Case study of Transparency International Kenya - Addressing governance issues and risks exposed in the water study assessment in Mombasa	33
3.6. Emerging results and lessons learned	34
References	35
<b>4.0 Case Study: Increased Voice in the Water Supply and Sanitation Sector through 'Water Watch Groups' in Zambia</b>	<b>36</b>
4.1. Overview: Zambia water sector framework	36
4.2. Status of corruption in the water sector in Zambia	36
4.3. Strategies to fight corruption in the water sector in Zambia	37
4.4. Case study of Water Watch Groups in Zambia	37
4.5. Lessons learned	40
References	42
<b>5.0 Overview of the Education Sector</b>	<b>44</b>
5.1 Access to education	44
5.2 Governance and corruption challenges in the education sector	46
5.3 Impact of corruption on the education sector	48
5.4 Strategies employed to address these challenges	49

<b>6.0</b>	<b>Case Study: Budget Tracking of resources in the education SECTOR in Uganda</b>	<b>51</b>
6.1.	Overview: Access to education in Uganda	51
6.2.	Reforms in the education sector	51
6.3.	Corruption in the education sector in Uganda	52
6.4	Ongoing reforms to tackle corruption in the education sector	53
6.5	Community monitoring of public expenditure in primary schools in Uganda	53
6.6	Key issues and lessons identified	54
<b>7.0</b>	<b>Case Study: Using ScoreCards to monitor education service delivery in Ghana</b>	<b>55</b>
7.1	Overview of the education sector in Ghana	55
7.2.	High-risk governance areas	56
7.3.	Corruption in Ghana's primary education sector	56
7.4.	Using community scorecards to monitor budgets in Ghanaian schools	57
<b>8.0.</b>	<b>Case Study: Using Budget tracking to ensure quality service delivery in Primary schools in Malawi</b>	<b>63</b>
8.1	Overview of the education sector in Malawi	63
8.2	Risks and challenges to governance in the education sector	63
8.3.	Corruption in the education sector in Malawi	64
8.4.	Budget tracking in Malawian primary schools	64
	References	68
<b>9.0</b>	<b>Overview of the Health Sector in Sub-Saharan Africa</b>	<b>72</b>
9.1.	Introduction - Corruption in the health sector	72
9.2.	Status on access to healthcare and health-related MDGs in Sub-Saharan Africa	72
9.3	Corruption in the health sector in Sub-Saharan Africa	74
9.4.	Cost of corruption in the health sector	75
9.5.	Identified strategies and interventions to fight corruption in the health sector	76
<b>10.0</b>	<b>Case Study Uganda: Increasing public awareness and debate on corruption in the Health Sector through the 'Stop Stock-outs' campaign</b>	<b>79</b>
10.1	Introduction: Access to health in Uganda	79
10.2	Corruption in the health sector:	79
10.3	Risks that exacerbate inefficiencies and corruption in the health sector in Uganda	80
10.4	Ongoing reforms	80
10.5	Massive stock-outs in health facilities	81
10.6	Case study: The Stop Stock-out campaign in Uganda - involving the public in oversight	81
<b>11.0</b>	<b>Case Study Malawi: Measuring levels of transparency and vulnerability in the health SECTOR through the 'Good Governance for Medicines' Programme</b>	<b>85</b>
11.1.	Introduction	85
11.2.	Corruption in the health sector	85
11.3.	Ongoing reforms	86
11.4.	Assessing vulnerability in the health sector through the GGM Programme	87
11.5.	Implementation of GGM Phases I & II in Malawi	88
<b>12.0.</b>	<b>Case Study Tanzania: Strengthening Institutional Capacity of the Tanzania Food and Drug Authority through the WHO-HAI Africa Regional Collaboration for Action on Essential Medicines</b>	<b>90</b>
12.1.	Overview of the pharmaceutical sector	90
12.2.	Status of corruption in the health sector in Tanzania	90
12.3.	Strengthening institutional capacity through the WHO-HAI Africa regional collaboration	91
12.4.	Case study of the Tanzania Food and Drug Authority (TFDA)	92
	References	94



## Acronyms and Abbreviations

<b>ACFODE</b>	Action for Development
<b>AEW</b>	Africa Education Watch
<b>AFRO</b>	WHO Regional Office for Africa
<b>AG</b>	Auditor-General
<b>AGHA</b>	Action Group for Health Human Rights and HIV/AIDS
<b>AIDE</b>	Alliance for Integrated Development and Empowerment
<b>APRM</b>	African Peer Review Mechanism
<b>APWO</b>	Association of Private Water Operators
<b>BFP</b>	Budget Framework Paper
<b>CC</b>	Contracts Committee
<b>COSASE</b>	Standing Committee on Commissions, Statutory Authorities and State
<b>CPI</b>	Corruption Perception Index
<b>CRC</b>	Citizen Report Card
<b>CSO</b>	Civil Society Organization
<b>DANIDA</b>	Danish International Development Agency
<b>DEI</b>	Directorate for Ethics and Integrity
<b>DESD</b>	Decade on Education for Sustainable Development
<b>DFID</b>	Department for International Development
<b>DP</b>	Development Partner
<b>DPP</b>	Director of Public Prosecutions
<b>DPSA</b>	Department of Public Service and Administration
<b>DWD</b>	Directorate of Water Development
<b>DWRM</b>	Directorate of Water Resources Management
<b>DWSCC</b>	District Water and Sanitation Coordination Committee
<b>EFA</b>	Education for All
<b>EHG</b>	Euro Health Group
<b>EMHS</b>	Essential Medicines and Health Supplies
<b>ESAAMLG</b>	East and Southern African Anti-Money Laundering Group
<b>ESD</b>	Education for Sustainable Development
<b>EU</b>	European Union
<b>FINMAP</b>	Financial Management and Accountability Program
<b>GAVI</b>	Global Alliance for Vaccines and Immunization
<b>GCR</b>	Global Corruption Report
<b>GFATM</b>	Global Fund to fight AIDS, Tuberculosis and Malaria
<b>GGSSWG</b>	Good Governance Sub-Sector Working Group
<b>GOU</b>	Government of Uganda
<b>GSPOA</b>	Government Strategy and Plan of Action to Fight Corruption and Rebuild Ethics and Integrity in Public Office
<b>GTZ</b>	German Technical Cooperation



<b>HAI</b>	Health Action Africa
<b>HEPS</b>	Health Promotion and Social Development
<b>HHA</b>	Harmonization of Health in Africa
<b>HSSP</b>	Health Sector Reform, Health Policy and Health Sector Strategic Plan
<b>IG</b>	Inspectorate of Government
<b>IGG</b>	Inspector-General of Government
<b>IHP</b>	International Health Partnership
<b>IIEP</b>	International Institute for Educational Planning of UNESCO
<b>IRWS</b>	Integrated Rural Water and Sanitation
<b>JICA</b>	Japanese International Cooperation Agency
<b>JMP</b>	Joint Monitoring Program
<b>JMS</b>	Joint Medical Stores
<b>JPF</b>	Joint Partnership Fund
<b>JSR</b>	Joint Sector Review
<b>JWSSPS</b>	Joint Water and Sanitation Sector Program Support
<b>LG</b>	Local Government
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MDGs</b>	Millennium Development Goals
<b>MeTA</b>	Medicines Transparency Alliance
<b>MHCP</b>	Uganda's Minimum Health Care Package
<b>MHSDMU</b>	Medicines and Health Service Delivery Monitoring Unit
<b>MOFPED</b>	Ministry of Finance, Planning and Economic Development
<b>MOH</b>	Ministry of Health
<b>MOLG</b>	Ministry of Local Government
<b>MOU</b>	Memorandum of Understanding
<b>MSH</b>	Management Sciences for Health
<b>MTBF</b>	Medium-Term Budget Framework
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MWE</b>	Ministry of Water and Environment
<b>NAFOPHANU</b>	National Forum of PLHA Networks in Uganda
<b>NDA</b>	National Drugs Authority
<b>NDC</b>	National Drug Committee
<b>NDP</b>	National Development Plan
<b>NEPAD</b>	New Partnership for Africa's Development
<b>NGO</b>	Non-Governmental Organization
<b>NHP</b>	National Health Policy
<b>NIS</b>	National Integrity Survey
<b>NMS</b>	National Medical Stores
<b>NPO</b>	National Professional Officer
<b>NWSC</b>	National Water and Sewerage Corporation

<b>OAG</b>	Office of the Auditor General
<b>OECD-DAC</b>	Organization for Economic Cooperation and Development - Development Assistance Committee
<b>PAC</b>	Public Accounts Committee (Parliament)
<b>PACDE</b>	Global Thematic Programme on Anti-Corruption for Development Efficiency
<b>PAF</b>	Poverty Action Fund
<b>PDU</b>	Procurement and Disposal Unit
<b>PEAP</b>	Poverty Eradication Action Plan
<b>PEPFAR</b>	President's Emergency Plan for AIDS relief
<b>PPDA</b>	Public Procurement and Disposal of Public Assets Authority
<b>PRSC</b>	Poverty Reduction Support Credit
<b>PRSP</b>	Poverty Reduction Strategy Plan
<b>PSO</b>	Private Sector Operator
<b>PTAs</b>	Parent-Teacher Associations
<b>ROM</b>	Result-Oriented Management
<b>SD</b>	Sustainable Development
<b>SIWI</b>	Stockholm International Water Institute
<b>SMCs</b>	School Management Committees
<b>SSA</b>	Sub-Saharan Africa
<b>SURE</b>	Securing Ugandan's Right to Essential Medicines
<b>SWAp</b>	Sector-Wide Approach
<b>SWG</b>	Sector Working Group
<b>SWH</b>	Swedish Water House
<b>TI</b>	Transparency International
<b>TISDA</b>	Transparency and Integrity in Service Delivery in Africa
<b>UJAS</b>	Uganda Joint Assistance Strategy
<b>UN</b>	United Nations
<b>UNCAC</b>	United Nations Convention against Corruption
<b>UNDL</b>	United Nations Decade for Literacy
<b>UNDOC</b>	United Nations Office on Drugs and Crime
<b>UNDP</b>	United Nations Development Program
<b>UNEP</b>	United Nations Environment Program
<b>UNESCO</b>	United Nations Education Scientific and Cultural Organization
<b>UNTOC</b>	United Nations Convention against Transnational Organized Crime
<b>USAID</b>	United States Agency for International Development
<b>UWASNET</b>	Uganda Water and Sanitation Network
<b>WESWG</b>	Water and Environment Sector Working Group
<b>WHO</b>	World Health Organization
<b>WIN</b>	Water Integrity Network
<b>WMS</b>	WHO Medicines Strategy 2004-2007
<b>WSP</b>	Water and Sanitation Program
<b>WSS</b>	Water Supply and Sanitation
<b>WUC</b>	Water Users Committee



## Executive Summary:

### i) Overview

1. The last decade has seen commendable progress attained in various spheres of life – with due credit given to the Millennium Declaration and the MDG framework for accountability, which have been responsible for spurring development and attainment of key global goals. Targeted interventions have resulted in considerable progress in<sup>1</sup>:
  - Reduction in global poverty well towards meeting the 23 percent target; particularly in Eastern Asia (China);
  - Universal primary education with net enrolment ratios in primary school increased by more than 25 percentage points from 1999 to 2009 in countries like Burundi, Madagascar, Rwanda, Samoa, Sao Tome and Principe, Togo and Tanzania;
  - Reducing child mortality, as shown by: number of deaths of children under the age of five declining from 12.4 million in 1990 to 8.1 million in 2009; over 20 percent reduction globally (and 50 percent in Africa in at least 11 countries) in deaths from malaria from nearly 985,000 in 2000 to 781,000 in 2009; and a 21 percent drop in the rate of new HIV infections since 1997;
  - Improved access to clean drinking water in all regions with the number of people in Sub-Saharan Africa using an improved drinking water source nearly doubling from 252 million in 1990 to 492 million in 2008.
2. This progress has however not been without setbacks and hindrances<sup>2</sup>- the global economic and financial meltdown at the end of the last decade greatly affected attainment of set targets within the MDGs, while the most poor and vulnerable still remain outside the reach of interventions with major disparities emerging particularly between the urban and rural poor. In a number of cases, widespread corruption and poor governance may help explain why increased funding allocations, such as those aimed at meeting the MDGs for water, education and health, have not necessarily translated into improvements in human development indicators, particularly in Sub-Saharan Africa (SSA).
3. Hence, despite considerable funding increases, the SSA region is largely lagging behind in meeting the MDG of reducing child mortality (the number of children dying before age 5 per 1,000 live births) and maternal mortality (the number of live births per 100,000 births). Additionally, proper sanitation continues to elude all but a few. Substantial increases in gross enrolment in primary education in recent years have not been matched by improvements in learning outcomes. Cutting across all these problems is weak governance and associated corruption which has been well documented. For instance, Transparency International's 2008 Global Report places the additional cost of achieving the MDGs related to water and sanitation at over \$48 billion as a result of corruption; particularly related to increased prices for water connections. Within the education sector, corruption drains more than 80 percent of the total sums allocated for non-salary expenditures in some countries. It also affects the appointment of teachers, the supply and distribution of equipment and textbooks, the allocation of specific allowances (fellowships, subventions to the private sector, etc.), examinations and professional awards, and out-of-school activities.
4. This calls for specific interventions targeting the poorest and hardest to reach and effectively addressing governance and corruption challenges that deter progress. Several programmes have been initiated to fight corruption in the water, health and education sectors. In Africa, the Transparency and Integrity in Service Delivery in Africa (TISDA) program has over the last two years embarked on a broad research and advocacy program on corruption in the water, health and education sectors implemented by Transparency International

1 See The United Nations Millennium Development Goals Report 2011 at p 4

2 Ibid

(TI) chapters in Cameroon, Ghana, Kenya, Nigeria, Senegal, South Africa, Uganda, and Zambia. Although the full impact of various initiatives is yet to be adequately assessed by respective implementers, this report seeks to document leading anti-corruption practices in the water sector in Sub-Saharan Africa and captures those aspects of good practices that have been established and hold the promise of longevity, as well as potential for consolidation.

## ii) **Study objective and scope**

5. UNDP has previously undertaken broader mapping and assessment of good anti-corruption practices at international level within the three sectors of water, health and education. The main purpose of this desk study is to map existing good anti-corruption practices in the water, health and education sectors at national and sub-national level in Sub-Saharan Africa with a view to contributing to the MDG acceleration process. In so doing, this study investigates select corruption risks in the water, health and education sectors, and what anti-corruption interventions have been applied at local and/or national levels to address these risks. Attention is given to establishing specificities around process, experiences and outcomes, what factors help and/or hinder anti-corruption interventions and what lessons can be drawn for possible replication elsewhere. The aim is to obtain knowledge regarding the relevance and effectiveness of these good anti-corruption practices, with the overall objective of developing a methodology for mainstream anti-corruption strategies in the water, health and education sectors with a view to contributing to MDG acceleration in the region.

## iii) **Study methodology**

6. The study has largely been desk-based with some key informant interviews via telephone and email follow-up where possible. Documents that are relevant to regional and country contexts, corruption and specific sectoral studies, were compiled and analysed to establish the status of the sectors' systems, the impact of corruption on attaining MDGs on water, health and education, and the good anti-corruption practices that have been initiated and implemented across the region. This report presents the findings, conclusions, lessons and recommendations on good anti-corruption practices in the Sub-Saharan Africa region. Specific case studies are drawn from the Eastern and Southern African regions which, like others on the continent, have been faced with governance challenges in the water, health and education sectors. This is manifested by high levels of corruption in the various sub-sectors, including drug supply and management, human resource management, procurement, etc. These regions are all implementing one or more of the identified good governance and anti-corruption programmes in the three named sectors.
7. Documents reviewed included reports from UN agencies, governments, donors, civil society organisations, universities and the media. Common themes, particularly around strengths and weaknesses in the water, health and education sectors, were identified. The purpose of this step was to provide background information and understand why an anti-corruption intervention was warranted. Target areas included: water, health and education professionals, drug supply and distribution, infrastructure, finance and budget allocation.
8. The study however was limited in scope given that it was largely desk-based and there is a paucity of online information with many websites not carrying updated materials. Further examination by conducting semi-structured interviews with key informants has been limited due to the nature of the assignment. In some interesting cases e.g. those under the TISDA program, implementation was still underway and experiences, findings and lessons have not yet been documented.
9. It is key that this process be taken forward at a later stage through in-country assessments and evaluations of identified case studies. Additional questions relevant to corruption in the named sectors can be drawn from documents such as the USAID Anti-Corruption Assessment Handbook and the WHO Measuring Transparency in the Public Pharmaceutical Sector Assessment Instrument. Key informants in the various sectors should include representatives from the Ministries of Health, Education, Finance, and Justice. Additional informants should come from anti-corruption institutions, hospitals, pharmaceutical companies, local drug manufacturers and wholesalers, community healthcare facilities, international development agencies, donors, NGOs, media, and patients.

#### iv) Key findings

10. Overall, corruption is a major drain to sector resources and has impacted on attainment of sector-specific targets.

#### Water sector

11. Access to clean water and sanitation are core MDGs. According to the WHO/UNICEF joint monitoring report, Progress on Sanitation and Drinking Water: 2010 Update, 5.9 billion people, or 87 percent of the world's population, and 84 percent of the developing world's population now use drinking water from safer, improved sources. Despite this, Sub-Saharan Africa faces an uphill task in attaining the MDG goals on water and sanitation and consequently meeting other goals (including reduction of poverty, extreme hunger and child and maternal mortality) with corruption playing a major role in this state of affairs.
12. Some examples of corruption in the water sector include falsified meter reading, distorted site selection of boreholes or abstraction points for irrigation, collusion and favoritism in public procurement, and nepotism in the allocation of public offices (Stålgren, P. 2006). In some cases however, what amounts to corruption, e.g. illegal vending of water, is instead a source of livelihood and is responsible for enabling millions of poor people to access water; especially in peri-urban and informal settlements. Hence the complexity of dealing with corruption issues in the water sector. This makes dealing with corruption in this sector extremely complex.
13. Good anti-corruption practices in the water sector have largely focused on enhancing awareness of users on their rights and obligations; increasing transparency and oversight for water access and usage (e.g. through 'Water Watch' or consumer groups); undertaking institutional reforms and integrity pacts; enhancing clarity governing relations between main actors (e.g. water suppliers and consumers) and addressing grand corruption through investigation and prosecution of implicated officials, amongst others. The study focuses on institutional reforms in the National Water and Sewerage Corporation in Uganda, the Water Watch Groups in Zambia, and identifying and curbing risks through water governance assessments by TI in Kenya.

#### Education sector

14. Education sectors in all countries have expanded and become more complex over time with their management posing new challenges which often entail the change of administrative structures and institutions. The education sectors involve millions of transactions that are almost impossible to monitor and are open to bribery and corruption. Major challenges include the high levels of wastage, the leakage of resources and the poor accountability of governments to service delivery. Among the key factors highlighted as being responsible for escalating corruption in Africa's education sector is the deep political and economic instability the continent has suffered, leading to sharp economic decline, abject poverty and low salaries.
15. Good anti-corruption practices in the education sector have largely focused on budget tracking (with examples drawn from Malawi and Uganda) and enhancing community participation and oversight of the education sector (with an example drawn from using scorecards to monitor education service delivery in Ghana).

#### Health sector

16. Corruption<sup>3</sup> in the health sector increases already-existing challenges health systems face and can create new ones for governments and patients. Weak or non-existent rules and regulations, as well as over-regulation, lack of accountability, low salaries and limited services i.e. more demand than supply, are among the key reasons for corruption in the health sector. Health sector corruption is a reflection of the structural challenges in the healthcare system as well as where it takes place within the health sector; for example, drug procurement collusion or paying bribes to health professionals for public health services. The scale of corruption also varies. It may be 'petty' (bureaucratic or administrative, often taking place at implementation level where the public interacts with public officials, e.g. through informal payments levied on public health services) or 'grand' (high-level or often at policy level. for instance the manufacture of counterfeit medicines for wide distribution).<sup>4</sup>

3 The definition of corruption used in this study is the abuse of entrusted position for private gain.

4 For an overview of corruption in the Health Sector, see: *Fighting corruption in the health sector*. Methods, tools and good practices An advance copy of a UNDP commissioned study, Jillian Clare Kohler, Ph.D, October 2010.

17. Good anti-corruption practices in the health sector have largely focused on enhancing awareness and participation of users in the system, using innovative approaches. Examples are drawn from the use of SMS technology in Uganda under the Stop Stock-Outs Campaign, identifying and blocking vulnerabilities in the health system in Malawi and strengthening the institutional capacity of the Tanzania Food and Drugs Authority.

v) **Key lessons and recommendations**

18. In all sectors, the situation is complex and a holistic approach is needed to tackle corruption and address governance challenges. Key lessons for ensuring successful implementation of governance reforms include the need to:
- **Undertake specific governance assessments** to establish key actors, risks and entry points for designing and implementing interventions;
  - **Increase awareness, empowerment and support** (capacity building) of stakeholders - both the rights holders (users) and the duty bearers/service providers;
  - **Build strategic partnerships with stakeholders** - especially with government officials/duty bearers from the outset of the project so as to enhance understanding and appreciation of the project objectives and ensure buy-in. This is key to ensuring follow-up and implementation of recommendations, especially as government is the primary duty bearer charged with meeting the MDG targets;
  - Facilitate communities and organisations to **create home-grown solutions** other than imposing solutions from elsewhere;
  - Avoid complicated reforms - **use simple and affordable social media tools** such as text messaging and simple vocabulary.
  - Use **existing data and information** to establish campaigns and use informal networks and communities to generate additional data to underpin reforms



# Section 1

## Corruption in the Water Sector Case Studies from Kenya, Uganda and Zambia



UN Photos/UNICEF/Marco Dormino



## 1.0 Overview of the water and sanitation sector:

### 1.1. Status on access to clean water and sanitation

The last decade has witnessed some improvements in the supply of and access to clean water and sanitation globally. Following the International Drinking Water Supply and Sanitation Decade (1981-1990), WHO and UNICEF established a Joint Monitoring Programme for Water Supply and Sanitation (JMP) as the official United Nations mechanism tasked with monitoring progress towards the MDG relating to drinking water and sanitation.<sup>5</sup> According to the WHO/UNICEF joint monitoring report, Progress on Sanitation and Drinking-Water: 2010 Update, 5.9 billion people, or 87 percent of the world's population, and 84 percent of the developing world's population now use drinking water from safer, improved sources. 3.8 billion people or 57 percent of the world's population get their drinking water from a piped connection that provides running water in their homes or compound.

1. It is estimated that the world will meet or even exceed the MDG of 77 percent access to clean water and sanitation by 2015. However, there continue to be major disparities amongst regions for both sanitation and water. Sanitation coverage is lowest in South Asia and Sub-Saharan Africa, where two thirds of the population lack access to improved sanitation. Water coverage remains below 60 percent of the population in both Sub-Saharan Africa and Oceania, whereas all other regions (including China and India) have coverage rates of 80 percent or higher. Poor people and those living in rural areas are far less likely to have access to improved water and sanitation facilities than their richer and/or urban compatriots.<sup>6</sup>
2. Sub-Saharan Africa faces an uphill task to attain the MDG goals on water and sanitation and consequently meet other goals, including reduction of poverty, extreme hunger and child and maternal mortality. Access to clean water and sanitation are core to the attainment of these other goals. The Africa Water Atlas (UNEP, 2010) shows that the amount of water available per person in Africa is declining, with only 26 of the continent's 53 countries being on track to attain the water provision target of the MDGs. Only nine countries are expected to attain the MDG target of reducing by half, the proportion of the population without sustainable access to basic sanitation by 2015.

**Table 1: Water and sanitation coverage (Sub-Saharan Africa) - Basic indicators<sup>7</sup>**

Country	Population (approximate millions)	Under five mortality rate (per 1000)	Water coverage -urban (%)	Water coverage - rural (%)	Sanitation coverage - urban (%)	Sanitation coverage - rural (%)
Eritrea	5	85	72	54	34	3
Ethiopia	80	169	81	11	19	4
Kenya	32	123	89	46	56	53
Malawi	12.2	178	96	62	66	42
Mozambique	20	158	76	24	51	14
Nigeria	125	198	72	49	48	30
Sudan	34	93	78	64	50	24
Uganda	28	140	87	52	53	39
Zambia	12	182	90	36	68	32

Source: UNICEF and WHO

5 The MDG indicators are *The Proportion of population using an improved drinking-water source* ; and *The Proportion of population using an improved sanitation facility*

6 [http://www.unicef.org/wash/index\\_statistics.html](http://www.unicef.org/wash/index_statistics.html)

7 Data Sources: Compiled from UNICEF state of the World's Children 2005 and WHO/UNICEF Joint Monitoring Programme (JMP). <http://www.unicef.org/28044.html>

## 1.2. Risks and challenges to the attainment of the MDGs on water and sanitation in SSA

3. A strong correlation has been established between corruption and access to improved drinking water in Sub-Saharan Africa. The more corrupt a country is, the smaller the fraction of its population that has access to improved drinking water (Stålgren, P. 2006). According to Transparency International (TI Global Corruption Report, 2008), one of the key causes of this disparity between Sub-Saharan Africa and other regions where progress has been made, is poor governance manifested through dysfunctional institutions, poor financial management, weak capacity for citizens to demand change, low accountability, and outright corruption.
4. The water sector (encompassing various sub-sectors such as water supply and sanitation, irrigation, water resource management and hydro power<sup>8</sup>) is characterised by a number of factors that increase the likelihood of corruption. These include (Stålgren, P. 2006):
  - large-scale construction and monopolies;
  - high level of public sector involvement;
  - technical complexity, which decreases public transparency and leads to an asymmetry of information;
  - high demand for water services, which reinforces the power position of suppliers and encourages bribery;
  - a high frequency of interrelations between suppliers and consumers which fosters an atmosphere of discretionary action.

## 1.3. Defining corruption in the water sector

5. Corruption has been widely defined (WB, TI) as the misuse of entrusted power for private gain. Many forms of corruption exist, both petty and grand. Within in the water sector, corruption is not as easily defined or categorised and while more systematic mapping is required at the different levels and in different sub-sectors, some interactions have generally been established to include<sup>9</sup>:
  - a) Corruption between public officials and other public officials, often through corrupt practices in resource allocation. Examples include diverting funds for a water supply network to pay for upgrading a road near a politician's house, or using bribes to determine the outcome of personnel management decisions (such as payments to individuals for transfers and appointments to lucrative positions).
  - b) Corruption between public officials and private actors often includes forms of bribery and fraud that occur in relation to licensing, procurement and construction. Collusion or bid-rigging is typical of tendering processes in developed and developing countries and involves both national and international actors.
  - c) Corrupt practices also occur between public officials and users/citizens/consumers. These practices, known as administrative or petty corruption, enable poor and non-poor households, farmers and other users to get water, get it more quickly or get it more cheaply.
6. Other examples of corruption in the water sector include falsified meter reading, distorted site selection of boreholes or abstraction points for irrigation, collusion and favoritism in public procurement, and nepotism in the allocation of public offices (Stålgren, P. 2006). In some cases however, what amounts to corruption, e.g. illegal vending of water, is instead a source of livelihood and is responsible for enabling millions of poor people to access water; especially in peri-urban and informal settlements. Hence the complexity of dealing with corruption issues in the water sector.

8 See Fighting Corruption in the Water Sector, Methods, Tools and Good Practices- An Advance Copy of UNDP Commissioned Study, by Jeroen Vos, October 2010 at p. 10-13

9 Global Corruption Report, 2008

### Box 1: Overview of types of corruption in the water sector:

- Collusion and extortion in the procurement procedures for construction and maintenance of works
- Collusion during the quality control of construction and rehabilitation of water infrastructure works
- Unwarranted contract variations and renegotiations
- Capture of profitable contracts and (re)negotiations by private companies for water concessions
- Embezzlement of government and foreign aid funds and assets by officers charged with water service provision
- Bribery of utility officials to evade water fee payments and/or allowing of illegal connections
- Political interference and mismanagement of municipality utilities to win votes with low tariffs

Source: De la Harpe and Butterworth (2009) - *Water Sector* (U4 brief; no. 28). Bergen, Norway

#### 1.4. Cost of corruption to the water sector

7. The cost of corruption to the water sector cannot be overstated and yet the human, financial and increasingly environmental costs are often disproportionately borne by the poor. Today more than one billion people worldwide lack adequate access to safe drinking water with dramatic consequences for lives, livelihood and development (TI - Global Corruption Report, 2008). According to Dr. Neira (2010), WHO Director of Public Health and Environment, unsafe water, inadequate sanitation and the lack of hygiene claim the lives of an estimated 2.2 million children under the age of 5 every year. Of these deaths, 1.5 million are due to diarrhoea, the second leading contributor to the global burden of disease. This status has been wrought by a series of factors including increased competition and poor management of existing water resources. However, the crisis has been exacerbated by inefficiencies, poor governance and outright corruption in the management, use, supply and distribution of water resources and services.
8. The financial costs of corruption are astronomical. While no concrete figures can be established and the scope of corruption varies significantly between countries and across sectors, it has been estimated by the World Bank that 20 percent to 40 percent of water finances are being lost to dishonest and corrupt practices, translating to approximately \$20 billion over this decade. This however is most likely a conservative estimate given that a big percentage of the corruption is in the form of undocumented petty payments and a lot of uncoded hours (estimated at 40 billion annually (Stålgren, P. 2006)) are spent by households collecting water. TI's 2008 Global Report places the additional cost of achieving the MDGs related to water and sanitation at over \$48 billion as a result of corruption, particularly as regards increased prices for water connections.
9. While some work has been done to map the cost of petty corruption to access to clean water in other regions, including India,<sup>10</sup> more work is needed to systematically assess and establish the cost of corruption to water sectors in Sub-Saharan African. Some estimates have been obtained for Uganda and Kenya as shown below.

10 E.g. See: Jennifer Davis, "Corruption in Public Service Delivery: Experience from South Asia's Water and Sanitation Sector", *World Development Report*, Vol. 32, No. 1 pp. 53-71, 2004

## Box 2: Costs of Corruption to the water sector in Uganda

A World Bank-sponsored baseline survey on integrity in Uganda's water supply and sanitation sector found that corruption costs the water sector billions of Ugandan shillings every year and undermines water services, especially to the poor. Between \$5 million and \$10 million meant to improve access to safe water for drinking in Uganda is lost to corruption annually, while 10 percent to 20 percent of the money given to contractors is spent on kickbacks, significantly reducing the extent to which the contract can deliver on improving access to safe water and sanitation.<sup>11</sup>

The survey also found that 56 percent of the customer respondents had made some bribes to expedite water connections to their homes. Another 40 percent of respondents said it took them four to seven days to get reconnected, while 64 percent (approximately 46 percent of all respondents) who said they did not experience a problem in securing a connection had paid extra money outside official connection fees to get connected. Others had paid bribes to falsify meter readings, 20 percent accused water providers of overbilling them while 16 percent of respondents said they were being billed inaccurately.<sup>12</sup>

## Box 3: Costs of corruption in the water sector in Kenya

A Transparency International Bribery Index (2008) found that corruption hinders roughly 30 percent of families from gaining access to water, with up to 87 percent of respondents in Nairobi having witnessed payment of bribes to connect to the city's water network. It's estimated that for every investment in Kenya of \$1 million (KSh80 million) to connect households to piped water, an estimated cost of \$400 (KSh32, 000) is spent per connection - a cost increased through bribery.

### 1.5. Ongoing strategies and interventions to fight corruption in the water sector

10. To counter this crisis and enhance opportunities for accelerating and attaining all the MDGs, a number of strategies and interventions have been undertaken. With less than five years to the end of 2015 deadline to achieve the MDGs, and given the mixed progress on all the goals (especially poverty, disease and maternal and child mortality), a number of high-level meetings<sup>13</sup> were held in 2010 at which there were calls to devise innovative financing, fight corruption and enhance accountability, as some of the key strategies to accelerating the MDGs. Global anti-corruption initiatives have been developed, including UNDP's Global Thematic Programme on Anti-Corruption for Development Efficiency (PACDE) aimed at providing programming assistance to developing countries to implement the United Nations Convention Against Corruption (UNCAC). In addition, significant new political and financial commitments have also been made on all MDGs.
11. Anti-corruption initiatives have in the past largely focused on legislative and policy reforms including the development and ratification of two key conventions (UNCAC and the African Convention on the Prevention of Corruption); development and strengthening of key anti-corruption agencies such as the Inspectorate of Government; and large-scale programmes for the prevention, detection and sanctioning of corruption. Within country context, most interventions have largely been at national level with limited specialisation at sectoral level. However, this is changing and there is increasing focus on sectoral interventions.

11 <http://www.irc.nl/page/50329>

12 Fighting Graft in the Water Sector, Evelyn Lirri, The Monitor, 7th November 2009

13 Including the AU Summit in Uganda in July 2010; The High-level Plenary Meeting of the 65th Session of the UN General Assembly on the Millennium Development Goals (MDG)—or “MDG Summit”— took place at the United Nations headquarters in New York from 20-22 September 2010, under the theme “We can end poverty by 2015,” and the High level meeting for Local Governments and Accelerating MDGs held in Uganda in October 2010.

12. With specific reference to corruption in the water sector, a number of strategies have been undertaken at regional and national level. The central premise is that the water and sanitation (WSS) sector in Africa will greatly depend on enhanced good governance in order to improve efficiency and effectiveness in water management to ensure that lives and livelihoods are not threatened (Rukare, 2010).
13. Jeroen Vos (2010) observes that the most important initiative in the area of anti-corruption and water governance is the Water Integrity Network (WIN). The Water and Sanitation Program (WSP) of the World Bank, IRC International Water and Sanitation Centre and the Stockholm International Water Institute (SIWI) also collaborate. Other relevant organisations fighting corruption in the water sector are U4, the Asian Development Bank and WaterAid. In Africa, there is a rich policy and legislative framework for fighting corruption, including the African Convention on Preventing and Combating Corruption. Countries have ratified this international and regional regime and enacted country-specific policies, laws and regulations. Different approaches have been identified and marketed as appropriate, the most commonly emphasised being:<sup>14</sup>
  - a) Increased government oversight through institutional and policy reforms such as:
    - setting up/strengthening anti-corruption agencies or ombudsman's offices;
    - carrying out specific reforms in tendering and procurement procedures;
    - conducting independent financial audits, investigations and prosecutions;
    - instituting public service reforms;
    - protecting whistleblowers;
    - setting up special anti-corruption committees of parliament or ad-hoc commissions of inquiry for specific corruption cases;
    - capacity development and training for public officials in ethical decision-making and integrity promotion;
    - promotion of ethics and integrity in public organisations;
    - developing feedback mechanisms on service delivery from users through Civil Society Organisations (CSOs) and professional bodies;
  - b) The pro-market approach which emphasises increased market competition through:
    - privatisation of water utilities management;
    - subcontracting service delivery to private companies;
    - public-private partnerships in service provision and management;
    - independent sector regulation;
    - promotion of transparency in the private water sector and performance benchmarking;
    - promotion of ethical business values in the private water sector.

14 Also see -Fighting Corruption in the Water Sector, Methods, Tools and Good Practices- An Advance Copy of UNDP Commissioned Study, by Jeroen Vos, October 2010 at p. 19-25

c) The bottom-up approach through increased usage, civil society oversight and free press. Participation of water users in decision-making and social oversight over water management have become important preventive measures against corruption in Africa. CSOs now play an important role as watchdogs. In many cases where corrupt leaders and officials have been convicted, the role of CSOs and the news media has been crucial (ibid). Examples of 'increased voice' have included:

- increased advocacy for democracy and rule of law (including accountability of political authorities towards water users);
- social audits by citizens;
- creating general public awareness of corruption through the media;
- active participation of users (or their representatives) in boards of water provider utilities, and water works construction and rehabilitation projects (include training for representatives);
- strengthening and mobilisation of organisations of water users, including training their managers;
- building coalitions of organisations for advocacy, investigation and networking on anti-corruption in the water sector;
- creating an environment conducive to freedom of the press and training reporters on corruption issues.

14. Working with various partners globally, Transparency International<sup>15</sup> has initiated a number of reforms aimed at restoring integrity in the water sector. Key among these reforms are **Integrity Pacts**, which are legally-binding no-bribe agreements which all parties to a public contracting must sign. These agreements have been tested and applied in various contexts involving large-scale procurement and contracting for the provision of drinking water and sanitation services, irrigation and big hydroelectric power projects. Oversight is provided by an independent monitor (normally civil society and the general public) who have access and participate in overseeing the procurement processes. Specific examples where Integrity Pacts have been successfully implemented are in Mexico with the El Cajón and La Yesca hydroelectric projects on the Santiago River. In both cases, Transparency International's Mexico chapter took part in both projects, reviewing and commenting on the draft bidding documents and designating an independent external monitor. In both cases, there were no reports of corruption and implementation has been timely; unlike large-scale procurements where there are often contract negotiations and renegotiations that take several years.<sup>16</sup>

15. This section builds upon research done at an international level by the Democratic Governance Group of the UNDP's Bureau for Development Policy on fighting corruption in the water sector and goes further to present findings of a desk study on specific reforms in Uganda, Kenya and Zambia.<sup>17</sup> These countries have been identified as case studies, having instituted reforms that have seen the increase in the supply of safe water and enhanced sanitation services. These lessons should support the overall mapping of good practices and development of sector-specific programmes to be integrated in the MDG acceleration processes in Africa.

15 [http://www.transparency.org/news\\_room/in\\_focus/2011/integrity\\_pacts\\_reaching\\_out\\_to\\_the\\_water\\_sector](http://www.transparency.org/news_room/in_focus/2011/integrity_pacts_reaching_out_to_the_water_sector)

16 Ibid

17 See Fighting Corruption in the Water Sector, Methods, Tools and Good Practices- An Advance Copy of UNDP Commissioned Study, by Jeroen Vos, October 2010

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## 2.0 Case Study Uganda: Increased government oversight through a strengthened National Water and Sewerage Corporation

### 2.1 Introduction

1. The Uganda water supply and sanitation sector has made marked progress in urban areas since the mid-1990s, with substantial increases in coverage as well as in operational and commercial performance. The sector was reformed through several laws since 1995, leading to decentralisation and increased private participation. The successful turnaround of the National Water and Sewerage Corporation (NWSC) in that period, as well as innovative service contracts in small towns, have attracted significant international attention (CR Uganda-MWE, 2009). Access to improved water supplies in rural areas stands at 63 percent but with huge regional disparities ranging from as low as 12 percent in Kaabong (north-eastern Uganda) to more than 90 percent in Kabale (south-western Uganda). In urban areas, access to safe water stands at 61 percent with 72 percent in large towns, which are under the NWSC. The functionality of improved rural water supplies currently stands at 82 percent (MWE, 2005 in Rukare, 2009).

### 2.2 Drivers of the progress in the water sector

- a) **Policy and regulatory reforms** - the water sector has been guided by a sound and well-coordinated policy and regulatory framework. Uganda's Water Act (1997) provides for the establishment of Water Authorities (WAs) while The Local Government Act (1997) empowers Local Governments (LGs) to provide water and sanitation services (WSS).
- b) **Clear institutional and management framework** - The water sector has numerous institutions and management structures with clear roles. It should however be noted that there is no independent economic regulatory body for water supply. Key agencies include:
  - **Ministry of Water and Environment (MWE)** - the lead agency for formulating national water and sanitation policies, coordinating and regulating the sector;
  - **The Directorate of Water Development (DWD)** - sits under the MWE and acts as the executive arm, providing support to local governments and other service providers;
  - **The National Water and Sewerage Corporation (NWSC)** which is regulated by a performance contract with the government and is responsible for the provision of water and sewerage services;
  - **Water Policy Committee (WPC)** – a multi-sectoral body that acts as a principal advisory organ to the Minister of Water and Environment and whose role includes setting national policies, standards and priorities; including coordinating revisions to sector legislation and regulations.

The water statute also provides for the formation of Water and Sanitation Committees, Water User Groups and Water User Associations. These act as local community level organisations, ensuring the sustainability of water supply and sanitation facilities through proper management, operation and maintenance by the user communities.

Over 180 non-governmental organisations (NGOs) involved in water sector activities have formed the Uganda Water and Sanitation Network (UWASNET) for improved coordination of their activities and a platform for constructive engagement with government and donors in the water sector.

- c) **Coordination with other key sectors** including the Ministry of Finance, Planning and Economic Development which coordinates funding and donor support and The Ministry of Local Government which supports



decentralised government systems managing their own water facilities. Others include the Ministry of Agriculture, Animal Industries and Fisheries, which oversees water use for irrigation, the health ministry's Environmental Health Division (EHD), in charge of an integrated sanitation strategy for the country, and the Ministry of Education and Sports, responsible for health, sanitation, and hygiene in schools. All these stakeholders, together with the Ministry of Public Service, development partners, and civil society, form the Water and Sanitation Sector Working Group.

**d) Increasing sector-financing regime**

Funding for the water sector has been increasing steadily over the past 10 years with most funds coming from government's priority Poverty Action Fund (PAF), under the Poverty Eradication Action Program (PEAP). It should be noted that current investment in water supply presently stands at UGX137, 40 billion (2009/2010 financial year budget). This falls far short of estimated total funds required to meet national targets for water supply and sanitation in the period 2000 - 2015, which are in the range of \$1,1 billion to \$1,4 billion.

**e) Clear monitoring, evaluation and reporting framework**

The water sector has specific verifiable indicators for monitoring progress in urban water supply and sanitation. The Department of Planning and Quality Assurance was established to carry out periodic monitoring, evaluation and quality assurance of all ministry activities, including water supply and sanitation. The department issues periodic quality assurance reports highlighting the performance against set targets and recommends corrective measures to be undertaken.

In addition, the water sector holds an annual Joint Government/Development Partners Sector Review (JSR) forum to carry out a comprehensive review of the performance of the sector. As part of the performance monitoring process, mid-term joint technical reviews are also held. The framework also provides for periodic service delivery surveys, and specific independent surveys that are often conducted by different stakeholders (Uganda National Water Development Report – 2005).

## **2.3 State of corruption in the water sector**

2. The progress has however, not been without its challenges. The water sector has seen high levels of corruption that have hampered progress to stated goals. A World Bank-sponsored Baseline Survey on Integrity in Uganda's Water Supply and Sanitation Sector (2009) found that corruption costs the water sector billions of shillings every year and undermines water services, especially to the poor. Between \$5 million and \$10 million meant to improve access to safe water for drinking in Uganda is lost to corruption annually, while 10 percent to 20 percent of the money given to contractors is spent on kickbacks, significantly reducing the extent to which the contractor can deliver on improving access to safe water and sanitation.<sup>18</sup>
3. According to the National Integrity Survey by the Inspectorate of Government (IGG) (2008), (WIN et al, 2009, Rukare, 2009) the major forms of corruption in the water sector include:
  - a) extra payment to speed up a new connection or to speed up a reconnection;
  - b) bribes to avoid a disconnection or to conceal illegal connection;
  - c) falsification of meter readings;
  - d) payments to hinder reporting faulty meters.

18 <http://www.irc.nl/page/50329>

## 2.4. Causes of corruption in the water sector

4. Generally, there is a belief that corruption in the water sector is caused by the following factors, ranked in order of importance (Rukare, 2009, WIN et al, 2009):
  - low pay to staff (25 percent)
  - society influence (22 percent);
  - greed (8 percent);
  - weak machinery to detect corruption (6 percent);
  - weak anti-corruption policies (3 percent).

## 2.5. Anti-corruption efforts in the water sector

5. In addition to the regular and periodic performance monitoring undertaken by the Department of Planning and Quality Assurance and through the Joint Government/Development Partners Sector Review (JSR), the water sector has initiated specific reforms to prevent and fight corruption. The Ministry of Water and Environment, in partnership with the Secretariat of the Water Integrity Network (located in the Secretariat of Transparency International in Berlin Germany), and the Water and Sanitation Program in Uganda (WSP-Uganda) have developed a Water Integrity System (WINS), also known as '**water scans**' for the WSS sector in Uganda. This initiative has prioritised a number of key activities such as the Risk Opportunity Mapping Study (Rukare, 2009) and a Baseline Survey (WIN/WSP et al 2009) on how water consumers and providers view the integrity in the consumption and provision of water in Uganda. This work is ongoing and there are plans by the water sector to review progress in the first quarter of 2011.
6. There have also been numerous community-based initiatives aimed at enhancing governance in the water sector. A report by the UNDP and the Uganda Ethics Network Outreach (UENO) on progress made towards attainment of MDG 7 Target 10 highlights two case studies of enhancing governance through citizen action and social accountability.<sup>19</sup> In one case in Luwero, there have been efforts to increase governance through social accountability, communication and transparency. The project, supported by the World Bank and Luwero District employs the **Citizens' Report Card** to obtain citizens experiences on water supply and provide feedback to the service providers on the system's strengths and weaknesses.
7. Another project in Kawempe District seeks to bridge the governance and accountability gap between communities and water and sanitation service providers through citizen action. Citizens are empowered to identify concerns and undertake community-based monitoring, through which they collect data to use in negotiations with the government.
8. The focus of this case study is on the reforms at the National Water and Sewerage Company which has been selected as an appropriate case for this literature review because it is one of the best-performing government parastatals in Uganda and was cited as one of the most honest public organisations in Uganda in the National Integrity Survey III (2008). The NWSC has instituted an integrity framework with zero tolerance to corrupt policy. The recent years have seen the institution turning into a viable national water utility body whose success is also due to open and transparent management practice instituted across-board.

19 UNDP and UENO- Sustaining Good Governance in Water and Sanitation Sector in Uganda, Towards Attainment of MDG 7 Target 10; December 2008 at p.21

## 2.6. Case study of integrity framework at the National Water and Sewerage Corporation

9. The National Water and Sewerage Corporation (NWSC) Statute (1995) establishes the NWSC as a water and sewerage authority and gives it the mandate to operate and provide water and sewerage services in areas entrusted to it on a sound commercial and viable basis. The Statute requires the Minister responsible for Water Affairs to enter into a performance contract with NWSC in relation to its operations, in accordance with the Statute's provisions. The Statute empowers the NWSC to own assets in its areas where it provides services; without the need for compensation in respect of the transfer of such assets.
10. The major players in urban water supply are the NWSC and privately-owned companies, largely known in the sector as Private Operators (POs), mainly operating in small towns and rural growth centres. The NWSC is responsible for provision of water and sewerage services in over 20 large towns in Uganda. The NWSC proposes water tariffs and submits them to the Ministry of Water and Environment (MWE) for approval. A Performance Contract with the Government of Uganda regulates NWSC operations. This contract is regularly reviewed by a Performance Review Committee (PRC) operating under the MWE. While the NWSC is responsible for supplying water in Kampala and other large towns, the MWE licenses POs to provide water and sanitation facilities in small towns. The POs work under the supervision of the Water Boards (WBs) that are appointed by the Water Authorities (WAs). (Rukare 2009).
11. In the last decade, the management at NWSC has carried out a number of structural and institutional policy changes and reforms and established an integrity system for the organisation through the measures highlighted below:

### 2.6.1 Internal reforms for institutional transparency

12. Internal reforms include:
  - **Management commitment to the fight against corruption** - The NWSC has a strong management team and a committee to deal with corruption. The majority of staff at NWSC trust that management is committed to fighting corruption, as confirmed by 86 percent of the respondents (WIN/WSP, et al 2009). These reports also indicated that the Human Resource Development process at NWSC is transparent and motivational to staff, the recruitment process is fair and non-discriminatory and staff promotions are always or in most cases based on performance and length of service.
  - **Ethical code of conduct** - The NWSC has codified standards against corruption and unethical conduct with clear procedures for dealing with reported incidents. The NWSC Human Resources Manual of 1 May 2005 Section 23.1.2 (i) explicitly prohibits staff from engaging in corrupt practices. During staff orientation and induction, NWSC draws their attention to these vital clauses. All of those interviewed had employment contracts with the NWSC, with a code of conduct/ethics and a clause prohibiting engagement in corrupt practices and that disciplinary action would follow any breach of the code.
  - **Planning, budgeting and financial management** - According to the Baseline Survey on Integrity in the Uganda Water Supply and Sanitation Sector (WSS, 2009), planning, budgeting and financial management at the NWSC is participatory and budget administration is transparent and based on a bottom-up approach and specific criteria. The process owners (respective sections/departments) originate the budgets and forward them to management for approval, integration and action. Ninety-one percent of staff interviewed said they participate in the budgeting process. The involvement of NWSC staff in bottom-up planning, budgeting and financial management has been important in promoting institutional transparency.
  - **Auditing** - The NWSC has instituted good internal control practices (including monthly internal audits) that have enabled the institution to detect malpractice in time for correction.
  - **Procurement and contract management** - The NWSC strictly follows Government of Uganda procurement regulations and has instilled confidence in transparency during procurement processes, including

pre-qualification and tendering amongst its suppliers, staff and the public. The majority of suppliers interviewed (73 percent) said that the process was transparent and corruption-free with 79 percent saying that pre-qualified suppliers are usually invited to participate in bidding processes. The NWSC has an annual procurement plan which is followed in 85 percent of the cases as reported by respondents; an effective communication system using various media to inform suppliers, bidders and the public about opportunities and processes. 87 percent of staff said that they were aware of the procurement and tendering procedures at the NWSC. All the respondents also affirmed that NWSC procurement procedures were in conformity with PPDA regulations and guidelines, which they said they were aware of. There is reported minimal interference with the procurement process at the NWSC. While political interference in procurement may be a common factor in public institutions in Uganda, at the NWSC this was reported to be minimal by 90 percent of the respondents.

- **Conflict of interest management:** There is no evidence of an apparent conflict of interest situation at the NWSC. According to the Baseline Survey on Integrity in the Uganda Water Supply and Sanitation Sector (WSS) main report, of August 2009, almost all staff said they were aware of the regulations requiring employees and directors to disclose any conflict of interest in handling the affairs of the NWSC. Only 3 percent of the respondents reported that they were not aware of the existence of these regulations. The NWSC always verifies service provider company directors' details with the Registrar of Companies before signing contracts with them for service provision. Most of the staff interviewed said that they did not know of any fellow staff members at the NWSC who had a private company that did business with the NWSC.

## 2.6.2. Good practices in service delivery

13. The NWSC has instituted stringent measures to ensure that services rendered meet the expectations of consumers and that the process chain of water and sanitation services supply is shortened to minimise risk and impetus for corruption. Good practices have largely focused on increased interface and communication with consumers and the public, as well as incentives to deter corrupt practices. Ninety-one percent of staff said that they were aware of the program to create incentives for increased community/public involvement in relation to reducing illegal use, meter tampering, vandalism, and meter bypasses. The review looks at a number of areas in the service delivery chain:

- **Advance information on water supply services** – The NWSC routinely provides advance information regarding water services, including connection, disconnection, reconnection or supply interruptions. The procedure and/or instances for a water disconnection and/or reconnection are clearly laid down in the Standard Operating Procedures of the service providers. For every disconnection, the reasons must be provided. The Standard Operating Procedures allow 12 hours for reconnection upon payment of the amount due and reconnection fees. Forty-nine percent of customers indicated that it took them one to three days to restore the connection, 40 percent indicated four to seven days while only 11 percent said more than one week, and less than 1 percent, more than two weeks. Most customers do not regard the duration for reconnection as very long. The surveys reveal that majority of the respondents receive advance information regarding water supply services from their service providers and also on any impending water stoppage or disruptions through SMS and/or public media announcements.
- **Acquiring the service** - Securing a new connection has been eased. The procedure for acquiring a new water connection, reconnection and/or repair and maintenance of water lines, including timelines, is well stated in the NWSC's Standard Operating Procedures. Surveys revealed that 72 percent of clients interviewed indicated that they did not experience problems in securing a new connection.
- **Customer care service, complaints-handling mechanism and management** - The corporation has a customer care service program in place. It recently introduced a toll-free telephone number that allows customers and any other interested parties to call any branch and raise concerns. Studies indicate the existence of a complaints-handling mechanism at the NWSC, i.e. a customer complaints front desk, a general suggestion box and a telephone SMS facility. Study results from branches show 94 percent of

the respondents saying all their branches have a complaints front desk and 97 percent saying that their branches have suggestion boxes. On the percentage of customers who have full time access to water, as many as 94 percent say that more than 25 percent of NWSC customers have access to water services 24 hours a day, 7 days a week. However, it should be noted that while 52 percent of customers said they knew where to take complaints, almost the same proportion (48 percent) said that they did not know the complaints procedure. More non-household customers know where to lodge complaints compared to households (58 percent for commercial and 73 percent for institutions).

- **Stipulated timeframe for responses to complaints** - It takes less than two weeks to acknowledge complaints and less than two weeks to handle most complaints. The NWSC customers interviewed also reported the same handling time, although this is considered to be too long. Survey results indicate that of all those who lodged a complaint to the NWSC, 50 percent were satisfied. The dissatisfaction of the other 50 percent has to do with the period of time it takes to respond and/or deal with them.
- **Meter reading and billing** - Meter reading has been regularised, with bills being issued instantly on site. The surveys show that 93 percent of consumers interviewed had had their meters read regularly. The majority (97 percent) of the respondents state that they had received their water bills monthly in the last 12 months. In addition, NWSC produces water bills that are accurate. The majority of consumers (70 percent) interviewed said that their water bills were based on actual meter readings. The results corroborate the 73 percent response that water bills received were accurate, based on actual meter readings.

### 2.6.3 Efficiency vis-à-vis corruption

14. While these reforms are still ongoing, the NWSC has consistently emerged as a progressive institution with an open and transparent approach. A key issue that has been raised however is whether improved efficiency and management translates into reduced corruption in the water and sanitation sector. It should be noted that in many cases, even with enhanced efficiency at institutional level, corruption, though more covert, remains a key challenge and is likely to be manifested through:<sup>20</sup>
  - continued leakages and high levels of ‘unaccounted-for water’;
  - collusion in pricing of materials given the absence of set market values for items;
  - procurement of inappropriate, poor quality and inadequate technology e.g. water pipes and fittings;
  - grand-scale corruption e.g. in water access expansion programmes;
  - tampering of meters and bills for high value customers/large-scale water users.
15. Worth noting however, is that fact that the reforms undertaken have reduced the opportunities and risks for corrupt practices at the NWSC by improving institutional transparency and enhancing the interface and dialogue with the consumers. The end result has been improved access to water and sanitation services for urban communities in Uganda. A key challenge remains to replicate these reforms to other institutions and parts of the country so as to enhance access to water and sanitation services, especially to the poor and those in informal settlements and rural communities.

20 Interview with D. Rukare, Consultant July 2011. Note that these are possible scenarios and there would be need to establish actual setting through Value for Money Audits and specific forensic audits

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### 3.0 Case study Kenya: Corruption and vulnerability assessments in the water sector undertaken by Transparency International Kenya

#### 3.1 Overview

Table 1: Kenya country indicators

Population	39,802,015
GDP (current US\$)	\$29,375,775,194
GNI per capita	\$760
Percentage of urban population with access to sanitation facilities	27%
Unemployment - % of total labor force	9.8%
Literacy rate - % aged 15 yrs and above	87%
Poverty headcount ratio at national poverty line (% of population)	46.6%
Life expectancy at birth	54 years
Renewable internal freshwater resources per capita (cubic meters)	6,442
Improved water source, rural (% of rural population with access)	78%

Source: World Bank Data<sup>21</sup>

#### 3.2 Access to water and sanitation facilities in Kenya

1. Access to water for most urban and rural poor groups remains low in Kenya. For the un-served and marginalised groups to realise their human right to water certain strategies should be employed and these include mechanisms for improving participation, efficiency, transparency, accountability mechanisms at individual, household, community, institutional and organizational level.<sup>22</sup>
2. In a study by Transparency International Kenya,<sup>23</sup> 55 percent of the households sampled use less than 100 litres of water a day while about 40 percent use 100 - 200 litres of water a day. Those who use more than 200 litres a day constitute about 5 percent. Forty-one point four percent of water users surveyed are unhappy with the services offered by the providers and 8.4 percent have actually lodged complaints. Those who have not forwarded their problems say they lack faith that the officers will address their complaints or the issue is too common among a large number of water users so it is pointless raising it. The bulk of the complaints lodged pertain to unreliable supply of water or unprocedural disconnections of water meters. Forty-six point two percent of the large scale water users (industries) have had reason to complain over water services and out of these, 70.9 percent actually lodged complaints. Most complaints pertain to inflated water bills and irregular supply of water. Additionally, 32.8 percent of officers in large-scale water user organisations admit to having heard of or witnessed corruption in water sector institutions. The form of corruption most cited is bribery of water officers.

21 <http://data.worldbank.org/country/kenya>

22 UNDP, Kenya and UNDP Water Governance Facility (WGF). Improving Water Governance in Kenya through the Human rights based approach. A mapping and baseline report, November 2007, Rose N. Osinde.

23 Transparency International (Kenya) and Maji Wa Ufanisi. Water Governance study 2009(summary).

### 3.3 Corruption in the Kenya water and sanitation sector

#### 3.3.1 Potential challenges and risks in the Kenya water sector

3. The water sector is rife with several risks that present a high potential for corruption. In Kenya, the water sector is highly politicised and extremely complex. In report by Transparency International on 'Corruption Trends Analysis, Tracing Corruption Trends in Kenya's Public Sector' the multiplicity of stakeholders is highlighted as a key issue that potentially drives corruption in the water sector in Kenya. Stakeholders include international actors (donor representatives, private companies and multinationals), national and local construction companies, consultancy firms and suppliers. Large and small operators, a range of middlemen, consumers, and civil society organisations at national and sub-national levels are also accountable. Corrupt activities between these stakeholders often occur at the institutional level, with different stakeholders often involved in one or more types of corruption. Other challenges include interference by politicians in the management of the sector and a large flow of public money, often including uncoordinated donor funds.<sup>24</sup>
4. In urban areas, the non-regulation of water kiosks and vending in Kenya has exacerbated the problem. While the service providers often set process for water, because of limited follow-up and non-adherence to the regulations, vendors hike up the prices and often, it is poor families without secure water connections that pay the high price. Often poor households end up using unsafe sources including streams and shallow wells, increasing the spread of disease. Women, girls and children in general often suffer the attendant costs of poor water access and sanitation adversely.<sup>25</sup>

#### 3.3.2 Status of corruption in the Kenya water sector

In June 2009, Transparency International Kenya (TI-K) in partnership with Maji na Ufanisi, a non-governmental organisation, released the 'Water Governance Study' aimed at improving good governance in the Kenya water and sanitation sector. The report followed a study conducted between March 2009 and May 2009 in Nairobi, Mombasa, Mwingi, Kitui and Budalangi, using a sample size of 2722 small-scale water users and 119 large-scale water users. It highlighted the poor management and corruption within the water sector that has led to malpractices and hence a big loss in revenue collection. The study established that:

- 57 percent of water consumed for domestic purposes was unaccounted for
  - Cases of bribery for illegal connections were higher in Nairobi at 87 percent, Mombasa 75 percent and Kisumu 67 percent
  - Other malpractices include tampering with meter readings and diversion of water from domestic users to industries.
5. The cost of corruption to the water sector in Kenya is immeasurable but has had a negative impact on the lives of people, particularly the poor. Speaking during the release of the report findings, TI-K Director Job Ogonda said "Corruption in the water sector makes implementation of economic plans impossible, resulting in poverty and diseases due to illegal connection of poor quality pipes in most of the slum areas."<sup>26</sup>

24 Why corruption runs deep in the water, The Standard, Mangao Mosota, 06/12/10- <http://www.standardmedia.co.ke/InsidePage.php?id=2000024116&cid=259&story=Whycorruptionrunsdeepinthewater>

25 Also see: *Why Is Corruption In The Water Sector A Gender Issue?* Paper presented by Caroline Toroitich, SNV at the 5th World Water Forum- Session 4.3.3: Beyond Water Bribes; Building a corruption Resistant Water Sector Caroline; SNV Netherlands Development Organisation, Kenya, 2009

26 <http://washafrika.wordpress.com/2009/06/23/corruption-killing-water-sector-says-ti/> Water and Integrity Network, Corruption killing water sector, says TI. Posted June 2009



6. **In a related report by TI - 'The Anti-Corruption Catalyst: Realizing the MDGs by 2015'** it is stated that in Kenya, corruption in the water sector is characterised by bribery, unaccounted-for fees and procurement processes that are not transparent. The survey found that 87 percent of respondents in Nairobi had witnessed payment of bribes to connect to the city's water network. The report states that wide-scale corruption in the sector means achieving MDGs target of improved access to water will cost an estimated \$48 billion more than has been planned. These findings paint a grim picture when coupled with the revelations that high-level officers are alleged to have violated procurement procedures by awarding crucial contracts to relatives, usually at inflated prices. The issue is the subject of a parliamentary watchdog probe. According to TI calculations, for every investment of \$1 million (KSh80 million) to connect households to piped water at an estimated cost of \$400 (KSh32, 000) per connection, corruption hinders roughly 30 percent of families from gaining access. This projected cost does not include the incalculable spill-over effects that the lack of clean water creates for education, health, poverty and gender equality outcomes.<sup>27</sup>

**Table 2: Institutions frequently mentioned with regard to malpractices<sup>28</sup>**

Institutions	%
Mombasa Water	15.9
Nairobi Water	11.8
Kisumu Water	11.5
Tana and Athi Rivers Regional Development Authority	6.4
Ministry of Water and Irrigation	4.7
Water Resource Management Authority	3.9
Lake Victoria North Water Service Board	3.6
Water Regulatory Board	2.0
Water Services Trust Fund	1.2
Kiambere/Mwingi Water Company	0.6
Water Appeals Board	0.3
Kilifi Water & Sewerage	0.2

### 3.4. Ongoing reforms to curb corruption in the water and sanitation Sector

TI-K and Maji na Ufanisi have successfully highlighted and profiled governance issues in Kenya and put these on the agenda for discuss. Both institutions have made several recommendations to various stakeholders, in particular urging the Ministry of Water to develop institutional linkages that will facilitate detection of loopholes that create opportunities for malpractices. They further recommend the strengthening of consumer participation and feedback systems to encourage water users to file complaints.

7. In October 2010, in response to the widespread public debate on these issues, the Minister of Water Charity Ngilu openly admitted that corruption is widespread in the Kenyan Water Ministry. She explained that a range of factors form the combined cause of the prevalence of corrupt behaviour, including violent water cartels, illegal water tapping, mismanagement and a weak Water Act of 2002. As a consequence she has put a notice on all of the officers in the Water Ministry and plans to launch four water boards, hoping to curb the problem.<sup>29</sup>

27 <http://www.standardmedia.co.ke/InsidePage.php?id=2000024116&cid=259&story=Why%20corruption%20runs%20deep%20in%20the%20water>

28 Transparency International (Kenya) and Maji Wa Ufanisi. Water Governance study, 2009

29 <http://washafrika.wordpress.com/2010/10/01/admission-of-corruption-in-kenyan-water-ministry-by-ngilu/>

### 3.5. Case study of Transparency International Kenya - Addressing governance issues and risks exposed in the water study assessment in Mombasa

8. With the support of Transparency and Integrity in Service Delivery in Africa (TISDA) in 2009, TI-K initiated an in-depth assessment of governance challenges in the water sector based on which a series of localised case studies were undertaken. The focus of this report is on the Mombasa Old Town Case Study<sup>30</sup>, under which it was established that the area had very poor water infrastructure, inadequate sewerage and sanitation facilities and was faced with water shortages. The main water supply system, MOWASCO, supplied a very small segment of the population (10 percent to 27 percent) leaving a larger margin of 73 percent to 90 percent of the users supplied by informal supply systems, including push carts and borehole operators.
9. Based on the case study, TI-K undertook additional assessments of the different stakeholders and water supply systems and mapped governance risks in these systems. Assessments were conducted on MOWASCO (Mombasa Water Service Company), the boreholes water supply system and the push carts water supply system, revealing a highly complex and unregulated water supply system under which the users were the ultimate losers. Key **governance risks** that were identified included:
  - Low awareness among the users of their rights and obligations;
  - The lack of clarity governing relations between the main actors e.g. MOWASCO and other water resource management authorities such as the municipal councils; in general between service providers and users;
  - The highly informal and largely unregulated water supply system for both boreholes and push carts, leading to low levels of transparency and high costs for water provision. Relations between the main actors are largely governed by verbal rules. In addition, service is informal and based on a system of 'pay as you fetch' from the boreholes and 'pay on delivery' from the push carts, limiting access to water services for those without resources;
  - The absence of codes of conduct and sanctions mechanisms.
10. As a follow-up to these assessments, TI-K, working with various partners, devised strategies and interventions to respond to the governance risks identified. The implementation process is ongoing but **key areas of engagement** include<sup>31</sup>:
  - facilitating community involvement in water and sanitation issues; in particular facilitating the establishment of Water Resources Users Associations;
  - promoting association for unregulated service providers e.g. the boreholes and push carts associations;
  - engaging with and strengthening capacity of duty bearers including the Ministry of Water and formal and informal water service providers. Training is ongoing for service providers and duty bearers at all levels and up to seven water boards across the country are to be trained in governance issues;
  - facilitating stakeholders to partner with users to set up standardised tariffs and codes of conduct;
  - promoting dialogue between communities and service providers.

30 TI- Kenya- Mombasa Old Town Case Study

31 Information based on interview with Sareen Malik - Programme Officer - TI-Kenya on 7<sup>th</sup> February 2011; and from TI- Brochures on Assessments in Mombasa

### 3.6. Emerging results and lessons learned

11. Initial results include increased awareness and empowerment of stakeholders - both the rights holders (users) and the duty bearers/service providers; increased dialogue between all stakeholders and an increase in complaints and illegal connections reported to the service providers. Stakeholders are also being facilitated to establish Development Pacts- which highlight the rights and obligations of various actors (including the users) as a means of enhancing transparency and minimising governance risks.
12. The project implementation process is still ongoing but TI-K has already identified the following lessons as critical for ensuring successful implementation of water governance reforms:
  - a) Involve government officials/duty bearers from the outset of the project so as to enhance understanding and appreciation of the project objectives and ensure buy-in. This is key to ensuring follow-up and implementation of recommendations especially since government is the primary duty bearer charged with meeting the MDG targets on water. In Kisumu, the Board of Directors of the Water Board have been the champions of reform because they were engaged right from the start.
  - b) Facilitate communities to grow home-grown solutions- don't impose your own organisation's solutions or those that have been developed elsewhere
  - c) Support must be rendered to both users as rights holders and to service providers as duty bearers. In this case, a training programme is required to ensure that capacity of duty bearers is enhanced to respond to complaints in a timely and effective manner.
  - d) A holistic approach must be taken to ensure that reforms are sustainable. For instance, the need to protect whistleblowers has arisen as a result of increased reporting of illegal connections. Hence, there is need to engage other stakeholders outside the water sector to ensure that these issues are taken into consideration.

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Why Is Corruption In The Water Sector A Gender Issue? Paper presented by Caroline Toroitich, SNV at the 5th World Water Forum- Session 4.3.3: Beyond Water Bribes; Building a Corruption-Resistant Water Sector, Caroline; SNV Netherlands Development Organisation, Kenya, 2009

## **4.0. Case study: Increased ‘voice’ in the water supply and sanitation sector through ‘Water Watch Groups’ in Zambia**

### **4.1. Overview: Zambia water sector framework**

1. In Zambia, urban and rural access coverage for improved water supply and sanitation (WSS) has increased overall since 1990. However the Census 2000 reported that approximately 40 percent of the rural population had access to safe drinking water sources, while less than 5 percent of the rural population has access to a ventilated improved pit (VIP) latrine, and about 65 percent are covered when all types of latrines are considered. To date, water supply and sanitation in Zambia is characterised by wide discrepancies in access to an improved water source (90 percent access in urban areas, 40 percent access in rural areas), as well as limited service quality in urban areas (WHO/UNICEF Joint Monitoring Programme, 2004). Current estimates place the percentage of access in the urban areas at approximate 58 percent, with high inequality among the peri-urban dwellers and poorer communities.
2. A national collaborative process between Zambia’s WSS sector stakeholders in the early 1990s culminated in the adoption of a National Water Policy in 1994 and the Water Supply and Sanitation Act in 1997. Under the Policy and Act, implementation strategies were prepared for improving services in both the urban and rural WSS sub-sectors. Considerable focus was placed on devolving the authority to provide WSS services from the central government to local authorities.
3. To ensure cost recovery, most local authorities in urban areas created Commercial Utilities (CUs) to provide services. Fifty CUs were formed by local authorities – some of which have subsequently merged. Approximately 20 local authorities still provide water and sanitation services through their works departments. The local authorities have a particularly bad service record, with coverage levels actually declining.

The Zambian government has developed progressive policies and strategies for meeting the MDG goals such as the Water, Sanitation, and Health Education (WASHE) concept in rural areas to better incorporate affected populations into system planning and development and thus to improve the delivery of WSS services. However, these progressive strategies have been marginalised as government funding in the sector continues to be low despite the adoption of the 2005 National Rural Water Supply and Sanitation Program (NRWSSP) for the rural sub-sector. The reform process has been slow and has only partially achieved its objectives because investment levels (at \$42 billion FY 2009/10) remain at only a fraction of what is needed while escalating corruption continues to thwart efforts to achieve the Millennium Development Goals. As a result, Zambia is still unlikely to meet its MDG targets in water and sanitation.

### **4.2. State of corruption in the water sector in Zambia**

4. Zambia’s water sector has been the target of corruption scandals in the recent past. Two examples<sup>32</sup> include the national rural and urban water supply programme, which funded the drilling of boreholes for rural communities. According to the Zambian Anti-Corruption Commission (ACC), a big percentage of the boreholes were installed on government officials’ private plots.
5. Another high profile case that has been cited is one involving irregularities in awarding contracts in a multi-million government tender to drill boreholes to supply water at two public universities, the University of Zambia (UNZA) and Copperbelt University. Weak legislation and procurement systems and unregulated public-private sector contracting are some of the reasons given for the current state of affairs.
6. Institutional weaknesses and inefficiencies e.g. in the collection of water payments have also created loopholes that have been exploited, leading to high levels of non-payment and high costs of recovery (NWASCO 2008).

32 Corruption in Water Sector makes clean water a piped dream, Dunstan Kaunda, February 2009 at <http://ipsnews.net/africa/nota.asp?idnews=45834>

### 4.3. Strategies to fight corruption in the water sector in Zambia

7. Robust commitments to sector policies, increased financing for water and sanitation infrastructure, better coordination amongst stakeholders and reducing corruption in the water sector are critical to surpassing current coverage rates. Civil society organisations have called for transparent budgeting, participatory policymaking and access to contract terms and performance reports.
8. An independent regulator for water and sanitation, NWASCO, provides something of a model for WSS regulation in the region with the use of regulatory scorecards, Water Watch Groups (WWGs) of consumers and other regulatory tools. Local authorities have a particularly bad service record; yet approximately 20 local authorities still provide water and sanitation services through their works departments. Most local authorities in urban areas have created commercial utilities (CUs) to provide services and ensure better cost recovery in collaboration with WWGs formed by communities to act as “Eyes of the Regulator and the Voice of the Voiceless”.<sup>33</sup>
9. The WWG concept has proven to be effective in involving consumers in the monitoring the quality of water supply and sanitation services delivered. This explains both the demand to have several WWGs established in many areas around the country and the interest in the activities of WWGs by other local service regulators and other countries in the region.<sup>34</sup>

### 4.4. Case study of Water Watch Groups in Zambia

#### 4.4.1. Background to Water Watch Groups

10. Consumer representation and protection in a commercialised monopolistic environment is a critical requirement particularly in a situation where the services involved are basic human needs like water and sanitation. Following the reorganisation of the water supply and sanitation sector in Zambia, where service provision had been decentralised to the local level and commercialised, it became imperative to keep a watchful eye on the service providers. WWGs - voluntary consumers groups were established and supported by NWASCO to give the water consumers a voice. So far eight WWGs have been established in Kitwe, Chingola, Ndola, Luanshya, Mufulira, Kasama, Lusaka and Mpika.<sup>35</sup> The other areas not yet covered by the programme are eager to be included.
11. The WWGs were born of the need by NWASCO to have its presence on the ground felt without incurring much unnecessary cost. Guidelines to service providers on how to meet service delivery standards were developed and NWASCO receives regular reports from service providers and verifies them during inspections. Through WWGs, NWASCO also obtains the customers’ perception on the quality of service they are getting and how their complaints are being handled.<sup>36</sup>
12. According to NAWSCO reports,<sup>37</sup> WWGs are the ‘Eyes of the Regulator and the Voice of the Voiceless’. Their main objective is to represent consumer interests in the water and sanitation sector through:
  - a) improved communication between consumers and providers;
  - b) creating awareness among consumers of their rights and responsibilities as well as the role and functions of NWASCO;

33 NWASCO: Water watch Groups: Involving Consumers in Monitoring Water Supply and Sanitation in Zambia, 2008 at p.5; and USAID Zambia: Water and Sanitation Profile

34 Ibid NWASCO 2008 at p, 2, 8 and 14

35 NWASCO Annual Report, 2008

36 Ibid at p.1

37 NWASCO, WWGs: at p.5

- c) giving sufficient feedback on public opinion to NWASCO;
  - d) improved quality of service, particularly speeding up the resolution of consumer complaints.
13. The WWGs are expected to gather adequate information to enable NWASCO to adjust regulation and procedures according to the requirements of the sector and the situation on the ground.

#### 4.4.2. Setting up and operationalising WWGs

14. The process of setting up and operationalising WWGs is critical to their success. To date, this process has largely been participatory and seeks to ensure transparency, objectivity and wide representation. WWG members are appointed in their personal capacity based on skill, experience, background and not as representatives of any particular interest group; especially political parties. Volunteers are formally recruited/objectively recruited through advertisements in the print and electronic media. Interested people apply for membership and are interviewed, from which six to nine are selected. Membership is drawn from all sections of the water-consuming public, but NWASCO takes into account salient factors such as knowledge of water supply and sanitation matters and a professional mix on the team. WWGs are recruited for a period of one year and sign a Memorandum of Understanding with NWASCO, which issues identity cards and formally introduces the WWG members to the Management of the Commercial Utility in a service area. The service provider in turn has to name a senior employee as a contact person who is authorised to deal with all issues brought forward by a respective WWG and has to be available whenever necessary.<sup>38</sup>
15. The WWG and the provider come up with an agreed schedule of meetings to handle complaints. WWGs often invite area managers from providers to public awareness meetings to respond to questions related to the water providers from the consumers. The service provider has to display contact details of WWGs in all pay stations and offices to which customers have access.
16. WWGs are supported through professional training so as to enable them undertake their tasks. Training is provided in understanding the legal framework, the performance requirements expected of providers and other basic administrative matters such as complaints record-keeping, reporting, understanding a water bill, etc. Where members of WWGs are not performing, there are clearly documented mechanisms for their removal from service.

**Table 1: Qualification for membership to a WWG**

• Resident in an area serviced by a provider
• A good record of paying his/her water bills
• Be willing to work on voluntary basis
• Have no criminal record
• Be willing to undergo training in the operations of WWGs
• Be at least 21 years or above
• General knowledge of water supply and sanitation issues is always an added advantage

Source: NWASCO WWGs Publication, P.9

#### 4.4.3. Functions of WWGs

17. WWGs seek to represent the interests of the consumers in the water and sanitation sector and also provide a link to the service providers. They provide an oversight role and have also been used to create public awareness and sensitise the communities on their rights and obligations. The risk of corruption is reduced where transparency is increased and communities are sensitised and empowered to demand their rights. In this regard, the WWGs have played a key role in educating the consumers and collecting information on the performance of providers for onward transmission to NWASCO. This enables NWASCO to take informed decisions and respond to the needs of the communities.

**Table2: Summary Functions of WWGs**

• To represent the interests of consumers in the WSS sector
• Follow up unresolved consumer complaints
• Improve communication between consumers and providers
• Arbitrate in conflicts between consumers and service providers
• Sensitise consumers (i.e. the poor) on their rights and obligations
• Educate consumers on the role and functions of NWASCO
• Collect information on performance of providers
• Inform NWASCO on effectiveness of regulations and propose possible adjustments
• Create public awareness of WWGs existence – through public meetings, seminars and exhibitions

Source: NWASCO WWGs Publication, P.5

18. In undertaking their roles, WWGs engage in outreach and publicity programs via sensitisation meetings, TV and radio broadcasts, and media forums. They hold public meetings with consumers to review/validate complaints, train and orient new WWGs and submit periodic reports to NWASCO including feedback from consumers.
19. NWASCO has developed formats and criteria to support WWGs in their work including the use of a service level guarantee document to measure the performance of providers. Some of the aspects of service provision that are measured include the billing for services, unjustified disconnections and the quality of water.

#### 4.4.4. Risks/Challenges

20. The WWGs have not been without their own challenges. While numerous people are willing to serve as volunteers, their motivation to volunteer in large numbers is out of the perception that they will receive big allowances. The major challenge has been to impress on the public that the WWGs concept is not employment but voluntary work for the good of all water users. As such, the cost of setting up and operating a single WWG is high. Although membership of the WWG is said to be voluntary, it costs about \$4,500 to establish a single WWG and about \$750 to run it for three months; without counting materials used in office work and publicity which NWASCO provides.<sup>39</sup>
21. In addition, service providers at first viewed the WWGs with apprehension and suspicion. They were seen as opponents and watchdogs whose aim was to frustrate the efforts of the providers; not as partners and arbitrators with consumers. However, with increased interaction and communication, this suspicion has been whittled down.

#### 4.4.5 Achievements of WWGs

22. Some of the key challenges and corrupt practices in the water sector in Zambia have much to do with institutional weaknesses and inefficiencies, e.g. in the collection of water payments. This has also created



loopholes that have been exploited, leading to high levels of non-payment and high costs of recovery. From the NWASCO reports, it is clear that the level of complaints has reduced and those that come in are resolved expeditiously. Consumer knowledge of WSS issues has improved through education and empowerment on rights and obligations and consequently, customers are increasingly willing to pay their bills. In summary, enhancing consumer voice and oversight through the WWGs has resulted in some of the tangible benefits below:

- in FY 2004/05 WWGs received and handled more than 50,000 complaints, the number reducing to 298 during FY 2007/08 as a result of increased public awareness. Of the 298 complaints, 193 were resolved through the WWG mechanism while the rest required significant resources from the Water Utilities (WUs);
- providers have started resolving customer complaints expeditiously;
- there is a clear change of attitude by the CUs towards customers;
- consumer knowledge of WSS issues has improved through education and empowerment on rights and obligations;
- improved behavioural change by consumers (e.g. willingness to pay and reduced vandalism);
- the Lusaka WWG facilitated the setting up of a Lusaka Water and Sewerage Company Office;
- the Kasama WWG quelled down planned protests in Kasama over lack of public consultations before implementing a new tariff;
- WWGs are increasingly being recognised both locally and internationally, hence their participation in local and international fora.

#### **4.5. Lessons identified**

23. A positive step taken in fighting corruption in the water sector is in having users represented on the boards of service providers or having increased voice in the management and decision-making in water issues. WWGs must be able to operate freely so as to access and share quality information amongst stakeholders and they must be accountable to users.
24. In Zambia, WWGs have been accepted by both consumers and providers as vital groupings that ensure standards of service are adhered to and consumers enjoy quality service. Consequently in towns where there are no WWGs, people want to be recognised as WWG representatives but NWASCO has been cautious with this due to implications on the demand of monitoring them, as well as the cost involved. In addition, service providers now see WWGs as an important interface between consumers and the regulator, one which helps utilities understand consumer needs better.
25. Because of the success of the WWG concept and the effectiveness of its work, two local utility regulators want to replicate the concept. The Energy Regulation Board (ERB) and the Communication Authority of Zambia (CAZ), as regulators of energy and telecommunications sectors, are collaborating with NWASCO to share best regulation practices.<sup>40</sup>
26. Other countries have shown interest in WWGs. Kenya in particular sent a delegation led by a Permanent Secretary to study the successes of the concept and how to adopt it to their own situation<sup>41</sup> and the Lusaka WWG participated in the Tokyo Water Action Contest after being selected from over 870 entrants.<sup>42</sup>

40 Ibid at p.11

41 Ibid at p.14

42 Ibid at p.7

#### 4.5.1. Some of the key lessons learnt include:

- Consumer involvement is key to the success of water sector reforms. However members of WWGs must be committed, focused, and operate under clear objectives. They also must be given a platform to air their views and share their findings;
- The volunteer concept has proven to be an excellent tool for reinforcing consumer protection. However, WWG activities have to be adequately funded to ensure sustainability;
- WWGs have to be accountable to both the users and the service provider and there must be clear mechanisms for their appointment, and removal from service;
- It is very important to integrate health messages into WSS programs in order to have a holistic approach;
- It is essential to pay specific attention to low-income urban areas and informal settlements where the quality of service provision usually lags behind.

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# Section 2

## Corruption in the Education Sector Case Studies from Ghana, Malawi and Uganda



UN Photos/Eskinder Debebe

## 5.0 Overview of the education sector

### 5.1 Access to education

1. Education is central to the empowerment of citizens to enable them make positive choices and create opportunities to make better lives for themselves. The MDGs seek to enhance access to universal primary education (Goal 2) and gender parity in education (Goal 3). However, given that all the MDGs are linked, education is key to achieving all the goals including poverty reduction, health, and gender equality. The targets that have been specified under Goal 2 on access to education are:

#### **Target 2a: Ensure that all boys and girls complete a full course of primary schooling**

- 2.1 net enrolment ratio in primary education;
  - 2.2 proportion of pupils starting Grade 1 who reach last grade of primary school;
  - 2.3 literacy rate of 15-24 year-olds, women and men.
2. The last decade has witnessed great breakthroughs in increasing net enrolment in primary education in the developing world, where enrolment rose by 5 percent from 2000 to 2007. There was also a marked reduction in the number of children of primary school age who were out of school; down from 103 million in 1999 to 73 million in 2006 (UNDP).<sup>43</sup> According to a UN progress report<sup>44</sup> an encouraging number of countries in Sub-Saharan Africa; including Benin, Burkina Faso, Eritrea, Ethiopia, the Gambia, Guinea, Malawi, Mali, Mozambique and Togo have begun to register strong and sustained progress in primary education completion by more than 3.5 percent a year.
  3. This success can largely be attributed to the concerted efforts of governments to promote education and attain set targets through committing adequate resources, and the adoption of education campaigns such as the Education for All global campaign and programmes around universal primary education.
  4. Even with this progress however, there are some concerns regarding quality of education. These include continued low completion rates in several countries and large numbers of children still out of school. Surveys show that the illiteracy rate of individuals aged 15 plus is 41 percent with some very large interregional disparities and wide gaps between the sexes and between rural and urban areas (UNESCO, 2005). Limited funds and a lack of adequate teachers, classrooms, and learning materials, adversely affect the educational environment throughout most of Africa (USAID, AEI 2007).
  5. In some regions, notably sub-Saharan Africa and Southern Asia, the net enrolment ratio has increased to 71 percent and 90 percent respectively but up to 38 million children of primary school age in Sub-Saharan Africa are out of school while up to 18 million children in Southern Asia are not enrolled (UNDP). An analysis of education data from over 177 countries<sup>45</sup> notes that Sub-Saharan Africa is the region with the highest percentage of children out of school with 36.2 percent, followed by Southern Asia with 20 percent and Oceania with 17.1 percent. A large proportion of the increasing populations in these regions comprises children of

43 Also see **Making the Millennium Development Goals Happen: Perspectives from Global Aid Workers and Development Professionals on Achieving MDGs**; A special Report by DEVEX and the United Nations Foundation -prepared for the UN Summit in September, 2010; <http://www.unfoundation.org/assets/pdf/making-the-millennium-development-goals-happen.pdf>

44 **Towards Universal Primary Education: investments, incentives and institutions**; UN Millennium Project Task Force on Education and Gender Equality, 2005, Earthscan London by- Nancy Birdsall, Ruth Levine and Amina Ibrahim

45 International Education Statistics- Analysis by Friedrich Huebler, Sunday February 8, 2009- Population Structure and Children out of school at <http://huebler.blogspot.com/2009/02/coos.html>

primary-school-going-age,<sup>46</sup> with the highest share of children out of school located in Sub-Saharan Africa. In some countries, half or more of all children of school-going age are not in school, e.g. in Somalia (77 percent), Chad (64 percent), Niger (62 percent), Liberia (61 percent), Ethiopia (55 percent), Eritrea (54 percent), and Burkina Faso (53 percent). A big proportion of these are girls.

**Table 1: Population of primary school age and children out of school by MDG region, 2007**

MDG region	Population of primary school age as share of total population (%)	Children of primary school age out of school (%)
Developed countries	6.4	4.6
Commonwealth of Independent States	4.6	6.8
Eastern Asia	7.1	0.8
South-Eastern Asia	10.8	6.5
Oceania	14.5	17.1
Southern Asia	10.8	20.0
Western Asia	12.5	12.5
Northern Africa	11.9	5.9
Sub-Saharan Africa	16.5	36.2
Latin America and the Caribbean	10.3	7.2
World	9.8	15.5

Data source: UNESCO Institute for Statistics, UNICEF, UN Population Division.

6. Literacy data published by the UNESCO Institute for Statistics (UIS) in 2007 shows that the lowest adult literacy rates are observed in Africa and South Asia. In some countries, fewer than three out of ten adults can read and write. The table below lists literacy rates for the male, female, and total population between 15 and 49 years of age. Zimbabwe (85 percent) and Lesotho (79 percent) are the countries with the highest literacy rates, followed by Cameroon (63 percent), Uganda (58 percent), and Nigeria (55 percent). In Benin (33 percent), Burkina Faso (18 percent), and Niger (13 percent), adult literacy rates are much lower. In seven of the eight countries there is a large difference between male and female literacy rates. In Benin, Burkina Faso, Cameroon, Niger, Nigeria, and Uganda, more men than women are literate, with a gender gap ranging from 12 percent to 26 percent. In Lesotho, the literacy rate of women is 21 percent greater than the literacy rate of men.<sup>47</sup>

46 The countries with the highest share of primary school age children are Uganda (21 percent), Zambia (20 percent), Lesotho, Mozambique, Somalia (19 percent), Malawi, Swaziland, and Tanzania (18 percent).

47 Friedrich Huebler. Adult literacy rates in sub Saharan Africa, May 10, 2008  
<http://huebler.blogspot.com/2008/05/literacy.html>

**Table 2: Adult literacy rate (%), population 15-49 years**

Country	Male	Female	Total
Benin	45.1	21.8	32.6
Burkina Faso	24.3	11.9	17.6
Cameroon	70.6	54.8	62.5
Lesotho	68.8	90.1	79.4
Niger	20.9	7.5	13.2
Nigeria	68.4	42.8	54.9
Uganda	68.6	48.9	58.4
Zimbabwe	87.9	81.5	84.5

Source: Demographic and Health Surveys 2003-2006

7. The statistics are worrying for Sub-Saharan African which is unlikely to meet the MDG of universal primary education by 2015 if current trends are maintained. The reasons for poor performance in the education sector in Sub-Saharan countries are varied. Although good investments were made in education sector by African governments and their development partners in the first decades after independence, systematic deterioration in political governance led to conflicts and the destruction of societal values.
8. In addition, the impact of the global financial crisis and economic meltdown is likely to have an adverse effect on the economies of developing countries, with losses estimated to have hit at least \$300 billion by end 2010.<sup>48</sup> Social services like education and health are particularly vulnerable and are likely to be affected through declining funding. Coupled with growing populations in many of these countries, this has placed an additional burden on governments to provide additional schools, teachers and equipment to serve the growing number of school-goers.

## 5.2 Governance and corruption challenges in education systems

9. The problem however is much deeper than this. Education systems in all countries have expanded and become more complex over time with their management posing new challenges; which often entail the change of administrative structures and institutions. In many countries, education systems take a huge share of the national budget and involve millions of transactions that are almost impossible to monitor and are open to bribery and corruption. One of the greatest challenges is the high levels of wastage and leakage of resources and poor accountability of governments to service delivery. According to the UN Millennium Project Task Force on Education,<sup>49</sup> countries with low-performing education systems need to address a variety of governance problems.
10. Many factors have been highlighted as being responsible for escalating corruption in the education sector in Africa; among them the deep political and economic instability the continent has suffered, leading to sharp economic decline, abject poverty and low salaries. As a result, poorly-paid public officials engage in corruption to survive. The resulting petty corruption becomes a ubiquitous normal pattern of behaviour for accessing a public good or service. Grand corruption will include the diversion of funds from procurement, construction, and the lower levels of the system. Funds for educational institutions are siphoned off at the administrative and political level by corrupt administrators, public officials and politicians - before they reach the beneficiary schools.

48 see <http://endpoverty2015.org/goals/universal-education>

49 **Towards Universal Primary Education: investments, incentives and institutions at Page 48;** Lewis, M. 2004. "Decentralizing Education: Do Communities and Parents Matter?" Draft Working Paper. Center for Global Development Report, Washington, D.C.



11. As a result, systems are often plagued with irregularities, poor management, and spending and investment patterns that are unresponsive to local needs and preferences. Few systems in developing countries are structured in a way that builds in accountability at different levels and creates incentives for performance. Governance problems include poor management, poor local capture, teacher absenteeism, poor expenditure management, leakage, bribery, informal payments, corruption, and competition from private tutoring.

### **Box 1: Summary of governance challenges in Education systems in Sub Saharan Africa**

- Teacher absenteeism (very high in Sub-Saharan countries with Uganda and Kenya having up to 30% absenteeism rates)
- The systematic destruction of capacity of public services due to massive flight of professionals
- Minimum local oversight and citizen monitoring of service delivery
- Illegal fees to get children into school or to influence examination results
- Poor management of teacher payrolls and school materials
- Diversion of money and supplies
- Poor expenditure management and leakage from the central government to the schools
- Private informal payments for school materials, school feeding, exams and teacher contributions finance a large portion of the education system
- Corrupt practices such as irregularities in hiring and firing teachers, procuring school materials and constructing classrooms

12. A survey conducted by the Africa Education Watch (AEW) programme (2007-2010) of Transparency International shows that parent participation and oversight over school affairs has been low.<sup>50</sup> Parents do not actively seek a greater role in financial oversight and often have little opportunity or interest to examine school affairs, including finances. This makes local oversight and citizen monitoring of service delivery a myth instead of a reality.

### **Box 2: Forms of corruption in schools**

- Illegal charges levied on children's school admission forms which are supposed to be free.
- School places 'auctioned' out to the highest bidder.
- Children from certain communities are favored for admission, while others are subjected to extra payments.
- Good grades and exam passes obtained through bribes to teachers and public officials. The prices are often well known, and candidates can be expected to pay upfront.
- Examination results only released upon payment.
- Removing the consequences of failing exams by (re-)admitting students under false names.
- Embezzlement of funds intended for teaching materials, school buildings, etc.
- Sub-standard educational material purchased due to manufacturers' bribes, instructors' copyrights, etc.
- Schools monopolizing meals and uniforms, resulting in low quality and high prices.
- Private tutoring outside school hours given to paying pupils, reducing teachers' motivation in ordinary classes, and reserving compulsory topics for the private sessions to the detriment of pupils who do not or cannot pay.
- School property used for private commercial purposes.
- Pupils carrying out unpaid labor for the benefit of the staff.

50 Transparency International: Africa Education Watch: Good Governance Lessons for Primary Education; 2010. The Survey was conducted in 7 countries of Ghana, Madagascar, Morocco, Niger, Senegal, Sierra Leone and Uganda and the report released in February 2010

- Staff exploiting and abusing pupils in many different ways (physically, sexually, etc.).
- Teacher recruitment and postings influenced by bribes or sexual favors
- Exam questions sold in advance.
- ‘Ghost teachers’ - salaries drawn for staff who are no longer (or never were) employed for various reasons (including having passed away). This affects de facto student-teacher ratios, and prevents unemployed teachers from taking vacant positions.
- High absenteeism, with severe effects on de facto student-teacher ratios.
- Licenses and authorizations for teaching obtained on false grounds via corrupt means.
- Inflated student numbers (including numbers of special-needs pupils) quoted to obtain better funding.
- Bribes to auditors for not disclosing the misuse of funds.
- Embezzlement of funds raised by local NGOs and parents’ organisations.
- Politicians allocating resources to particular schools to gain support, especially during election times.

Source: U4 Anti-corruption Resource Centre Docs, 2006

### 5.3 Impact of corruption on the education sector

13. Corruption in education occurs at the political, administrative (central and local), and classroom level and has negative impact on the economic, political and social development of countries. Corruption is a major drain to education sector resources and studies suggest that leakage of funds from ministries of education to schools represents more than 80 percent of the total sums allocated for non-salary expenditures in some countries.

According to Hallak & Poisson (2005), corruption affects all areas of planning and management; i.e. information systems, the building of schools, recruitment, promotion and appointment of teachers (including systems of incentives), supply and distribution of equipment and textbooks, allocation of specific allowances (fellowships, subventions to the private sector, etc.), examinations and professional awards, out-of-school activities, etc.

14. Corruption distorts both the quality and availability of education services. It has a negative effect on the entire future of a country since, by affecting the youngest citizens, sustainable impact on a nation’s socio-economic and political development is affected. Bribery and payoffs in teacher recruitment and promotion tend to lower the quality of public school teachers and illegal payments for school entrance and other hidden costs help explain low school enrolment and high dropout rates (Hallak & Poisson, 2005).
15. The immediate outcome of corruption is that parents are often exploited; most often those who can ill afford to meet additional costs. Although education is supposed to be free, parents still face costs in countries where registration fees have been abolished. For example, in all African countries, surveyed by AEW, an average of 44 percent of households reported paying on average, US\$4.1 per child for one school year as registration fees for basic education. In all countries surveyed, this represents a major hurdle for a large majority of the population because the amount is just part of the many fees – illegal or not – that parents must meet to finance a ‘free’ education.
16. Parents are also asked to pay for private tutoring, particularly in the last years of primary school. The surveys show that in some countries, when teachers are absent during normal school hours, parents are asked to pay for extra make-up classes. In Ghana for example, 48 percent of households reported paying additional fees for private tutoring and in Uganda a fifth of all households reported paying for extra classes (coaching). The AEW survey (2010) also identified some demands for payment for equipment or materials that should be provided free. In Niger and Senegal for example, parents received demands to pay for textbooks. Whether such demands result from corruption or from administrative failures is unclear.

### Box 3: Opportunities and impact of corruption in education

Area	Corrupt practices	Impact on education
School building, rehabilitation	<ul style="list-style-type: none"> <li>• Fraud in public tendering</li> <li>• Embezzlement</li> <li>• Schools mapping</li> </ul>	Distorted access to the services Poor quality services
Equipment, Textbooks, Food	<ul style="list-style-type: none"> <li>• Fraud in public tendering</li> <li>• Embezzlement</li> <li>• Bypassing of distribution criteria</li> </ul>	No equity in distribution Poor quality No consistency between textbooks and curricula
Teacher appointment/management	<ul style="list-style-type: none"> <li>• Favoritism</li> <li>• Nepotism</li> <li>• Bribes</li> </ul>	Poor quality Less qualified teachers appointed
Teacher behavior	<ul style="list-style-type: none"> <li>• 'Ghost teachers'</li> <li>• Bribes for enrolment</li> <li>• Exams leakage</li> <li>• Private tutoring, etc.</li> </ul>	No equity Lack of professional ethics Disparity in staffing Distorted exam results
Examinations	<ul style="list-style-type: none"> <li>• Selling of exams</li> <li>• Favoritism</li> <li>• Nepotism</li> <li>• Bribes</li> <li>• Academic fraud</li> </ul>	No equity No professional ethics Unjustified credentials to those who pay bribes
Information systems	<ul style="list-style-type: none"> <li>• Manipulating data</li> <li>• Influencing selection criteria</li> <li>• Suppressing information</li> </ul>	No equity No professional ethics Distortion of policy priorities

Source: Journal of Education for International Development, 2005

## 5.4 Strategies that have been employed to address these challenges

17. It is imperative that if decision-making and the management of educational systems are to improve, efforts must be made to integrate governance and corruption concerns in educational planning and administration (IIEP, 2005). In line with the MDGs and the Education for All Campaigns, countries across the world have adopted different models of education systems management with varying outcomes. Other campaigns have include the United Nations Decade of Education for Sustainable Development in Sub-Saharan Africa (launched in 2005) and the US President's \$600 million multi-year Africa Education Initiative (AEI) that focuses on increasing access to quality basic education in 39 Sub-Saharan countries through scholarships, textbooks, and teacher training programs targeting 80 million African children by 2010 (USAID, AEI).
18. The majority of anti-corruption interventions in the education sector are based on three main assumptions:
  - a) **That monopoly, power and lack of accountability mechanisms favor the development of corrupt practices in the education sector** (Klitgaard, Maclean-Abaroa & Parris, 2000). To this end, decentralisation, privatisation and sub-contracting have been looked at as automatic policy initiatives to reduce corrupt practices in education.
  - b) **That the behaviour of actors (intangible inputs), have a significant impact on problems of access, of quality and of equity in education** (World Bank, 2004). Plans for addressing issues of access, quality, equity and efficiency in education often focus on the use of quantitative data such as the number of teachers by age/grade/status/level of qualifications and pupil/teacher ratios, rather than on the above intangible input. These intangible inputs are necessary conditions for the delivery of quality education; even if they are not sufficient.

- c) **That facilitating access to information and promoting a citizens' voice are essential for improving transparency and accountability in the use of public resources.** Decision-makers, academia and advocacy groups have now come to recognise the potential of access to information and of public feedback in making the government more responsive and accountable. The 'citizens' voice' has therefore become 'the in thing' for accountability to bring about an effective state and an engaged society (Poul Engberg-Pedersen, 2005).
19. In the majority of countries, reforms have centered on enhancing political commitment for education funding, creating and maintaining regulatory systems and strengthening institutional and management capacities for their enforcement. In addition, a policy of decentralisation has been implemented in most of Sub-Saharan Africa as a means of improving management, accountability, oversight and responsiveness. The introduction of structural changes in the management of primary education in much of Africa has been intended to bring their management closer to the 'user', and to give citizens at the local level (particularly parents) a greater stake in their management. According to the Africa Education Watch (AEW) programme (2007-2010) of Transparency International, the new administrative and fiscal arrangements have placed more responsibilities on regional, district, communal and school level authorities (TI, 2010).
  20. New administrative structures include School Management Committees (SMCs) and Parent Teacher Associations (PTAs). The role of SMCs and PTAs varies in different countries (and in different schools), particularly in regard to how involved they are in financial decision-making. However, these local accountability structures are often ill-equipped to address transparency issues and exercise their oversight role. Members of these bodies are given limited financial management training and support, which raises serious questions about their ability to fulfill their role of planning and monitoring school resources.
  21. Decentralisation however, while bringing services closer to the people, has itself been subject to the highest levels of leakage and poor service delivery. According to the AEW, most countries surveyed were found to have very limited financial documentation at district education offices and at schools. Financial records were in most cases unavailable or incomplete. Overall, 85 percent of schools surveyed across all countries had deficient accounting systems and the unpredictability of when and how much funding or resources reaches schools tended to undermine both planning and any meaningful financial oversight. Also, schools tend to record separately the funds received from different sources (and sometimes not at all), and often do not display budgetary information, which compromises transparency (ibid).
  22. There have however, been positive lessons taken from budget tracking/monitoring initiatives across the African region. Budget monitoring has been identified as a good practice that has positive and tangible benefits in preventing or reducing corruption in the education sector, especially given its focus on transparency of information and inclusion of stakeholders to track funds from when they are released to when they are finally utilised at local level. This section highlights good practices of community involvement and participation in Budget Monitoring in Uganda and Malawi and Public Expenditure Tracking in Ghana as cases of good anti-corruption practice in the education sector in Africa.

## 6.0 Case study Uganda: Budget tracking of resources in the education system in Uganda

### 6.1. Overview: Access to education in Uganda

1. The Uganda education sector which comprises primary, secondary, and tertiary/university levels has made remarkable progress with substantial increases in coverage in both rural and urban areas. Until the early 1990s, the education system remained unchanged with disparities in enrolment, gender, dropout, performance and general attainment arising from historical and cultural factors. However, a shift was evidenced in the mid 1990s with the inclusion of education as basic right under the Constitution of the Republic of Uganda, 1995.<sup>51</sup>
2. With the liberalisation of the education sector and the introduction of Universal Primary Education (UPE) in the 1990s, enrolment at all levels has increased tremendously. For instance, UPE saw the enrolment at primary school level double from about 3.5 million in 1997 to over 7 million by the end of 2010. The subsequent introduction of Universal Secondary Education in 2006 has seen the enrolment levels at secondary level increase dramatically.
3. This has created great opportunities for private investors in the post-primary education sub-sector so as to enhance the absorption capacity. For instance, a total of 512,057 candidates registered for the primary-school-leaving examinations in 2010, with 84.2 percent of them coming from UPE schools while the remaining 15.8 percent were from private schools. This massive growth has had its attendant challenges largely in the poor quality of education, low retention rates and low absorption capacity within institutions. For instance, the capacity in secondary schools is only 200,000 students creating a challenge but also an opportunity for the private sector to fill the demand-supply gap.

### 6.2. Reforms in the education sector

4. A number of reforms have been instituted across government, some of them specific to the education sector. Reforms include:
  - **A clear education legal and policy framework** based in the 1992 Government White Paper on Education and the 1995 Constitutional Provisions on the basic right to education;
  - **Holistic approach to planning and management** - as articulated in the Education Sector Strategic Investment Plan 2004 – 2015, which incorporates as key targets those commitments in the MDGs and the Education For All campaigns;
  - **Equitable access to Universal Primary Education** in 1997 and later introduction of Universal Secondary Education in 2006;
  - **Increased participation of the public through decentralisation** - under the Local Government Act of 1997 which transfers authority to formulate, approve and execute development plans for service delivery in key sectors including health, education and agriculture to the districts. For instance, registration for UPE children, distribution of textbooks and monthly remittances for schools from central government are all channelled through the district administration;
  - **Clear institutional and management framework through the sector-wide approach** where roles and responsibilities of key actors in the education system are clear;
  - **Stable sector-financing regime** and a more comprehensive and coherent approach to aid management. Under the School Facilities Grant (SFG), government is meant to cover the cost of tuition fees and basic school operational costs while families still need to provide writing materials, uniforms and lunches;
  - **Clear and coordinated goals monitoring, evaluation and reporting framework** that culminates in Joint Government/Development Partners Sector Review (JSR) forum held annually to carry out a comprehensive review of the performance of the sector as per agreed undertakings, based on four parameters of Access, Equity, Quality and Efficiency.

51 Article 30 and 34 of the Constitution of the Republic of Uganda, 1995

5. These reforms have contributed to the progress evidenced in the education sector. According to the Uganda's Third Progress Report of the MDGs status,<sup>52</sup> attainment of the MDG on access to education has yielded mixed results. While enrolments rates have shot up to over 90 percent and there is gender parity between boys and girls in primary education, the rate of completion of a full course of primary education has stagnated in recent years; particularly for girls. A number of factors are responsible for this state of affairs including poverty, a poor environment, inadequate facilities to support education, poor quality of the education system; mismanagement, massive leakages and corruption - all of which have affected the resources available to provide quality education.

### 6.3. Corruption in the education sector in Uganda

6. Given the large volume and scale of investments through the SFG and the Poverty Action Fund, the opportunities for corruption have also mushroomed. Massive wastage and leakage have characterised the education sector and it has been found to be one of the corrupt sectors in various national surveys including the National Integrity Survey 2008 and the National Services Delivery Survey (NSDS) 2008. At one time, it was reported that on average only 13 percent of central government allocations for non-wage costs reached Ugandan schools between 1991 and 1995.<sup>53</sup>
7. Massive corruption cases involving billions of shillings have been reported in the education sector. This is particularly true as regards construction of school facilities, recruitment and inclusion on the payroll of 'ghost teachers', procurement and distribution of school materials and leakages in the transfer of resources and materials from the Ministry of Education to the districts and schools. The NSDS<sup>54</sup> provides useful data on corruption in public institutions including the education sector. Two point nine percent of respondents interviewed in 2008 indicated misuse of funds in primary education institutions and yet in over 35 percent of the cases, no action was taken.

#### Box 1: High-risk areas in the education system:

- Leakages in the transfer of resources and materials from the Ministry of Education to the districts and schools
- Lengthy supply chain and delays in the transfer of resources under the School Facilities Grant and Poverty Action Fund
- Procurement of supplies; bidding for construction of facilities
- Infrastructure/Construction of buildings (schools, teachers' accommodation)
- Recruitment and inclusion of teachers on the payroll
- Teacher absenteeism, estimated at approximately 30%

8. Over the years, corruption in the education sector has manifested itself in various ways including at a grand level. These include delays<sup>55</sup> and leakage of funds from the Ministry to the districts, embezzlement of funds intended for teaching materials and school buildings, etc., which results in sub-standard educational materials purchased due to manufacturers' bribes, instructors' copyrights, etc. Further problems include 'ghost teachers' on the payroll and high levels of absenteeism. Schools have also monopolised the provision of basic services such as meals and uniforms, resulting in low quality and high prices.

52 Millennium Development Goals Report for Uganda 2010: Special theme: Accelerating Progress towards improving maternal health; Ministry of Finance, Planning and Economic Development; September 2010

53 Un Millennium Tracking Project: **Towards Universal Primary Education: investments, incentives and institutions, 2005**

54 Uganda Bureau of Statistics (UBOS) and Ministry of Public Service: Uganda National Service Delivery Survey, 2008

55 The Budget Monitoring and Analysis Unit of the Ministry of Finance, Planning and Economic Development reported that there were delays in transfer of money and materials from the centre and discrepancies in reporting by the central ministry and the receiving education institutions at district level. BMAU report October-December 2009; March 2010.



9. Petty corruption has largely manifested itself through payment of illegal fees such as illegal charges levied on children's school admission forms; and yet education is supposed to be free. In other corrupt practices, school materials are used for private and commercial purposes; school places are 'auctioned' out to the highest bidder; good grades and exam passes are obtained through bribes to teachers and public officials, etc. Poor students are often marginalised, given that compulsory topics are often left for private tutoring sessions.

#### **6.4 Ongoing reforms to tackle corruption in the education sector**

10. A number of anti-corruption reforms are ongoing at national level, largely through enactment of key laws such as the Anti-Corruption Act (2008) and the Whistle Blowers Act (2010) and institutional strengthening of key anti-corruption agencies such as the Inspectorate of Government (IG) and the Anti-Corruption Division of the High Court.
11. At sectoral level, the Ministry of Education has passed a number of by-laws to address issues of absenteeism and petty corruption, focusing on increasing students and teachers' attendance and prohibiting coaching. There have also been initiatives to reduce leakages of transfers through budget tracking undertaken by the Ministry of Finance, in partnership with the Ministry of Education. Since the 1990s, the central government undertook a transparency drive and began announcing its monthly budget transfers in various media - including newspapers and radio - and schools were required to post their receipts of funds. As a result of these and other measures, the flow of funds leapt to 90 percent in 1999, reflecting the importance of transparency and community oversight of schools.<sup>56</sup>
12. In 2010, a Commission of Inquiry headed by a Senior Judge was appointed by the President to investigate allegations of corruption in the education sector with specific focus on primary schooling. Currently, enquiries are ongoing at national and district level.
13. These reforms have however largely been driven by the government with limited engagement from the public and hence limited impact on minimising leakages at district level. In recent years, there have been efforts to increase public participation and oversight through Public Expenditure Monitoring. In this case the public is organised through CSOs to track the transfer of resources and materials from the central government to the districts and eventually to the primary schools. They do so by detecting and highlighting bottlenecks, inefficiencies and corruption; thereby increasing transparency, openness and accountability in the delivery of services.
14. A number of NGOs including the Uganda Debt Network, the Forum for Women in Democracy and the NGO Forum focus on budget analysis, monitoring, advocacy and anti-corruption activities. A Civil Society Budget Advocacy Group (CS-BAG) was also established to coordinate the activities of all NGOs in this area and monitor government progress in meeting the goals of the UPE programme and addressing gaps in service delivery. (De Renzio, P., Azeem V. and Ramkumar V., 2006).

#### **6.5 Community monitoring of public expenditure in primary schools in Uganda**

15. The case study presented highlights public expenditure monitoring by the citizens at the district by The Apac Anti-Corruption Coalition (TAACC)<sup>57</sup>. This coalition, part of the CS-BAG coalition, was funded by the Commonwealth Education Fund (CEF) and has employed budget monitoring as a tool to combat corruption in local schools in Apac District in Northern Uganda.<sup>58</sup>

<sup>56</sup> Ibid- UN Millennium Tracking Project

<sup>57</sup> The TAACC is an umbrella anti corruption civil society organizations operating in Northern Uganda and affiliated to the National Anti Corruption Coalition of Uganda (ACCU)

<sup>58</sup> It should be noted that similar budget tracking exercises were carried out by CSOs in a number of districts countrywide. For instance- School Children as Budget Monitors by the Christian Children's Fund (CCF)- Acenlworo program which involves primary pupils in school governance by allowing them to take responsibility for monitoring universal primary education (UPE) grant expenditure in their schools



16. The overall objective of this initiative was to ensure that public funds allocated for education were used according to plans developed by communities, and not misappropriated by individuals for their personal use. The TAACC trained monitors who have been successful in drawing attention to corruption in the education system, exposing corrupt district education officials and head teachers (U4 brief, 2009). Monitors were drawn from the communities and were often members of the various community-based organisations involved in monitoring government programmes.
17. The TAACC employed a number of approaches:
  - **Sensitising communities** through radio discussions, community events and public demonstrations on their constitutional responsibility in monitoring the implementation of public programmes and on the negative impact of corruption on service delivery;
  - **Training Independent Budget Monitors (IBMs)**, elected by local communities, in understanding the various education grants remitted by the government – including UPE capitation and the SFG – as well as budgeting processes at both national and local levels and conducting monitoring of the education sector budget. The IBMs were tasked with verifying whether these grants were being properly used by district education offices;
  - **Documenting and exposing corrupt practices** at districts through use of simple tools e.g. photographing poorly-constructed buildings, recording the absence of materials in libraries, etc.
18. TAACC's budget tracking and anti-corruption work led to the investigation, interdiction, and dismissal of district education officials and head teachers who had misappropriated funds. They also were able to expose 'ghost' schools and teachers. The IBMs also identified fraudulent contractors, and communicated their findings to the relevant government institutions responsible for blacklisting and legal redress.

## 6.6 Key issues and lessons identified

19. **Key success factors:** the success of the project was reliant on:
  - **Engagement of the local communities** in monitoring transfer and utilisation of funds meant for education and other government programmes at community level;
  - **Capacity building and awareness raising for community monitors** on the various aspects of the education sector and the budget process;
  - **The emergence of an enabling political environment for anti-corruption work in Uganda.** During the period of the budget tracking initiatives, the Directorate for Ethics and Integrity in the Office of the President was conducting integrity promotion workshops in local governments, emphasising the role of civil society organisations (CSOs) in fighting corruption. The workshops, attended by CSOs in the area, resulted into the formation of District Integrity Forums with TAACC as an active member (DEI Progress Report, 2008). As a result of this, TAACC gained the support of the Apac District Council, which passed a resolution in support of the coalition's work;
  - **Building strategic partnerships with stakeholders** at the district level: the close relationship with the District Council enabled TAACC to successfully lobby the Council for an independent forensic audit of the district finance department (U4 Brief, 2009).
20. A challenge for TAACC and the IBMs has been to prosecute corrupt officials through the justice system. TAACC's efforts have been thwarted by the absence of a well-resourced investigative arm of government to effect proper investigations into reported cases of corruption (Anyuru, 2006). Hence, corrupt practices that were exposed have in most cases not been successfully investigated and prosecuted, contributing to growing levels of impunity at the community level.

## 7.0 Case study: Using scorecards to monitor education service delivery in Ghana

### 7.1 Overview of the education system in Ghana

1. Ghana has developed a decentralized political and administrative system in primary schools with legal guarantees of free primary education. These reforms are largely in response to the international commitments to Education for All (EFA) at the Dakar Conference in 2000, and the MDGs. To compensate schools for the elimination of fees and to give them some financial control, Ghana introduced a system of school block grants, known as 'capitation grants' which are transferred directly to the school by the state and are proportional to the number of students enrolled. Such grants are an important part of the decentralisation process and are considered as one way in which part of the operational funding of schools can be subjected to greater local oversight and used to respond to locally-determined demands. The Ghanaian government states that capitation grants contribute to improved equity by reducing costs to the poor and by ensuring schools serving the poorest communities receive at least minimum resources. (TI African Education Watch, 2010).
2. Ghana also introduced school-based, participatory planning that is supposed to help stakeholders to share information within the local community on school improvement plans and their associated budgets. Ghana implements sector-wide approaches (SWAp) to education development with priorities contained in an agreed strategic plan and with pooled financial support. SWAp provide an opportunity for development partners and governments to establish shared agendas and procedures, including the drive for increased school community participation, tackling mismanagement and corruption, and addressing issues related to overall fiduciary risk.
3. As a result of the above initiatives, schools in Ghana have taken over the responsibilities for administering school finances. Part of the rationale for the increased fiscal decentralisation is that it will increase responsiveness to local needs and, critically, subject schools to more effective local oversight and make them more accountable to the community. Decentralisation in schools is therefore designed to change the locus of, and persons involved in, decision-making and execution of responsibilities (TI, 2010).
4. There have been significant efforts, primarily through reducing direct costs to parents, to increase primary school enrolment and to improve the efficient and proper use of public funds through reducing waste, mismanagement and leakage. An assessment by UNESCO<sup>59</sup> shows that in a number of countries surveyed in the region, the gross intake rate of students in primary education has increased by 22 percentage points in between 1999 and 2006 (from 90 percent to 111 percent) although educational inequalities persist and there are about 35 million out-of-school children in the region.
5. The amount of resources at stake in the education system is very high. As part of government commitment to ensure UPE, teaching and learning materials were to be provided to both public and private schools free of charge, to cover a cycle of basic education (six years of primary education and the first three years of junior secondary school). The government also allocated a capitation grant of Ghc30,000 (approximately \$3) per child per year for primary education, with the intention of reducing the financial burden on parents of accessing education for their children.
6. Despite these commitments, the UPE programme has been challenged by inadequate infrastructure, insufficient teacher numbers, and learning support materials. Poor school governance and a lack of parental and community involvement are also seen as key hindrances to the attainment of UPE goals.

59 AEW National Assessment Reports and UNESCO, 2009- Countries assessed include Ghana, Madagascar, Morocco, Niger, Senegal, Sierra Leone, and Uganda

## 7.2. High-risk governance areas

7. High-risk areas that could impact governance in the education system under the decentralised system include:

- **multiple sources of primary education resources** including the central government, decentralised administrations, NGOs, the private sector, individual donations, and parents. The resources may be cash or equivalent (e.g. grants), or 'in kind' (e.g. textbooks, human resources, school supplies, equipment, food, fuel, or labour). The financial coding systems used by schools do not map onto those used by the districts, so that budget consolidation and reconciliation is at risk because of coding errors;
- **weak financial and professional capacity at district level** to manage and oversee the capitation grants, leading to low absorption capacity and opportunities for leakage;
- **risk of rent-seeking** in teacher recruitment and deployment;
- **potential for leakages for any major procurement programmes**, including textbooks;
- **poor record-keeping** by schools and districts;
- **low parent involvement** in local accountability and management structures;
- **no access to information** e.g. on time of release, amount of capitation grant and other planning processes. For example, the AEW 2010 reported that the School Performance Improvement Plan (SPIP) provides a forum that could be a driver for parental participation, but in practice few parents are aware of its existence.

## 7.3. Corruption in Ghana's primary education sector

8. Transparency International (TI, 2010) identifies many instances of unethical behavior, corruption and abuse of entrusted power for private gain in many schools in countries surveyed, including Ghana. Examples include asking for fees to enrol in schools where such fees have been waived by the state, or selling textbooks marked for free distribution. There are bribes paid to obtain services where the bribe receiver is prohibited from providing such a service, such as changing exam results. The table below summarises the forms corruption in education in Ghana takes.

**Table 1: Forms of Corruption in Ghanaian Primary Schools**

• Illegal charges levied on children's school admission forms which are supposed to be free.
• School places 'auctioned' out to the highest bidder.
• Children from certain communities are favored for admission, while others are subjected to extra payments.
• Good grades and exam passes obtained through bribes to teachers and public officials. The prices are often well known, and candidates can be expected to pay upfront.
• Examination results only released upon payment.
• Removing the consequences of failing exams by (re-)admitting students under false names.
• Embezzlement of funds intended for teaching materials, school buildings, etc.
• Sub-standard educational material purchased due to manufacturers' bribes, instructors' copyrights, etc.
• Schools monopolizing meals and uniforms, resulting in low quality and high prices.
• Private tutoring outside school hours given to paying pupils, reducing teachers' motivation in ordinary classes, and reserving compulsory topics for the private sessions to the detriment of pupils who do not or cannot pay.
• School property used for private commercial purposes.

<ul style="list-style-type: none"> <li>• Pupils carrying out unpaid labour for the benefit of the staff.</li> </ul>
<ul style="list-style-type: none"> <li>• Staff exploiting and abusing pupils in many different ways (physically, sexually, etc.).</li> </ul>
<ul style="list-style-type: none"> <li>• Teacher recruitment and postings influenced by bribes or sexual favours.</li> </ul>
<ul style="list-style-type: none"> <li>• Exam questions sold in advance.</li> </ul>
<ul style="list-style-type: none"> <li>• ‘Ghost teachers’ - salaries drawn for staff who are no longer (or never were) employed for various reasons (including having passed away). This affects de facto student-teacher ratios, and prevents unemployed teachers from taking vacant positions.</li> </ul>
<ul style="list-style-type: none"> <li>• High absenteeism, with severe effects on de facto student-teacher ratios.</li> </ul>
<ul style="list-style-type: none"> <li>• Licenses and authorizations for teaching obtained on false grounds via corrupt means.</li> </ul>
<ul style="list-style-type: none"> <li>• Inflated student numbers (including numbers of special-needs pupils) quoted to obtain better funding.</li> </ul>
<ul style="list-style-type: none"> <li>• Bribes to auditors for not disclosing the misuse of funds.</li> </ul>
<ul style="list-style-type: none"> <li>• Embezzlement of funds raised by local NGOs and parents’ organisations.</li> </ul>
<ul style="list-style-type: none"> <li>• Politicians allocating resources to particular schools to gain support, especially during election times.</li> </ul>

Source: U4 Anti-corruption Resource Centre Docs

9. Corruption often increases transaction costs, reduces the efficiency and quality of services, distorts the decision-making process, and undermines social values. In some cases, corrupt or unethical practices have become a way of life and are tolerated by the communities e.g. absenteeism, acceptance of bribes to awarding better grades and/or to access school entrance, charging of fees for students’ access to textbooks, and the utilisation of school property for private commercial purposes. (TI, 2010).
10. Therefore the fight against corruption in education should be a major priority. For decision-making and the management of educational systems to improve, effort must be made to integrate governance and corruption concerns in educational planning and administration (IIEP, 2005). Public participation and oversight is key to monitoring education budgets and assessing service delivery and in Ghana, this has been evidenced through the use of community scorecards.

#### 7.4. Using community scorecards to monitor budgets in Ghanaian schools

11. The Ghanaian NGO Integrated Social Development Centre for Budget Advocacy (ISODEC) and the Pan-African Organisation for Sustainable Development (POSDEV) participated in budget processes at both national and local level. They conducted budget analysis and expenditure tracking and built the capacity of communities to do budget monitoring. ISODEC provided technical support to the Northern Ghana Network for Development (NGND) and to the Ghana National Education Campaign Coalition (GNECC), as well as to the Northern Network for Education Development (NNED) and to Action for Rural Education (ARE), to expand their budget work programmes in the education sector.
12. These CSOs, all of which had operations at a local level, sought to increase public debate around the education goals and promote greater transparency in education budgets. They did this by adopting similar strategies which involved:
  - community awareness and mobilisation;
  - community capacity-building;
  - budget tracking;
  - service delivery monitoring;
  - lobbying local authorities and leaders.

### 7.4.1. Case study of the Northern Ghana Network for Development

13. The Northern Ghana Network for Development (NGND) is an umbrella organisation of NGOs operating in the three northern regions of Ghana. The three regions are known for high levels of poverty, as well as for having the highest illiteracy rates in the country. The aim of the project undertaken by NGND and three of its partners across four districts was to increase community involvement in school governance by strengthening accountability and transparency between communities, the Ghana Education Service and other stakeholders, including parent-teacher associations (PTAs), school management committees (SMCs) and head teachers.
14. NGND concentrated its efforts on the challenges in education service delivery encountered at community level, many of which were related to the resource allocations as part of the Free Compulsory Universal Basic Education (FCUBE) programme. NNED and GNECC sought to build the capacity of budget monitors – District Education for All Teams (DEFATS) – to create community awareness of FCUBE and ensure community involvement in school governance, as a means of monitoring FCUBE implementation at district level. Education delivery issues were addressed on community scorecards, designed to track education budgets and assess service delivery by community scorecard monitoring of education budgets and service delivery.
15. The community scorecard project was developed to examine education expenditure and service delivery at local level. Findings from the project were used at regional and national levels for advocacy work with government officials. The community scorecard project was also intended to enable service users (e.g. parents and children) to assess the performance of service providers (e.g. education officials, teachers and SMCs), and to provide the opportunity for service users to discuss their concerns and the challenges they encountered directly with service providers.
16. A pilot project was designed and implemented in 16 communities in the Bongo District and Tamale Metropolitan areas of Ghana. The project was later expanded to two other districts in the Northern region. Each district was selected based on its unique socio-economic conditions; the Bongo district is recognised as being the least resource-endowed district in Ghana, while Tamale Metropolitan is the only town within the three northern regions. Communities within the districts were selected on the basis of their geographical diversity and the government's intended interventions.
17. The **key activities** of the scorecard project included:
  - building capacity of communities to monitor education service delivery;
  - using the scorecard by the community to examine education expenditure;
  - assessing the school needs and the impact of inputs into the primary education sector;
  - improving the flow of information between the various actors within the education system.
18. In this case, the school authorities and teachers were also asked to evaluate their performance in terms of involving the community in planning and budgeting processes while the service users provided information on the nature and quality of service received. Community members evaluated the outputs and outcomes of primary education against pre-determined criteria, such as whether funds transferred to schools had been used for the intended purposes.

### 7.4.2 Implementation of the community scorecard project

19. The implementation process took place in several phases. At the start, stakeholder meetings were held with the Ministry of Local Government and Rural Development, the Ministry of Education, and the Ghana Education Service – at national and regional level – to gain support for the project. They were encouraged to demonstrate their support by compiling a letter to District Education Directorates that would allow volunteers from NGND

community-based organisations to access school and district education records. Although this did not mean that the relevant information on budget allocations and expenses and the availability of teaching and learning materials was always easy to obtain, it did facilitate the process.

20. Volunteers were trained as community facilitators to support the community interventions. The NGND and community facilitators held a general meeting in each community, which involved key education stakeholders, to outline the objectives and plan for the project and to enable community members to identify themes and indicators for assessing the quality of education service provision in their respective communities. Common themes identified during these meetings that related to the school budget included:

- the capitation grant allocated per child;
- items the capitation grant was spent on;
- community involvement in the school planning and budget processes.

21. Subsequently, focus groups were established to assess the quality of education service delivery in their respective communities, based on the indicators developed. The focus groups allocated scores to the indicators, based on the following rating:

3 = Good

2 = Average (in need of improvement)

1 = Poor (in need of urgent attention).

22. The community facilitators also held a series of self-assessment workshops for head teachers intended to create an opportunity for service providers to assess their own services, and to conduct an input-tracking workshop on the school input-tracking scorecard. Score points were awarded according to a framework designed on a school input-tracking scorecard as indicated in the table below:

**Table 2: Input-tracking score card for a primary school**

Indicator	Score	Remarks
Was the total amount budgeted actually disbursed for the construction project?	1	The approved budget for the project was Ghc100 million, but only Ghc50 million was disbursed.
Site inspection – Are the stated expenditures for the school block realistic?	1	The existing structure could have been built for Ghc20 million, but Ghc50 million is reported to have been spent.
Average number of teachers per student – Does our school compare favorably with the District average?	3	Our school has more teachers per student than the District average. The number of teachers known to us agrees with the official staff roles; no ghost teachers.

**Source:** NGND (2004) *community scorecards module 1: Facilitating the community scorecard*, Tamale: Northern Ghana Network for Development, p.17 **Preparation Community Scorecard Project – Seven**

23. Budget information relating to allocations and expenditure on textbooks and other learning materials was used to monitor school budgets. The final phase of the community interventions involved bringing together both service users and providers – PTAs, SMCs and education circuit supervisors – to ensure that the community scorecards represented an accurate reflection of the situation, providing an opportunity for community members and education providers to debate education service delivery concerns. The outcome was to have consensus on the overall scoring of the quality of education delivery in their communities.

24. In summary, the Seven Step Process in the score card project included:

### Step 1: Preparatory work

Action
• Create awareness of the project among service providers
• Collect supply side information
• Select participating communities
• Train facilitators
Stakeholders
• Ministry of Local Governance and Rural Affairs, MoE, Ghana Education Service

### Step 2: Community Interventions: First Meeting

Action
• Community members identify themes and indicators
Stakeholders
• PTAs, SMCs, circuit supervisors, district education directorate officials
• District assembly members

### Step 3: Community Interventions: Focus Groups

Action
• Establish focus groups
• Decide scores according to indicators, create input-tracking card
Stakeholders
• Head teachers, teachers

### Step 4: Community Interventions: Interface Meeting

Action
• Focus group presents scorecards to service providers
• Potential solutions discussed and agreed
Stakeholders
• PTAs, SMCs and circuit supervisors

### Step 5: Synthesis Workshop

Action
• Compile results
• Plan District-level Multi-Stakeholder Forum
Stakeholders
• Focus groups, beneficiaries, PTAs, SMCs



## Step 6: District-level Multi-Stakeholder Forum

Action
<ul style="list-style-type: none"><li>• Presentation of scorecard findings</li><li>• Reactions from service providers</li></ul>
Stakeholders
<ul style="list-style-type: none"><li>• Education service officials, district education directorate officials, beneficiaries</li></ul>

## Step 7: Dissemination and Advocacy

Action
<ul style="list-style-type: none"><li>• Publish report on scorecard results</li><li>• Disseminate to media</li><li>• Feed results into policy and advocacy processes</li></ul>

Source: Assessing education delivery: the community scorecard project

### 7.4.3 Key findings and advocacy activities:

25. Despite the government commitment to abolish school fees under the FCUBE programme, the community scorecard project found that the cost of accessing education continued to lie largely with parents, presenting a barrier for increased educational enrolment and retention. The scorecards showed that there were hidden costs to schooling, which included the purchase of school uniforms, exercise and textbooks, the printing of examination papers, and other charges levied by the schools. In some cases, children had been dismissed for non-payment of school fees with the schools arguing that the FCUBE capitation grant was insufficient to cover the cost of educating these children. As a result of the scorecard project parents held school meetings to demand explanation from the school administration and it was agreed that those children who had been dismissed would be allowed to return to school.
26. In some cases, it was found that the capitation grant was not spent as intended, but was instead used to fund head teacher travel to the District Education Office to report on capitation grant expenditure. Each of these visits would cost on average Ghc20,000 - GHc30,000 (\$2 - \$3), and meant that approximately 12 pupils' capitation grants were used for transport each year.
27. These scorecard findings were used in advocacy with the national government, but the capitation grant was not increased, as the Ministry of Education claimed that a lack of revenue meant it was unable to increase the capitation grant (GNECC and NNED (2007). NGND and other CSOs in the education sector argued for a more equitable distribution of resources that takes into account the socioeconomic status of children and their families.
28. Findings were disseminated through a variety of forums, including:
  - A synthesis workshop to collate and share information collected from the communities and to plan for the district level multi-stakeholder forum, where findings were shared with regional, district and school level education officials, as well as with community organisations, parents and children;
  - The district forums provided stakeholders with the opportunity to comment and give their feedback on the findings before the final reports were published. This was also an opportunity for community members to raise and debate education service delivery concerns with the service providers, who had to give immediate feedback on these concerns;
  - A final report of the findings was compiled and disseminated annually to the various stakeholders involved in the scorecard project. Findings were used by community organisations in support of their FCUBE advocacy work with government officials at district and national levels.

#### 7.4.4. Achievements of the scorecard project

29. The scorecard project has had an impact on the Ghanaian education system especially in the areas and primary schools where it has been used. The findings have enabled parents and children to assess the performance of education officials, teachers and school management committees, and have provided them with the platform to voice their concerns over aspects of service delivery in their communities and to engage with the service providers.
30. The community scorecard project determined the outcome of resources allocated to primary education. Budget information relating to allocations and expenditure on textbooks and other learning materials was used to monitor school budgets. The project has worked to improve the flow of information between stakeholders.

#### 7.4.5. The key success factors for the project included:

- **Way of work:** Over the last decade, budget work has become an increasingly important tool for holding governments and non-state actors accountable for their policy commitments, budget allocations and expenditure. Increasingly, CSOs have adopted budget work as a key part of their advocacy for changes in government policy or performance in recognition that democratic principles are essential for the achievement of human development goals (Robinson, M. (2006).
  - **Access to information:** without the necessary knowledge and information on the budget and the budget process, public participation is meaningless (Foster, M. and Fozzard, A., 2000);
  - **Participation:** ensuring that communities were empowered to share their knowledge and experiences of education service delivery within their communities;
  - **Ownership:** ensuring that communities took ownership during the initial stages of the project by involving them in the planning, fieldwork, and advocacy in partnership with other stakeholders.
31. As a result, parents have become more involved in school governance and finding solutions to local challenges confronting the education system. The process initiated dialogue between service users and service providers. New lines of communication have meant that service users can report their concerns about service delivery directly to service providers who, in turn, can improve services based on user feedback.

## 8.0. Case study Malawi: Using budget tracking to ensure quality service delivery in primary schools in Malawi

### 8.1 Overview of the education system in Malawi

1. Since the 1990s Malawi has been carrying out a number of reforms in order to institute good governance and democratisation. In 1994, the country instituted universal free primary education in response to the global commitments in 2000 to improving human development in the areas of health, education and gender equality (CEF, 2010), the MDGs and the Education for All (EFA) goals to ensure that their citizens have improved quality of life by 2015 – and specifically that children would have access to quality education.
2. The country pursued a decentralisation policy and the reforms saw the district and school level managers take over the responsibilities for administering school finances (mainly from school grants). The rationale was that it would increase responsiveness to local needs and, critically, subject schools to more effective local oversight and make them more accountable to the community (TI, 2010).
3. As a result, schools have increased from 3,706 in 1995 to 5,055 in 2000 with enrolment rising to approximately 5,000,000 in 2010 from 2,887,107 in 1995. The rate of illiteracy fell to below 39.7 percent in 2009, down from 48.1 percent in 1990 (MoES & C, 2001; Education Statistics, 2003 SACMEQ reports, 2009). Opportunities to attend secondary schools were limited during President Kamuzu Banda's era, where only the rich, the best, and the brightest were encouraged to attend secondary school; while the rest were pushed to tertiary technical institutions.
4. Expansion of the primary sub-sector due to free education has however in turn put pressure on the secondary and tertiary sub-sector to expand rapidly to accommodate primary school graduates. By 2003, there were 103 conventional secondary schools, 636 community day secondary schools, 246 private secondary schools, 6 TTCs, 4 technical colleges and two universities. Government increased education funding to over 14 percent out of the targeted 20 percent, regarded as the highest of all other sector allocations. Development partners also significantly increased their support to the education sector with NGOs and religious organisations playing a critical oversight role.
5. These reforms have however been hampered by a number of factors. Malawi, a landlocked country with a narrow economic base and no significant mineral or other natural resources, is one of the poorest countries in the world. Approximately 50 percent of Malawi's population (estimated at 12 -13 million) is below the age of 15 years, presenting a huge dependency burden and a dire need for basic education. Illiteracy rates are high, especially in the rural communities where up to 80 percent of rural women can neither read nor write. In addition, the objectives of the reform programmes have been frustrated by, among other vices, rampant corruption and abuse of office. (TI, 2010, CEF, 2010).

### 8.2 Risks and challenges to governance in the education system

6. The key risks to governance in the education system have included:
  - **Unplanned programmes** - Many of the changes that have taken place in the past decade have been largely unplanned. They are responses to local political expediency and other emerging challenges and not part of a well-designed national strategy based on clearly articulated policies. As such, the demands of the rapid expansion of basic education, leaves the sector seriously under-funded despite the huge budgetary allocations;
  - **Poverty and high illiteracy rate** - Primary education is free, but the over 60 percent of Malawians who live below the absolute poverty line cannot afford to meet the other costs associated with education. As a result, literacy in Malawi is still extremely low and continues to be a stumbling block along the road to development and modernisation;

- **Low public participation** - Members of the public have not yet been adequately mobilised to take up their roles as members of PTAs or SMCs;
  - **Lack of information** - The Open Budget Index Score for Malawi in 2010 of 47 percent compared to 28 percent in 2008 indicates that despite the democratisation process, government officials are still reluctant to provide the public with basic information on the central government's budget and financial activities during the course of the budget year;
  - **Delay in payment of teachers' salaries**, leading to low teacher morale, which affects teaching performance and outcomes for pupils;
  - **Inequitable distribution** of teaching and learning materials to schools.
7. **Ongoing reforms** seek to minimise these risks and enhance good governance in the education system. The cornerstones of these reforms include:
- **greater fiscal discipline and fiduciary reforms;**
  - **a clear education policy framework** that emphasises equal opportunity for both boys and girls in enrolment, retention, and performance in primary education;
  - increased public participation through decentralisation;
  - **a coordinated CSO monitoring, and reporting framework through** the Civil Society Coalition for Quality Basic Education (CSCQBE) with the broad aim being to focus on the quality of education.

### 8.3. Corruption in the education sector in Malawi

8. Malawi has in the past been ranked as one of the most corrupt countries globally but has progressively improved from 11th most corrupt among more than 30 countries surveyed in Africa in 2002, to 85<sup>th</sup> out of 178 countries in 2010 (Transparency International Corruption Perception Index, 2010). Between 1997 and 2004, MK22 million is said to have been lost each year through corruption, payments to 'ghost' teachers, rentals for 'ghost' houses and funding for ghost projects. Corruption in the education system in Malawi takes various forms and is both grand and petty. In 2007, the Budget Work Coalition exposed a diversion of colossal sums of money meant for procurement of teaching and learning materials for primary schools by the Ministry to service a MK1.8 billion (\$128 million) debt.
9. Within the schools, corruption takes the forms of illegal charges levied on children's school admission forms which are supposed to be free, places in schools being 'auctioned' off to the highest bidder, embezzlement of funds raised by local NGOs and parents' organisations, politicians allocating resources to particular schools to gain support (especially during election time) and delay in payment of teachers' salaries in arrears since 2003. This led to low teacher morale, affecting teaching performance and outcomes for pupils.

### 8.4. Budget tracking in Malawian primary schools

10. Malawi CSOs have a rich history of budget tracking work stemming from their engagement with the international campaign on debt cancellation for developing countries, which started in the mid-1990s. CSCQBE is the only national network of CSOs focusing on primary education in Malawi and has been able to monitor government policy, financial commitments, school budgets, and to call public officials to account.
11. CSCQBE has 75 members consisting of local, national and international CSOs, and also works with over 20 district education networks set up in conjunction with district education officials and other stakeholders from School Management Committees, PTAs and others. CSCQBE conducted Public Expenditure Tracking Surveys

(PETS) three times between 2002 and 2007 to survey education expenditures, improving its methodology in each round. The main aim was to:

- verify that resources allocated to primary education were sufficient to meet the policy objectives and targets;
- ensure that resources were used for their intended purpose;
- hold government to account for its commitments.

#### 8.4.1. The monitoring process<sup>60</sup>

12. CSCQBE first set up 13 district networks to decentralise the monitoring of education budgets. The number was later increased to 20. The networks in turn support school budget monitoring by school-based or community-based groups, such as the school board or a parent-teacher association first trained by CSCQBE. CSCQBE then provides these networks with technical assistance to strengthen their capacity to support local efforts. CSCQBE selected a representative sample of 500 schools (roughly one-tenth of those in the country) for its surveys, including both rural and urban schools. The community-based members of CSCQBE administered a series of standard questionnaires to teachers and education officials around the country. Questionnaires administered to the head teachers cover information on students (enrolment, exam pass rates, dropout rates, etc.); on teachers (qualifications, teacher shortages, housing, etc.), salary pickup (teachers' salaries are often made in cash, especially in rural areas), availability of teaching and learning materials, facilities, and supervision and accountability.
13. CSCQBE also collected data from district assemblies, district education offices, division offices, the Education Supplies Unit, and teacher training colleges. District commissioners are given a questionnaire that seeks information on the amount of funding requested from the Finance Ministry for recurrent expenditures, the amounts subsequently allocated to the district, and the actual amounts the district received and spent on a monthly basis (including the purposes for which they were spent).
14. The main approach taken was through **budget analysis research** which included pre-budget analysis, post-budget analysis and annual school budget and performance monitoring (Chimombo, J. (Ed.) 2007). Since 2002, CSCQBE has conducted three budget analysis research outputs, all of which were interlinked and fed into each other. For example, the post-budget work was used as a foundation of key issues to explore in the annual school budget and performance monitoring for that particular year. The **pre-budget analysis** produced recommendations on primary education policy in relation to teaching and learning materials, infrastructure support, expenditure at national and district level, teacher performance and training, HIV and gender.
15. **The post-budget analysis** critically examined the budget in relation to education in general and primary education in particular. It examined the allocations for the Ministry of Education and looked at how those allocations would be divided between the various programmes and transferred to the districts. It then made recommendations for changes to the budget. The post-budget report was presented in a simplified manner to ensure that the education budget was understood by everyone. The simplified version enabled MPs to comment, debate, change and approve the budget.
16. **The annual school budget and performance monitoring groups** tracked budget resources and programme implementation at district level using standard questionnaires and examining:
  - budget allocations received by schools from districts;
  - the demand and supply for teaching and learning materials in the schools;

60 Also see Vivek Ramkumar- *International Budget Partnerships, 2008*

- teacher availability and training;
  - overall enrolment figures - with specific regard to gender;
  - school infrastructure;
  - policy awareness;
  - school governance, specifically on SMCs and PTAs.
17. **The coalition's secretariat** conducted capacity building for district education networks on how they should undertake the fieldwork of the school survey (including data keeping), advocate for quality education and mobilise resources in their communities.
18. A draft report was then circulated among CSCQBE organisations and discussed at a special meeting with ministry officials, parliamentarians, development partners and the media during the annual parliamentary budget deliberation. CSCQBE then holds district meetings during which district assembly officials, district education officials, NGOs and school officials can discuss the results and, if necessary, formulate action plans to address problems. Subsequently, a final report is produced. The report receives news coverage in newspapers and on radio and television. CSCQBE also gives copies of the report to key stakeholders such as ministers, the Office of the President and donors, seeking commitments on how they will respond to the issues it raises.
19. The findings of the annual education survey were shared with the Ministry of Education, the Ministry of Finance and development partners. It was also disseminated to parliament's Finance & Budget and Education Committees, as well as to PTAs and SMCs, to discuss findings relevant to their district and develop action plans for particular concerns.
20. Findings from the 2007 education survey report showed that:
- overall, Malawi is lagging behind in achieving the EFA goals by 2015 because although the 2006/2007 education budget had increased in real terms, its share of the national budget was only 14 percent;
  - despite national guidelines, teachers, head teachers and SMCs were not involved in the procurement of textbooks;
  - transfers for education delivery by district assemblies were done in a timely manner and all allocations to each district were made publicly available;
  - most districts did not have funding for infrastructure development.

#### 8.4.2. Achievements

21. The first budget monitoring survey in 2004 covered fewer than 300 out of 5,040 primary schools. The last one conducted in 2007 targeted 500 primary schools, five teacher training colleges, 32 district education offices and 28 district assembly offices. Key achievements include:<sup>61</sup>
- the exposure of the Ministry of Education's diversion allocations for teaching and learning materials (TLMs) for schools to service a MK1.8 billion (\$128 million) debt, and the decline in national budget allocations for education from 28 percent in the 1990s to 13 percent in the 2005/2006 financial year, and the effect on schools;

61 Also see *International Budget Partnerships, 2008 and 2010*

- the information generated has been used by MPs in parliamentary debates on the education budget and plans for the sector. As a result of the coalition's budget work, the education sector's share of the national budget increased to 14.2 percent in 2006/2007, although it remained below the recommended 20 percent share needed for the achievement of the EFA goals (FTI, 2006);
- the government is seeking to address the educational disparities between rural and urban areas. It plans to introduce incentives to attract teachers to rural areas and construct housing for rural teachers;
- there has been increased dialogue and closer partnerships between the education managers and network members with communities having more input in planning and resource allocation;
- CSCQBE has worked closely with international organisations such as the World Bank, UNESCO, the Global Campaign for Education and the Africa Network Campaign for Education for All. It also has been invited to participate in government meetings and working groups on education. The coalition has used these experiences to help widen civil society's space and influence in Malawian society and enhance its capacity for monitoring and evaluation.

### 8.4.3. Key challenges and lessons:

22. The key challenges and lessons included:<sup>62</sup>

- difficulties the coalition faced in accessing information from district education officials. For instance, in the 2007 survey, 32 district education offices were targeted but only 18 responded and 28 district assembly offices were targeted and only 18 responded (Chimombo, J. (Ed.) 2007). Officials were reluctant to share information on budget expenditure, and often asked why the networks needed this information. They often provided incomplete information, especially budget and expenditure data. The coalition had to get a letter from the Ministry of Education instructing district education offices and district assemblies to share information with district education networks.
- many coalition members have only limited technical capacity to analyse education budget data. The need for training in budget and expenditure data was only realised quite late, but efforts were made to train coalition members as the different PETS were undertaken.
- coalition members are busy with multiple commitments and can invest only limited time in the PETS process, which often affects collection and analysis of survey data and eventually the quality of the reports submitted. The need for dedicated resources (human and financial) to ensure quality surveys was noted.



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# Section 3

## Corruption in the Health Sector Case Studies from Malawi, Tanzania and Uganda



UN Photos/Marie Frechon

## 9.0 Overview of the health sector in Sub-Saharan Africa

### 9.1. Introduction - Corruption in the health sector

1. Corruption<sup>63</sup> in the health sector exacerbates many existing challenges health systems may face and can create new ones for governments and patients. Weak or non-existent rules and regulations, as well as over-regulation, lack of accountability, low salaries and limited offer of services i.e. more demand than supply, are among the key reasons for corruption in the health sector. Corruption in the health sector is a reflection of the structural challenges in the health care system as well as where it takes place within the health sector; for example, drug procurement collusion or paying bribes to health professionals for public health services. The scale of corruption also varies. It may be 'petty' - bureaucratic and administrative, often taking place at the implementation level where the public interacts with public officials (e.g. through informal payments levied on public health services). It may also be 'grand' - high-level or often at policy level, for instance the manufacture of counterfeit medicines for wide distribution.<sup>64</sup>
2. Corruption and poor governance help explain why increased funding allocations, such as those aimed at meeting the MDGs have not necessarily translated into improvements in human development indicators, particularly in Africa. Despite considerable funding increases, the region is largely lagging behind in meeting the MDG of reducing child mortality (the number of children dying before age 5 per 1,000 live births) and maternal mortality (the number of maternal deaths per 100,000 live births). Substantial increases in gross enrolment in primary education in recent years have not been matched by improvements in learning outcomes. Africa's private investment rate is much lower than in most developing countries and agricultural productivity is not increasing fast enough. Cutting across all these problems is Africa's fundamental problem, namely weak governance and associated corruption.
3. Despite the widespread recognition of the importance of addressing corruption to meet health goals, such as the MDGs, there is not a large body of empirical evidence which documents good practices.

### 9.2. Status on access to healthcare and health-related MDGs in Sub-Saharan Africa:

4. With only 14 percent of the world's population, Africa bears 44 percent of the global burden of communicable diseases and is home to 60 percent of the world's malaria cases, 30 percent of tuberculosis cases and two thirds of HIV cases. The proportion of deaths is higher than in other regions, suggesting the failure of African health systems to cope with these epidemics. In spite of this, Africa spends 1 percent of total global health expenditure, while Sub-Saharan Africa (excluding South Africa) only spends 0.3 percent<sup>65</sup>.
5. Africa as a whole is off-track to meeting the MDGs on reducing child mortality, improving maternal health and combating infectious disease (i.e. MDGs 4, 5 and 6).<sup>66</sup> Yet, experiences from other continents, as well as recent progress in several countries in the region, prove that the goals can be achieved across Africa. Nevertheless, support for rapid scale-up of proven interventions as well as critically needed investments in basic healthcare systems remains insufficient. In most African countries, basic health infrastructure, human resources, equipment and supplies are inadequate to provide essential maternal, child and reproductive health services, and to control and treat infectious diseases. Malaria and other vector-borne diseases that can be controlled and treated continue to take millions of lives throughout Africa and are spreading to more parts of the continent due to rising temperatures

63 The definition of corruption used in this study is the abuse of entrusted position for private gain.

64 For an overview of corruption in the Health Sector, see: *Fighting corruption in the health sector*. Methods, tools and good practices An advance copy of a UNDP commissioned study, Jillian Clare Kohler, Ph.D, October 2010.

65 World Health Organization. 2006: *World Health Report 2006: Working Together* for Health. Statistical Annexes, Geneva.

66 Achieving health millennium development goals (MDGs) in Africa: The role of national insurance health schemes, Germano Mwabu, School of Economics, University of Nairobi page 7

caused by climate change.<sup>67</sup> This situation is compounded by high levels of poverty which continue to affect large sections of the population in Africa. According to World Bank data, 50.9 percent of the population in Sub-Saharan Africa has a poverty headcount ratio of \$1.25 per day.<sup>68</sup>

#### Selected health indicators for Sub-Saharan Africa<sup>69</sup>

Health indicator	
Population size (2009)	840 million
Births Per 1,000 population	38.9
Annual population growth rate	2.5%
Births rate per 1000 people	38.5
Population doubling time	25 years
Percentage of couples using contraception	23%
Deaths per 1,000 people	13.8
Maternal deaths per 100,000 births	980
Literacy rate male/female	67%/47%
GNI per capita	\$1126
Life expectancy at birth	52 years
HIV prevalence (15-49yrs)	5%

6. Associated with each goal are time-bound targets that are to be achieved between 1990 and 2015. Interventions that increase the quality and uptake of reproductive health services such as family planning, prenatal and postnatal care, child immunisations and safer sex practices, should substantially improve prospects of achieving MDGs 4-6.
  - **Goal 4 – reducing child mortality.** The target is to reduce by two-thirds between 1990 and 2015 the under-five mortality rate, equivalent to an annual rate of reduction of 4.3 percent;
  - **Goal 5 – improving maternal health.** The target is to reduce by three-quarters between 1990 and 2015 the maternal mortality ratio, equivalent to an annual rate of reduction of 5.4 percent;
  - **Goal 6 – combatting HIV, malaria and other diseases.** The target is to halt and begin to reverse the spread of these diseases by 2015.
7. The health sector has many mechanisms for channeling international financing and technical support to countries in Africa. For example, in addition to major bilateral initiatives, the Global Fund to Fight AIDS, TB and Malaria ('the Global Fund') has mobilised billions of dollars and produced remarkable results across Africa. Likewise, the Global Alliance for Vaccines and Immunization ('GAVI Alliance') has contributed to increased use of vaccines. The World Bank's IDA 14 has contributed to fighting HIV and malaria as well as piloting innovative health insurance and performance-based financing programmes. Another example is the Catalytic Initiative coordinated by UNICEF, which has provided much-needed funds for strengthening health systems and scaling up health services for the MDGs.

67 Achieving the millennium development goals in Africa, Recommendations of the MDG Steering Group, June 2008 pg 19

68 <http://data.worldbank.org/topic/poverty>

69 James E Rosen and Shanti R. Conley, Africa's population challenge – Accelerating progress in Reproductive Health. <http://www.unicef.org/infobycountry/index.html>



8. Donor fragmentation, lack of long-term predictable financing, and over-reliance on project support are some of the major challenges that need to be addressed through adherence to the Paris Declaration. The eight global health agencies (the H8), the International Health Partnership (IHP), the Global Campaign for the Health MDGs, and Harmonization for Health in Africa (HHA) are successfully increasing harmonisation and alignment among agencies. These existing mechanisms are well-designed, and their scope now needs to be expanded further. Action in these key areas will support countries in implementing the Africa Health Strategy to address the health crisis affecting many parts of Africa and empower Africans to live healthy and more productive lives. In this way, meeting the health MDGs in Africa will have a profound impact on poverty reduction and economic development.

### 9.3 Corruption in the health sector in Sub-Saharan Africa

9. Healthcare systems in Africa have been unable to efficiently deliver healthcare due to a number of reasons, including inadequate basic health infrastructure, human resources, equipment and supplies. However, these health systems are often further severely compromised by corruption and corrupt practices. The resulting economic and social damage wrought on Africa by inefficient and corrupt health systems is immense.<sup>70</sup> As a result of corrupt practices, almost 60 percent of healthcare, often obtained in the private sector, is paid by patients out-of-pocket, putting it beyond the reach of many<sup>71</sup>. The necessity to re-think the way in which healthcare is delivered is evident in the near-certain knowledge that the MDGs, including halving poverty by 2015 and halting the spread of deadly disease, will not be met unless measures are put in place.

#### 9.3.1 High risk areas in the health sector

10. The health sector seems particularly vulnerable to corruption and according to Nordberg and Vian (updated November 2008)<sup>72</sup>, the processes below have an inherently high risk of corruption:
- a) provision of services by medical personnel;
  - b) human resources management;
  - c) drug selection and use;
  - d) procurement of drugs and medical equipment;
  - e) distribution and storage of drugs;
  - f) regulatory systems;
  - g) budgeting and pricing.

#### Box 1: Overview of types of corruption in the health sector<sup>73</sup>:

Corruption exists in almost all key sectors of African health where it takes forms such as:

- diversion of public drugs to private clinics by health workers
- short working hours of health workers due to absenteeism and late-coming
- poor handling of patients especially the vulnerable groups of the elderly and expectant mothers
- bribes in return for quick service delivery/informal payments
- embezzlement of health care funds/fraud

70 Onno Schellekens, Marianne Lindner, Joep Lange and Jacques van der Gaag (Silver Award Essay); A New Paradigm for Increased Access to Health Care in Africa.  
[http://www.ifc.org/ifcext/essaycompetition.nsf/AttachmentsByTitle/silver\\_Healthcare\\_in\\_Africa/\\$FILE/Silver\\_Healthcare.pdf](http://www.ifc.org/ifcext/essaycompetition.nsf/AttachmentsByTitle/silver_Healthcare_in_Africa/$FILE/Silver_Healthcare.pdf)

71 Ibid

72 Nordberg, C., & Vian, T. (2008). Corruption in the Health Sector – U4 Brief, No. 10. Bergen: CMI. Pg 7

73 Fighting corruption in the health sector. Methods, tools and good practices. An advance copy of a UNDP commissioned study, Jillian Clare Kohler, Ph.D, October 2010.



#### 9.4. Cost of corruption to the health sector

11. WHO estimates that global healthcare expenditure is about \$4.7 trillion and about 10 percent – 25 percent (approximately \$260) of global spending on public procurement of medicines is lost to corruption, fraud and error.<sup>74</sup>
12. Transparency International estimates the value of the global pharmaceutical market at over \$600 billion and claims that in some countries, up to two-thirds of hospital medicines supplies are lost to corruption and fraud. The impact is three-fold:
  - Health — loss of government capacity to provide access to quality essential medicines. More unsafe medical products are on the market due to counterfeiting and/or bribery of officials;
  - Economic — low-income countries are hardest hit. Pharmaceutical expenditure may represent up to 50 percent of national health care costs, so corruption losses are extremely detrimental;
  - Image and trust — abuse and lack of transparency reduce the credibility of public institutions and erode public/donor confidence in governments.<sup>75</sup>
13. In the pharmaceutical sector, corruption leads to non-availability of medicines. The risk of unsafe medicines being put on the market also increases due to counterfeiting and bribery of officials. The public loses confidence in their public healthcare delivery system and the ability of their governments to provide appropriate healthcare. Since pharmaceutical expenditure in most countries represents almost half of overall health expenditure, corrupt pharmaceutical practices are also detrimental to national health budgets.<sup>76</sup>
14. In Africa, it's been estimated that as much as \$30 billion in aid for Africa has ended up in foreign bank accounts, an amount twice the annual gross domestic product (GDP) of Ghana, Kenya, and Uganda combined.<sup>77</sup> Fraud in the healthcare system includes the pocketing of user fees by a service provider or the overcharging of a health insurance agency by a physician. The General Auditing Commission in Liberia found that accounting irregularities by staff in the Ministry of Health and Social Welfare accounted for as much as \$4 million in unaccounted funds.<sup>78</sup>
15. Surveys carried out by the World Bank in a series of developing countries to compare budget allocations to actual spending at the facility level have confirmed that resources are not allocated according to underlying budget decisions. In Uganda and Tanzania, local or district councils have diverted large parts of the funds disbursed by central government to other uses as well as for private gains, with leakages affecting up to 41 percent of the allocated resources. In Ghana, only 20 percent of non-wage public health expenditures actually reached the service delivery points, with a large proportion of the leakage occurring between line ministries and district levels (Reinikka and Svensson, 2003).
16. Gauthier and Wane's (2006) study of health spending in Chad employed data collected by the World Bank in 2004, and showed that even though the regional administration is allocated 60 percent of the ministry's budget, the regions only receive 18 percent of the funding - and even more disappears on the way to the clinics. Clinics respond to the low funding by increasing user fees. The poor are often the most affected by this, as higher fees can prevent them from seeking healthcare at all. The study suggests that the number of patients seeking primary healthcare would be twice as high if all the funding reached its intended destination<sup>79</sup>.

74 European Healthcare Fraud & Corruption Network "The Financial Costs of Healthcare Fraud" 2009.

75 World Health Organization. Good Governance for Medicines; Curbing Corruption in Medicines Regulation and Supply. April 2010

76 Ibid

77 Michelle Celarier. 1996. The Search for the Smoking Gun, *Euromoney* (September): 49. Retrieved in January 2011 from <http://www.adb.org/documents/policies/anticorruption/anticorrupt400.asp>

78 [www.liberianobserver.com/node/5767](http://www.liberianobserver.com/node/5767)

79 U4 Issue 2008:10. Retrieved in January 2011 from <http://www.cmi.no/publications/file/3208-corruption-in-the-health-sector.pdf>

## 9.5. Identified strategies and interventions to fight corruption in the health sector

17. A number of strategies have been undertaken across the continent to address systemic risks, minimise inefficiencies and enhance access to healthcare. While some of the interventions are not specifically aimed at fighting corruption, they are likely to have impact through minimising inefficiencies and promoting good practices in the health system. These strategies include:

### 9.5.1 Programme for WHO-HAI Africa:

18. The UK Department for International Development (DFID) financed the Programme for WHO-HAI Africa Regional Collaboration for Action on Essential Medicines in Africa 2002 – 2008 through a contribution of £6 million.<sup>80</sup> WHO and HAI Africa joined forces to achieve the shared goal of improved access to and appropriate use of safe and effective essential medicines throughout Africa; but particularly among the most resource-restricted communities. The program has reached 15 countries: Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Mali, Nigeria, Rwanda, Senegal, Tanzania, Uganda and Zambia. In three countries (Ghana, Kenya and Uganda), an even closer collaboration with civil society has been implemented.<sup>81</sup> The work follows the framework of the WHO Medicine Strategy and is divided into five areas: implementation and monitoring of medicines policies; advocacy for fair financing and affordability; well-functioning medicine supply systems; safety regulations and quality assurance; and promoting rational use of medicines<sup>82</sup>. Fragmented delivery systems and poor inter-sectoral coordination are often significant hurdles for strengthening drug supply within countries and result in corruption in the procurement and supply process. The WHO/HAI collaboration has provided a key centralising, coordinating mechanism to address this challenge. As a result of this initiative:

- eleven countries have assessed and mapped their procurement and supply system;
- four countries have elaborated plans to improve their procurement and supply system;
- manuals for management of medicines have been adapted, printed and distributed;
- more than 25 workshops and training sessions have been carried out to build capacity in 13 countries.

### 9.5.2 USAID SURE Program

19. **USAID SURE Program implemented by MSH** (Management Sciences for Health), is a five-year, \$39-million program 'Securing Ugandans' Right to Essential Medicines' (SURE) Program. SURE's mandate is to make certain Uganda's people have access to good-quality essential medicines and health supplies by strengthening the national pharmaceutical supply system especially the National Medical Stores. To achieve this goal, the SURE team is assisting the Government of Uganda to reform its policy, legal, and regulatory framework to provide stability and sustainability and improve the capacity and performance of government staff to manage the pharmaceutical supply chain. The program was officially launched on 21 September 2010 and will address policy and regulatory issues, supply chain logistics process and infrastructure design, and pharmaceutical management training.<sup>83</sup>

80 WHO-HAI Africa Regional Collaboration for Action on Essential Medicines in Africa 2002-2008 Evaluation report to DFID, August 2009

81 WHO-HAI Africa Regional Collaboration for Action on Essential Medicines in Africa 2002-2008 Evaluation report to DFID, August 2009

82 [http://www.who.int/medicines/areas/coordination/who\\_hai\\_partnership/en/index3.html](http://www.who.int/medicines/areas/coordination/who_hai_partnership/en/index3.html)

83 <http://www.sure.ug/>

### 9.5.3 Medicines Transparency Alliance (MeTA)

20. **MeTA**<sup>84</sup> is a multi-stakeholder alliance involving national governments, civil society organisations, academics and other pharmaceutical sector partners. MeTA is led by DFID, with the participation of the World Bank and WHO. Its focus is medicines and it aims to improve access and affordability of medicines. MeTA examines issues related to drug prices, quality, availability, promotion, transparency and accountability, and multi-stakeholder relationships.<sup>85</sup> It aims to find ways to improve information flows and increase transparency in the selection, regulation, procurement, sale, distribution and use of medicines in developing countries. MeTA is currently operating in seven countries globally: Ghana, Jordan, Kyrgyzstan, Peru, the Philippines, Uganda and Zambia. All seven MeTA pilot countries have set up multi-stakeholder groups known as Councils that have agreed on work plans, which include proposals to generate and disclose information relating to price, quality, availability and promotion of medicines.

### 9.5.4 Stop Stock-outs

21. **Stop Stock-outs**<sup>86</sup> is a regional campaign in six countries in Africa including Kenya, Madagascar, Malawi, Uganda, Zambia and Zimbabwe to stop continued stock-out of essential medicines in public health facilities. At the regional level, the campaign is spearheaded by HAI Africa and Oxfam. The campaign, involving national civil society organisations and supported by the Open Society Institute, focuses on ending widespread 'stock-outs' of medicines in public health facilities in Africa. Throughout Africa, at any given moment, public health facilities have in stock only about half of a core set of medicines used to treat common diseases such as malaria, pneumonia, diarrhoea, HIV, TB, diabetes, and hypertension – all of which are among the highest causes of death in Africa. The campaign calls on governments in Africa to commit to having essential medicines on pharmacy shelves, with the slogan, 'Stop Stock-Outs, and Ensure Access to Essential Medicines for All!' This campaign has been effective in reducing opportunities for corruption by improving channels of communication with the public.

### 9.5.5 WHO Good Governance for Medicines programme

22. The GGM Programme was developed and launched by WHO in 2004 under the guidance of its Medicines Strategy 2004 - 2007<sup>87</sup>. The GGM programme goal is to contribute to health system strengthening and to prevent corruption by promoting good governance in the pharmaceutical sector. The aim is to reduce corruption in the sector through the application of transparent and accountable administrative procedures as well as the promotion of ethical practices among health professionals. The underlying assumption is that the more transparent a system is (documents and procedures easily available and known to all), the less vulnerable to corruption and other unethical practices it will be (and vice versa).<sup>88</sup> The GGM's current focus is on increasing transparency in administrative structures and processes in eight pharmaceutical regulatory and supply functions, namely inspection, registration, licensing, promotion, clinical trials, selection, procurement and distribution. The WHO and MeTA programmes are similar and in order to clarify roles and avoid duplication of efforts, particularly in countries where both programmes are being implemented (e.g. Zambia), a draft MeTA/GGM Common Statement was prepared in August 2008.<sup>89</sup>

84 Kohler, J.C. (Advance Copy 2010). Fighting corruption in the health sector. Methods, tools and good practices. A UNDP commissioned study

85 Elizabeth Ollier "Evaluation of the Medicines Transparency Alliance Phase 1 2008-2010" and MeTA "Affecting Change: the MeTA Annual Review 2009-2010."

86 [http://www.soros.org/initiatives/health/focus/access/news/stockout\\_20090226](http://www.soros.org/initiatives/health/focus/access/news/stockout_20090226); <http://stopstockouts.org/stop-stock-outs-campaign/>

87 WHO Medicines Strategy 2004-2007: countries at the core. Geneva, World Health Organization, 2004.

88 World Health Organisation, Regional Office for Africa Pharmaceuticals newsletter, Volume 6. No. 1 October 2009. Good Governance for Medicines in Africa; Implementation in the WHO African Region and beyond.

89 World Health Organization, Regional Office for Africa Pharmaceuticals newsletter, Volume 6. No. 1 October 2009. Good Governance for Medicines in Africa; Implementation in the WHO African Region and beyond.

**Table 2: Summary of anti-corruption measures and likely effects<sup>90</sup>**

Action	Likely effects
Downsize government and pay workers higher wages	Improves incentives, though politically difficult
Promote government contracting for payment of private providers rather than civil service; encourage private alternatives	Increases accountability and improves incentives Competition from private providers increases clients' exit options <sup>91</sup>
Develop performance-based management systems and provider payment systems	Increases accountability and provides better incentives, since performance is rewarded
Legal cost sharing	Reduces opportunities for extorting payments
Increase role of community committees, local health board activism	Improves accountability by providing ways for users to voice approval and disapproval, increases chances corruption will be caught
Report cards for public services <sup>92</sup>	Improves accountability and incentives
Analysis and dissemination of results of surveys and data collection (such as standards of living surveys, PETS, QSDS, and DHS) <sup>93</sup>	Improves transparency and accountability; helps detect gaps between what the service statistics say and what patients report

23. All these programmes are underway and in some cases still quite young to allow the drawing of conclusive lesson. However, there are indications that these initiatives are useful and have already resulted in some positive changes/reforms in countries where they are being implemented. For instance, through the GGM, in-depth assessments have been carried out that have enabled stakeholders to pinpoint the vulnerable areas in the health system and devise relevant programmes to address these.

90 Vian, T. Corruption and the Health Sector. Sectoral Perspectives on Corruption, November 2002 Page 24

91 Gray-Molina, Perez de Rada and Yanez

92 Laura Bureš, "Citizen Report Cards" (Washington, DC: World Bank, 2002). <http://worldbank.org/poverty/empowerment/toolsprac/tools16.pdf>. Accessed November 24, 2002. Report cards have been used in Bangalore, India, Ukraine and the Philippines, in addition to the U.S. and other Western countries.

93 PETS (public expenditure tracking survey), QSDS (quantitative service delivery survey), DHS (demographic and health survey). Reinikka and Svensson note that when survey data from Uganda documenting leakages of funds became public knowledge, government officials implemented a number of reforms including the publishing of monthly transfers of public funds to the districts in the mass media, and requiring facilities to post information on inflowing funds, thus increasing transparency and public accountability (p. 21).

## **10.0 Case Study Uganda: Increasing public awareness and debate on corruption in the health sector through the 'Stop Stock-outs' campaign**

### **10.1 Introduction: Access to health in Uganda**

1. According to the Third Progress Report on MDGs in Uganda (MoFPED, September 2010), Uganda is not on track to meet the health-related MDGs. Several of the health targets, including those related to child and maternal mortality, access to reproductive health, and the incidence of malaria and other diseases, have progressed slowly. Infant mortality remains at 85 per 1,000 live births while maternal mortality is at 435 per 100,000 live births and its estimated that 16 women die daily due to maternal complications. HIV incidence is averaged at 6.4 nationally, and there have been significant challenges in sustaining past gains. Recent years have seen an increase in new infections; especially among older age groups and those that are married/co-habiting. Rapid population growth at 3.2 percent per annum continues to place stress on the health sector while the global financial and economic meltdown is likely to result in reduced development assistance to Uganda.
2. Compounding these challenges is a heavily-underfunded health sector in comparison to what is needed for implementing the National Health Policy (NHP), Health Sector Strategic Plan (HSSP) and attaining the MDGs. Government of Uganda (GoU) budget expenditure on the health sector currently stands 11.6 percent (FY 2008/09) but still falls below the Abuja target of 15 percent. Funding gaps for individual health service provision with per capita expenditure are at \$25 (of which only \$7 is public funding), compared to the HSSP II target of \$28 and WHO's target of \$40. In the 2009/2010 budget, pharmaceutical supplies including medical drugs were allocated Shs300,9 billion (47 percent of the health sector allocation). Only 2 percent of the health sector budget is apportioned to monitoring and evaluation.

### **10.2 Corruption in the health sector**

3. A big portion of the amount allocated to drugs and supplies is however wasted through leakages and pilferage. An attempt to establish the level of drug leakage and the amount of money lost estimated the figure at Shs22,25 billion for FY 2006/07 (Bjorkman and Svenson). As a result, access to essential medicines and supplies in Uganda, including anti-malarials, ARVs, contraceptives, gloves and maternal kits, remains low. Currently, there is an unmet need of 41 percent for contraceptives (UBOS - UDHS, 2006) and it is reported that 300 people die daily of malaria-related complications. According to the PER on the health sector in 2008, the availability of drugs is the most significant determinant of whether people attend public health facilities.
4. There is lack of credible data on the distribution and use of essential medicines but several studies indicate high levels of drug leakage and massive stock-outs. The 2008 PER on the health sector noted that data on drugs released by the National Medical Stores (NMS) explained only 7 percent of the data on drugs received by facilities while the Financial Management Programme (FINMAP) Review (November 2009) found very low levels of recording and stock updates in all health facilities visited. Based on a recent physical verification exercise undertaken in Kampala by the Ministry of Health and the CID - Police, up to 50 percent of workers at health centres could be ghost workers (non-existent), maintained for the pilferage of drugs.
5. Recently, the health sector has been hit by a wave of high-profile corruption scandals involving the direct pilferage of drugs and misuse of resources. Millions of dollars have been lost, resulting in the suspension of global programmes such as the Global Fund Against Tuberculosis, AIDS and Malaria (GFTAM), and the GAVI case on immunisation. Investigations and prosecutions of accused officials are ongoing; however follow-up and enforcement of decisions remain weak.
6. Within the districts and in the health facilities, corruption is largely manifested through bribes and informal payments for services and drugs, pilferage and misuse of health facilities and equipment, absenteeism of up to 40 percent in all health facilities with midwives and nurses topping the curve at 49 percent.<sup>94</sup>

### 10.3 Risks that exacerbate inefficiencies and corruption in the health sector in Uganda

- **the existing policy and institutional framework**<sup>95</sup> for drugs management lends itself to potential overlaps and duplicity and potentially provides opportunity and a conducive environment for mismanagement, corruption and pilferage;
  - **difficulties in reconciling** drugs between the Ministry of Health, districts and health centres;<sup>96</sup>
  - **weaknesses in procurement planning** (e.g. some procurements were not approved by the contracts committee, and irregularities in the procurement of ARVS);
  - **anomalies in drug storage and distribution** (e.g. through transportation of drugs, reconciling of ledgers and collection of drugs from districts by the health Centres);
  - **drug shortages and stock-outs**, inadequate storage facilities and expired drugs;
  - **poor supervision** and monitoring.
7. The resultant effect is wastage of medical equipment and massive stock-outs for essential drugs, vaccines and contraceptives. Empty medicine cupboards are the norm and vaccine stocks were not updated by health centres. Millions of Ugandans are still unable to access essential medicines in government health facilities and Uganda's efforts to meet its commitments to improving the health rights of its citizens are hampered. In some cases, drug stock-outs have resulted in the loss of lives e.g. where drugs are not accessible to treat diseases like malaria.

### 10.4 Ongoing reforms

8. In a bid to enhance drugs management and minimise leakages, GOU has been centralising all funds in the National Medical Stores (NMS) since November 2009. Funds for the purchase of drugs are now channelled directly from the Ministry of Finance Planning and Economic Development (MoFPED) to NMS as opposed to the previous system of channelling funds directly to the districts and health facilities. Seventy percent of the decentralised budgets for essentials medicines of PHC and the different hospitals grants is retained at the centre (30 percent remains decentralised for this FY). This translates to Shs75 billion being transferred to NMS for FY 2009/10 and gradually increasing to Shs110 billion in FY 2010/11. A review of recommendations by previous studies<sup>97</sup> indicates that centralisation of funding and procurement of drugs and essential medicine supplies has been a long-standing recommendation that may address some of the concerns in the sector.
9. Several studies/reviews<sup>98</sup> of NMS have highlighted key challenges and constraints that affect its effective performance and contribute to the existing governance weaknesses. The NMS, newly-restructured and under new management, has made commitments to addressing gaps and to a zero corruption policy. Internal

95 Drugs management has a broad net work of interdependent institutional entities such as the Ministry of Health, the National Medical Stores (NMS), the National Drug Authority (NDA), the Ministry of Finance, Planning and Economic Development, Local Governments, existing policies, laws and regulations including PPDA, private sector organizations, donor organizations, third party programmes (such as the Global Fund and PEPFAR), and NGOs.

96 Value for Money Audit by the Office of the Auditor General in the Management of Health Programs in the Health Sector (March 2009)

97 Including the Technical Review of NMS by Euro Health Group Consultants, May 2004 and a World Bank Study August 2006- Policy Review of the Role of the NMS in the Public and Private Health Care System in Uganda- Medical Care Development International and Serefaco Consultants Ltd, Aug 2006

98 Including the NMS Task Force Report, 2008; Assessment of Warehouses, Distribution and Management Information at NMS for Operational and Physical Enhancement, Supply Chain Management System (SCMS), October 2007- funded by USAID



reforms<sup>99</sup> are underway with a new priority product list of 256 items developed, an operational manual revised and a pricing survey undertaken to address overpricing of items.

10. Proposals are underway to establish a list of essential drugs and items that must be at each health centre (II and III) including anti-malarials, contraceptives, drugs and maternal kits. NMS intends to pilot delivery of drugs right down to the lower-level sub-district health centres; unlike the current policy of delivery at district level only. The NMS has also developed a Procurement Policy and Processes Manual, with required modifications expected to address specific peculiarities of procurement of drugs and reduce the bottlenecks in the current PPDA Act and Regulations. The revised manual was submitted to PPDA for Accreditation in February 2010.
11. The Medicines Transparency Alliance (MeTA) is working through the MeTA Council<sup>100</sup> to implement a work plan aimed at bringing information into the public domain e.g. on the cost of medicines at point of entry and recognition of essential drugs. MeTA is also undertaking a pricing survey for drugs in Uganda and mapping the medicine supply chain.
12. Loopholes however still exist in the value chain, as evidenced by the various studies, audits and media reports.

## 10.5 Massive Stock-outs in health facilities

13. Despite these reforms, health centres at all levels continue to face massive stock-outs of essential medicines. These medicines were originally defined by WHO<sup>101</sup> as those which satisfy the needs of the majority of the population and therefore should be available at all times, in adequate amounts, in appropriate dosage forms and at a price the individual and community can afford. Exactly which medicines are regarded as essential remains a national responsibility but unfortunately corruption greatly interferes with this process.
14. When a pharmacy (in a medical store or health facility) temporarily has no medicine on the shelf, this is known as a '**stock-out**'. It may affect one medicine or many medicines, or in the worst case, all medicines. A stock-out can be documented at a single point in time or over a period of days, weeks or months. When there are good stock management systems in place, the stock-out duration will be minimal or, ideally, never occur. In Uganda, it's not clear what percentage of the stock-outs result from corruption or poor management.
15. According to the Minister of Health, "Only 26 percent of public facilities were able to get through the last year without a stock-out of any of the six sector tracer medicines... factors range from inadequate financing for medicines, to low levels of appropriately-skilled human resources for health in the health facilities and more especially, low management capabilities at the different levels, and inefficiencies."<sup>102</sup>

## 10.6 Case study: The Stop Stock-out campaign in Uganda - involving the public in oversight

16. The Stop Stock-out campaign is a regional campaign in six countries in Africa, including Kenya, Madagascar, Malawi, Uganda, Zambia and Zimbabwe, aimed at stopping continued stock-out of essential medicines in public health facilities. At the regional level, the campaign is spearheaded by HAI Africa and Oxfam and supported by other stakeholders such as the MeTA. The campaign, involving national civil society organisations

99 NMS Progress Report - July - December 2009

100 MeTA Council is comprised of Ministry of Health, Private Sector, including pharmaceutical companies, National Drug Authority; Pharmaceutical Society of Uganda; CSOs e.g. the Uganda National Health Users Organisation (UNCHCO), HEPS and the Uganda Protestant Medical Bureau ; and Development Partners such as the World Bank and WHO and the Secretariat

101 <http://www.who.int/medicines/publications/essentialmedicines/en/>

102 Excerpt from the Speech by the Minister of Health at the **Pharmaceutical policy options Workshop - SURE/ USAID** - Protea Hotel, Kampala 15 - 16 April 2010



and supported by the Open Society Institute, focuses on ending widespread stock-outs of medicines in public health facilities in Africa. (Also see Section 1.5 (d) above).

17. The case study will focus on the Stop Stock-Outs campaign in Uganda which was undertaken by a consortium of five CSOs (HEPS Uganda, AGHA, AIDE, ACFODE, and NAFOPAHU)<sup>103</sup> and launched in March 2009 for one year.<sup>104</sup> The campaign was crafted as a public media campaign aimed at putting the issue of medicines stock-outs onto the national agenda. Based on information generated from previous studies undertaken by consortium members,<sup>105</sup> a baseline was established on the availability and affordability of medicines in public health facilities and in the private sector, including mission hospitals. The analysis indicated that medicines availability (for specific categories of commonly-used drugs) in public health facilities was at approximately 50 percent while in the private sector, availability was on average at 70 percent - 80 percent but often more expensive and not affordable.
18. The campaign kicked off with a series of capacity-building workshops for CSOs and the media, focusing on health-related issues. The training was essential in simplifying health issues and creating understanding among CSOs and the media of medicine-related issues and monitoring. In addition, clear, simple and well-defined messages were crafted to be used in the media advocacy.
19. Following the training, the consortium undertook 'a Pill Check Week'.<sup>106</sup> This involved a spot check of medicine stocks in public health facilities. It was carried out in 11 of the country's 81 districts, each of which was represented by one government facility. The check covered 10 key essential medicines and highlighted that stock-outs, especially of paediatric preparations and anti-malarials, were still a major problem in the public health system.<sup>107</sup>

After visiting the various clinics and pharmacies, activists reported their results using their mobile phones through structured, coded text messages (SMS) that were uploaded on a website - Ushahidi - which means 'testimony' in Swahili.<sup>108</sup> The website used a Google Map to show specific locations of up to 250 stock-outs of essential medicines. Based on the results of the Pill Check Week, the Uganda coalition issued a press statement and called upon the GoU to:<sup>109</sup>

- give financial and operational autonomy to NMS - the national medicines procurement and supply agency;
- install civil society representation on the board of the NMS;
- end corruption in the medicine supply chain;
- stop theft and diversion of essential medicines;

103 The Coalition for Health Promotion and Social Development in Uganda (HEPS), The Action Group for Health, Human Rights and HIV/AIDS (AGHA); The National Forum for People Living with HIV/Aids in Uganda (NAFOPAHU); Action for Development (ACFODE) and the Alliance for Integrated Development and Empowerment (AIDE).

104 The Campaign though launched for a period of one year continues to run. The Ushahidi website- [www.stopstockouts.org/ushahidi](http://www.stopstockouts.org/ushahidi) is still operational showing status of stock-outs in the different countries

105 HEPS had undertaken numerous studies from 2005 on the availability and affordability of medicines and this data was contained in its quarterly progress reports

106 The Pill Check Week took place in all five of the African countries participating in Stop Stock-outs and used a Google map to identify where the stock-outs were a reality. <http://stopstockouts.org/ushahidi/>

107 See [www.heps.or.ug](http://www.heps.or.ug). The Pill Check Week took place in June 2009

108 *Ushahidi* is a website that was first developed to map reports of violence in Kenya after the post-election fallout at the beginning of 2008

109 <http://stopstockouts.org/2009/08/26/narrative-report-stop-the-stock-outs-campaign/>

- take a proactive role in strengthening the watchdog role of accountability mechanisms such as parliament, IGG, DPP, and civil society (CSOs) by meaningfully involving them in decision-making and monitoring the delivery of healthcare and the use of resources for health;
- provide a dedicated budget line for essential medicines;
- fulfill commitments to spend 15 percent of the national budget on health care;
- provide free essential medicines at all public health institutions.

20. The campaign used a variety of approaches, largely aimed at increasing public awareness and generating debate on key issues related to drugs stock-outs. These approaches have included the use of publicity material like t-shirts, banners, fact sheets, fliers, policy briefs and identifying champions, including a local artist and female Member of Parliament. Press statements and conferences, public rallies, radio talk shows and media articles were used to generate public debate in the media.

### Box 1. Use of FrontlineSMS<sup>110</sup>

FrontlineSMS is free open source software that turns a laptop and a mobile phone into a central communications hub. Once installed, the program enables users to send and receive text messages with large groups of people through mobile phones. What you communicate is up to you, making this software useful in many different ways. It has been invaluable to the Stop Stock-outs campaign by encouraging the public to volunteer information on the status of drugs in the health centres because it is so easy and affordable to use.

FrontlineSMS was used during the Pill Check Week campaign where SMS messages were sent by data collectors on the status of stock-outs of essential medicines. The messages were received on phones in Malawi, Kenya, Uganda, and Zambia where computers running FrontlineSMS processed and validated the data before sending it to an Ushahidi interface to be uploaded to the web. After visiting clinics and pharmacies, activists reported their results using their mobile phones through structured, coded text messages that were uploaded on [Ushahidi](#), showing specific locations of up to 250 stock-outs of essential medicines. Data is reflected on a map that shows areas where medication is out of stock. If one clicks on the map, s/he is taken to a web page (powered by Google Maps) showing exact locations at which medicines were out of stock and unavailable during the researchers' spot check.

#### 10.6.1 Achievements of the campaign and lessons identified<sup>111</sup>

21. The campaign was initially intended for one year starting from March 2009 but was renewed in July 2010 and to date continues to run because of its successes. The campaign was widely reported in the media including radio, television, print and internet. This prompted responses from wide sections of society and generated public debate on medicine stock-outs, their causes and possible solutions. There were and continue to be frequent independent stories of medicine stock-outs in public health facilities; including arrests and prosecution of health workers caught stealing drugs.
22. The campaign also attracted the attention of the key government agencies. For instance, the National Medical Stores (NMS) responded to the media reports with a statement and wrote articles in national newspapers to explain the causes of stock-outs, explaining the challenges and blaming other players (particularly health

110 [www.frontlinesms.com](http://www.frontlinesms.com), <http://stopstockouts.org/partners/>

111 Interview with Rosette Mutambi, Executive Director HEPS and coordinator of the CSO Consortium that developed and implemented the Stop Stock-Out Campaign in Uganda

facilities) for delayed orders. Members of the Social Services Committee of Parliament made an unannounced visit to NMS to ascertain stock levels and causes of stock-outs.

23. The campaign is also credited with contributing to influencing government decisions on centralising procurement and distribution of drugs under the NMS and reducing responsibility of districts for procurement of drugs. On 31 August 2009, parliament passed the 2009/2010 national budget, approving a separate vote for NMS for the first time ever. This means the money for medicines will no longer go through the Ministry of Health, where in the previous years, part of it had been diverted to other budgets. It is expected that the decision will reduce bureaucracy and fragmentation and increase resources for medicine procurement on a timely basis.
24. In October 2009, the President's Office announced the establishment of the Medicines and Health Service Delivery Monitoring Unit of State House, with a mandate to investigate and curb theft of medicines in government hospitals and enhance smooth delivery of medicines and health services to the people of Uganda. Several medical practitioners and officials (including doctors, nursing aides and clinical officers) have been arrested, mainly those at a low level in the drugs supply chain. A report presented by the Medicines Unit in September 2010 indicates that approximately Shs5 billion worth of stolen drugs has been recovered over. Up to 80 cases are in courts around the country and at least five convictions have been secured to date.
25. Overall, the Stop Stock-outs campaign has raised more awareness about the right to health and to access of essential medicines in Uganda and increased public participation in the health system. The public is becoming more active in debating the issues, reporting stock-outs and holding institutions to account while the government is responding to the campaign in a positive way with changes taking place at policy and implementation level.

#### 10.6.2 Lessons identified:

26. The Stop Stock-Out campaign was a concerted effort of several stakeholders. The capacity-building workshop (supported by MeTA) at the start of the campaign was critical in creating understanding among the CSOs and the media of medicine-related issues and establishing benchmarks for monitoring.
27. The Consortium relied on existing data and information by the members and by the Ministry of Health which was used to create sufficient material and evidence for the campaign. The MeTA Council, a consortium of stakeholders in the health sector, was used as a platform to provide input and debate materials used for the campaign, thereby enhancing stakeholder support. This support helped build success for the campaign.
28. The Consortium of CSOs also worked through its networks at community level in various communities (including Kisenyi and Kawempe) thereby enhancing community ownership of the campaign. By using clear, simple, well-defined and consistent messages, the consortium was able to simplify health-related issues and endear the campaign to the local population.
29. Through the use of simple and affordable social media tools such as text messaging, CSOs were able to get the public engaged in identifying gaps and fighting corruption in the drugs supply chain. The public support garnered through the campaign was critical in propelling duty bearers to initiate reforms to address the pilferage of drugs.
30. The need to enhance the effectiveness of the campaign, especially in following up and sanctioning cases of corruption, was noted. Existing laws are weak, leading to poor or ineffective sanctions for those that are arrested and convicted, while the capacity of law enforcement officers to investigate and prosecute drug-related crimes is also weak. In addition, strong leadership and political will are needed to enforce management and institutional reforms that will minimise inefficiencies and reduce the opportunities for corruption and theft of drugs.

## 11.0 Case study Malawi: Measuring levels of transparency and vulnerability in the health system through the Good Governance for Medicines programme

### 11.1. Introduction

1. Malawi is one of the poorest countries in the world, with a per capita GNP of \$210 (1999 estimate).<sup>112</sup> The last population and housing census indicates that Malawi has a population of 9.9 million (currently estimated to be between 12 and 13 million)<sup>113</sup> with an annual growth rate of 2 percent per year.<sup>114</sup> Eleven percent of the population lives in the major urban areas while the rest is rural-based. Malawi is a landlocked country and has a narrow economic base with no significant mineral resources and high costs of external trade. Approximately 50 percent of Malawi's population is below the age of 15 years, thus presenting a huge dependency burden. Over 60 percent of Malawians live below the absolute poverty line. Literacy in Malawi is extremely low. According to the 1998 population census results, 58 percent were basically able to read and write in a particular language. Literacy rates among males and females stood at 64 percent and 51 percent respectively. Up to 80 percent of rural women can neither read nor write.<sup>115</sup>
2. Malawi's health indicators are overall extremely poor. Life expectancy has declined from 48 to 39 years between 1990 and 2000, mainly as a result of HIV. Maternal mortality is shockingly high and has worsened since 1990, suggesting a significant decline in the overall health infrastructure and ability to deliver accessible emergency obstetric services. Achieving the MDGs in Malawi is a major challenge in the face of increasing poverty. Sixty-five percent of the population is poor and unable to meet their daily nutritional needs. Fertility rates are high and the HIV epidemic has increased demand for health services, whilst reducing health sector capacity.
3. Access to health services is modest, and skewed in favour of non-poor and urban populations. Only 54 percent of the rural population has access to a health facility within 5km. Only 10 percent of all health facilities have the capacity to deliver the Essential Health Package. Frontline health services suffer from lack of drugs, poor staff-client relations, and poor quality diagnosis and treatment. Public services are free of charge at the point of delivery, but out-of-pocket expenditure accounts for 26 percent of total health spending, with the poorest households spending up to 10 percent of their annual consumption on health care. The poor have the greatest burden of ill health and are the least likely to access health services.<sup>116</sup>

### 11.2. Corruption in the health sector

4. Malawi has in the past been ranked as a highly corrupt country and corruption was a major problem under the previous governments, especially in drugs procurement and the supply chain. The World Bank assessed the risk as high when it conducted a Country Procurement Assessment Review in 2004, following a procurement capacity assessment of Ministry of Health and Central Medical Stores in December 2003.
5. Between 1994 and 2005, Malawi progressively became more corrupt. Malawi was said to be losing MK22 million each year through corruption, payments to ghost teachers, rentals for ghost houses and funding for ghost projects. In the 2002 country studies conducted by TI in more than 30 countries in Africa, Malawi was ranked the 11th most corrupt nation on the corruption ladder. Furthermore, in worldwide studies in the same year and involving 102 countries, Malawi was ranked 35th on the corruption ladder.<sup>117</sup>

112 National Aids Control Programme, (2000), *Malawi Strategic Framework for National Response to HIV/Aids 2000–2004: Technical Cooperation Document*, p. 2.

113 National Statistical Office, (1998), "Malawi Population and Housing Census Final Results", press release

114 National Statistical Office and ORC Macro (USA), (August 2001), Demographic and Health Survey, 2000

115 [http://www.who.int/hiv/amds/countries/mwi\\_SurveyUseTRIPs.pdf](http://www.who.int/hiv/amds/countries/mwi_SurveyUseTRIPs.pdf)

116 DFID. Improving Health in Malawi. A Sector Wide Approach Including Essential Health Package and Emergency Human Resources Programme (2005/06 – 2010/11). <http://www.u4.no/themes/health/dfidmalawifinalreport.pdf>

117 <http://www.iss.co.za/pubs/ASR/14No4/EHussein.htm>

6. Since 2004, the country has progressively improved in its corruption ranking. According to TI, Malawi was ranked number 85 out of 178 countries in 2010, from number 89 in 2009 with a 3.4 ranking on the Corruption Perception Index. The Minister of Information and Civic Education, Symon Vuwa Kaunda, in an interview attributed this to the political will of President Bingu wa Mutharika and the vibrant media which exposes graft.<sup>118</sup>

### Box 1: Governance risks and challenges in the health system in Malawi

- Chronic under-funding of the health sector leading to provision of poor quality services
- Inefficient procurement and distribution systems
- Unethical practices that include corruption and pilferage
- Consistent shortages of essential drugs and medical supplies at service delivery points
- Limited pharmaceutical manufacturing base and over-dependence on the importation of medicines from foreign manufacturers
- Inadequate capacity of the Pharmacy, Medicine and Poisons Board to enforce legislation and regulations relating to control of medicines in Malawi
- High poverty rates, and high costs of quality drugs leading the poor to seek cheap and often unsafe options

### 11.3. Ongoing reforms

7. Malawi has in the last decade introduced greater fiscal discipline and fiduciary reforms. A new public procurement system is being implemented. Donors are supporting government plans to institutionalise political reform in the hopes that stronger institutions will make backsliding more difficult. Financial management and procurement procedures have been developed for the Sector-Wide Approach (SWAp), offering safeguards while simultaneously building capacity at central and district levels. These include time-bound Financial Management and Procurement Improvement Plans, a commitment to fill accountant vacancies, independent financial and procurement audits, and long-term Technical Assistants with mentoring, management and supervisory responsibilities.<sup>119</sup>
8. Several strategies are being effected (especially by development partners) to improve the operation of the health system and to combat corruption in the sector. In December 2004 DFID agreed to provide £100 million to the Malawi Government for support to the health sector over a period of six years (2005/2006 to 2010/2011). DFID is pooling its contribution to the SWAp in health with the World Bank, Norway and Sida. Other donors including the Global Fund, USAID, JICA, GTZ and UN agencies which support the health sector through project funding. A Memorandum of Understanding (MoU) governs the relationship between the Government of Malawi and collaborating partners and sets out the different undertakings, governance procedures for the SWAp and capacity-building requirements.<sup>120</sup>

118 Malawi improves on Corruption Index, Dickson Kashoti, The Times, Thursday 28<sup>th</sup> October 2010

119 <http://www.u4.no/themes/health/healthgoodpracticeex5.cfm>

120 <http://www.u4.no/themes/health/healthgoodpracticeex5.cfm>

#### 11.4. Assessing vulnerability in the health sector through the GGM Programme

9. In implementing the GGM at country level, two strategies<sup>121</sup> were identified to fight corruption:
- discipline-based strategy – establishing anti-corruption laws; legislation and regulation for the management of the pharmaceutical sector;
  - values-based strategy – building institutional integrity through the promotion of moral and ethical practices.
10. A three-phase approach was identified by WHO<sup>122</sup> to include:

**Phase I:** National assessment of transparency and potential vulnerability to corruption using the WHO standardised assessment instrument which focuses on the following central functions of the pharmaceutical sector<sup>123</sup>

**Phase II:** Development of a national framework for promoting Good Governance for Medicines in the public pharmaceutical sector – once the assessment is done, defining the basic components of the GGM framework through a nationwide consultation process with key stakeholders. These might include:

##### **Basic components of the framework under Phase II<sup>124</sup>**

- framework of moral values and ethical principles: Justice/fairness, Truth, Service to common, good, Trusteeship;
- code of conduct;
- programme for socialisation of ethical framework;
- promotion of moral leadership;
- established anti-corruption legislation;
- whistle-blowing mechanisms;
- sanctions on reprehensible acts;
- established regulations and anti-corruption procedures;
- collaboration between anti-corruption agencies, CSOs and the private sector;
- management, coordination and evaluation of GGM programme (steering committee and task force).

**Phase III:** Implementing the national Good Governance for Medicines programme that incorporates a fully-integrated institutional learning process in the application of new administrative procedures for increased transparency/accountability and the development of leadership capabilities.<sup>125</sup>

121 WHO: Good Governance for Medicines; Curbing Corruption in Medicines Regulation and Supply. April 2010

122 Ibid

123 World Health Organization. Measuring transparency to improve good governance in the public pharmaceutical sector. Assessment instrument. WHO/EMP/MAR/2009.4.

124 <http://jmsc.asia/6047/wp-content/uploads/2009/11/s16218e1.pdf>

125 <http://www.who.int/medicines/ggm>

**Table 3: GGM 3 Step Approach<sup>126</sup>**

Ministry of Health (MoH) clearance		
Phase I	Phase II	Phase III
National transparency Assessment	Development of a national GGM programme	Implementation of national GGM programme
<b>Assessment Report</b>	<b>GGM framework officially adopted</b>	<b>GGM integrated in the MoH plan</b>

### 11.5. Implementation of GGM Phases I & II in Malawi<sup>127</sup>

11. Malawi was the first country in Africa to start implementing the GGM programme, following a spontaneous request to WHO by the Minister of Health. Two government officials were nominated as well as two assessors from the local Management Sciences for Health (MSH) office. They were trained on the transparency assessment methodology in March 2007, after which a national assessment was undertaken to assist in measuring the level of corruption in the pharmaceutical sector.
12. This entailed an assessment of the level of transparency and potential vulnerability to corruption in a few key functions in the health sector, i.e. medicines registration, control of medicine promotion, inspection of establishments, selection of essential medicines, and procurement of medicines.
13. An assessment report and recommendations were prepared and adopted by a national workshop in July 2007. On 16 May 2008, the Ministry of Health of Malawi authorised WHO to publish the report. This was done in February 2009 and the report was formally launched in July 2009. The assessment showed that key functions of the pharmaceutical sector in Malawi are very vulnerable to corruption, mainly because of a number of lapses in the good governance for medicines mechanisms. The functions found most vulnerable to corruption in Malawi's pharmaceutical sector were drug promotion, followed by drug selection, procurement and registration.<sup>128</sup>
14. Assessing the level of transparency and potential vulnerability to corruption is not an end in itself but rather the beginning of a long process intended to generate good governance in the pharmaceutical sector. Following the adoption of the report at the highest levels of government, a national GGM team was nominated by the MoH, responsible for 1) the development and finalisation of the framework document in consultation with all key stakeholders and 2) the overall management, coordination and evaluation of the GGM programme in each country. The report authorises the GGM team to implement and promote good governance in the pharmaceutical sector. GGM training for Phases II and III was organised to kick-start implementation.<sup>129</sup>

#### 11.5.1. Achievements and lessons from the GGM Programme in Malawi

15. The methodology used is key to ensuring objectivity and accuracy of information. In Malawi, the national assessment was carried out by independent national assessors (NAs), using the standardised WHO assessment instrument. The NAs collected information through a combination of desk research and semi-structured

<sup>126</sup> World Health Organisation. Good Governance for Medicines; Curbing Corruption in Medicines Regulation and Supply. April 2010

<sup>127</sup> WHO Good Governance for Medicines programme progress report , February 2009  
<http://jmsc.asia/6047/wp-content/uploads/2009/11/s16218e1.pdf>

<sup>128</sup> World Health Organisation, Measuring Transparency to improve Good Governance in the Public Pharmaceutical Sector in Malawi. 2008 pg vii

<sup>129</sup> <http://infocooperation.org/hss/documents/s16777e/s16777e.pdf>



interviews with 57 key informants (KIs), organised the data, and analysed it to generate the results, which are presented in a report. This report showed that Malawi has a daunting task in combating corruption and bribery in the pharmaceutical sector. The study results show that generally, the sector suffers from significant vulnerability to corruption (a score of 3.36 on a 1.00 to 10.00 rating scale). Some key functional areas exhibit very low levels of transparency due to poor good governance mechanisms while other areas barely have any mechanisms for transparency and good governance.<sup>130</sup>

16. **The assessment came up with key recommendations** which have given a lot of guidance in the fight against corruption in the health sector in Malawi. These include:<sup>131</sup>

- The need for increased information-sharing within the pharmaceutical sector through training and motivation of those directly or indirectly involved with medicines;
- Government should provide Standard Operating Procedures (SOPs) and guidelines on conflict of interest (COI) in written form (including procedures to be followed in the process of declaring COI and clear, simple forms to be completed by those involved);
- These prerequisites should be publicly available and easily accessible;
- Government should ensure the promotion of proper, publicly-available and speedy public tendering procedures for medicines;
- Government should ensure that there is improved communication with all institutions involved in medicine registration, promotion, inspection, selection, procurement and distribution.

17. As a result of this transparency study, the Government of Malawi has a better idea of the vulnerable areas in the health system and can plan better so as to stamp out corruption and provide better quality health services to the population. As part of the reforms, government has begun to put in place mechanisms to ensure the availability and accessibility of essential drugs and the strengthening of institutional capacity for monitoring of drugs distribution and quality. Following the successful conclusion of the assessment stage, GGM training for Phases II and III was organised and is underway.

### 11.5.2. Lessons identified <sup>132</sup>

18. The GGM assessment/process is not a once-off but a long term intervention that requires commitment at all levels. In Malawi, the process between the assessment in 2007 and its adoption in 2009 was lengthy and it is important to acknowledge that some countries need more time than others, depending on their political situation and the availability of human resources to carry out GGM activities.
19. High-level commitment and political buy in and ownership at the highest levels of government is crucial for the success of the programme. In Malawi, the Minister of Health and the President invited WHO to implement this programme and took interest to ensure a credible assessment was conducted. High-level commitment has proved to be beneficial, not only for giving the high-level profile such a sensitive programme ought to have, but also for ensuring its sustainability.
20. Partnering with national anti-corruption or good governance bodies is extremely valuable, together with constant communication and discussion of issues and staff training. In Malawi, the teams undertook a series of training sessions both in-country and elsewhere.

130 Ibid

131 Ibid

132 WHO Good Governance for Medicines programme progress report , February 2009  
<http://jmsc.asia/6047/wp-content/uploads/2009/11/s16218e1.pdf>

## 12.0. Case Study Tanzania: Strengthening institutional capacity of the Tanzania Food and Drug Authority through the WHO-HAI Africa Regional Collaboration for Action on Essential Medicines

### 12.1. Overview of the pharmaceutical sector

1. The total medicine budget for Tanzania's public sector for the year 2000 was \$14.1 million. This amount had increased to over \$31 million and \$44 million by the years 2006 and 2008 respectively. The procurement, supply and distribution systems in the public sector are through the Medical Stores Department (MSD) that receives orders from regional, district and mission hospitals. Procurement is done through a competitive tender system. MSD procures at prices that are below international reference prices, but overall availability of medicines in the public sector is around 70 percent. Major problems include poor transportation and infrastructure, which affect the distribution process. Local manufacturing of pharmaceuticals remains inadequate to meet national demand. About 70 percent of the country medicinal needs are imported.<sup>133</sup>
2. Tanzania Food and Drug Authority (TFDA), established in 2003, regulates various aspects of pharmaceutical sector activities, food, cosmetics and medical devices. The Pharmacy Council, established in 2002, regulates pharmacists, pharmaceutical technicians and pharmaceutical assistants. The number of pharmaceutical personnel in both the private and public sectors is grossly inadequate. The overall enrolment capacity of the five existing training institutions is about 90 students for degree course, 40 for diploma and 20 for certificate.

### 12.2. State of corruption in the health sector in Tanzania

3. The Tanzanian health sector is an area prone to corruption. It was ranked third<sup>134</sup> in the list of sectors with the highest incidence of corruption. Corruption is often manifested at the lower level and involves staff at public health facilities who receive bribes as a supplement to their meagre income. Individuals are often forced to pay for services that should be free or only require small payments. . Patients pay bribes in almost all hospital departments; the outpatient, laboratory, x-ray, labour ward and mortuary being notorious. The pharmacy and the general wards are also not free from corruption. In fact, there is no 'corruption-free zone' as it is often claimed.<sup>135</sup>
4. At the higher level, corruption in the health sector mainly involves the payment of big sums of money by rich individuals and institutions to some corrupt government officials in order to win tenders for the supply of pharmaceuticals, medical equipment and supplies. As a result of this unfair competition among bidders, the government does not get the supplies worth the money it pays.<sup>136</sup>
5. The key corruption risks and challenges in the Tanzanian health sector include: <sup>137</sup>
  - a) **shortage of medicines** and other medical supplies as a result of a small budget allocation;
  - b) **surgical operations** - At some stage, hospitals were forced to do away with elective surgery and perform emergency operations only, creating room for corruption;

133 WHO. United Republic of Tanzania Country Pharmaceutical Profile and NPO, 2009

134 The Presidential Commission of Inquiry against Corruption (Warioba Commission), December 1996.

135 Ibid.

136 Mwaffisi, M.J. (Permanent Secretary, MOH, Tanzania) Corruption in the Health Sector, the 9<sup>th</sup> International Anti corruption Conference, 1999.

137 Ibid

- c) **excessive red tape and long queues** - Certain medical processes and procedures are unnecessary. Combined with shortages and inefficiency, these procedures result in long queues that create an environment for soliciting and giving bribes;
- d) **poor salaries for health workers** - At one point, the Tanzanian government decided to allow doctors working in government to open private clinics and engage in private medical practice after their official hours of service, in a bid to increase their income while retaining them in government service. However, this move has had some negative consequences:
  - doctors spend some official hours in their private clinics, leaving patients in public service facilities unattended;
  - doctors use public facilities and medical supplies to treat their private patients, who often get priority service over others;
  - doctors use public facilities as a conduit to channel clients to their private facilities;
  - doctors prescribe medicines that they know are not available in government facilities and advise patients to procure them in their facilities;
  - increasing theft of medicines and equipment from public health facilities. Due to these unwanted consequences, the government is now rethinking this policy decision.
- e) **Poor management and supervision** of health workers leaves them unchecked to do as they please. There is a general breakdown of moral ethics that is making professionals feel comfortable enough to break the very code of ethics that gave them their credibility and identity;
- f) **Lack of information** - As regards services provided, where and when they are provided, who provides them and procedures to be followed. This creates an environment for soliciting and paying a bribe;
- g) **Weak institutional capacity** for monitoring and enforcement.

### 12.3. Strengthening institutional capacity through the WHO-HAI Africa regional collaboration

6. WHO-HAI Africa Regional Collaboration for Action on Essential Medicines in Africa 2002 – 2008<sup>138</sup> programme was financed by DFID through a contribution of £6 million. The program has reached 15 countries: Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Mali, Nigeria, Rwanda, Senegal, Tanzania, Uganda and Zambia. In three countries (Ghana, Kenya and Uganda), an even closer collaboration with civil society has been implemented.
7. The program uses a model of cross-sector partnership-building to make progress in the five areas that are vital for securing safe and accessible medicines: implementation and monitoring of medicines policies; advocacy for fair financing and affordability; well-functioning medicine supply systems; safety regulations and quality assurance; and promoting rational use of medicines. In addition to supporting country policies and programmes, increasing the mutual engagement of government and civil society, the collaboration has also created a network of National Professional Officers (NPOs) who provide technical support and pharmaceutical expertise in each of the 15 countries<sup>139</sup>.

138 WHO-HAI Africa Regional Collaboration for Action on Essential Medicines in Africa 2002-2008 Evaluation report to DFID, August 2009

139 [http://www.who.int/medicines/areas/coordination/who\\_hai\\_partnership/en/index.html](http://www.who.int/medicines/areas/coordination/who_hai_partnership/en/index.html)

8. In Tanzania, the focus has been on strengthening capacity for implementation and performance in the major agencies responsible for procurement and supply management (Medical Stores Department), and for product quality and safety (TFDA). Data collection and the evidence base for the sector have been strengthened. For the first time there have been methodologically-sound assessments conducted of the pharmaceutical situation, of procurement systems, and of medicine availability and affordability. The programme has prioritised capacity-building and technical inputs to policy, regulation, procurement and supply management, pharmaceutical situation assessment and research to improve the evidence base for access (availability, affordability and price surveys).<sup>140</sup>
9. Furthermore, Tanzania is the only NPO country without specific funding for civil society collaboration to have started medicine price and availability monitoring activities with HAI Africa, a project delivered by the pharmacy department at Muhimbili University and the faith-based sector's coordinating body, supported by HAI Africa and WHO.

#### **12.4. Case study of the Tanzania Food and Drug Authority (TFDA)**

10. Tanzania's fight against corruption in the health sector has been aided by WHO's contribution to the successful reform of regulatory bodies. This has been done through the separation of the Pharmacy Board into the Pharmacy Council and the TFDA, which is showing much-improved performance and transparency through for example its new quality management system and website. Medicines are now routinely tested at borders and importation sites, and facilities inspected for GMP. Industry clients (e.g. as represented by the Tanzanian Association of Pharmaceutical Industries) report improved services, in terms of both quality and efficiency, of the registration process. It was set up by the Tanzania Food, Drugs and Cosmetics Act, 2003, and inherited functions of the defunct Pharmacy Board.<sup>141</sup>
11. WHO and others such as MSH through its SEAM programme have contributed to developing capacity within the TFDA, which is now regarded as one of the strongest regulatory bodies in the East African Community. Processes are supported with WHO's normative guidance on regulatory function, training and technical assistance. Tanzanian inspectors are now participating in WHO Geneva's team, in the prequalification programme. Training has included effective drug registration (focus on bioequivalence), guidance on drug donations, safe disposal of medicines and quality assurance for drug inspectors. Quality assurance monitoring systems have been introduced for ARVs and anti-malarials and a new quality management system for product registration, clinical trials and procurement. Commercial clients report better satisfaction with the process, although some delays still occur.<sup>142</sup>
12. By setting up the TFDA and strengthening its internal systems, Tanzania made a major effort to strengthen its regulatory capacity in pharmaceuticals. Like imports, local products must now be registered. The registration system was weak before 1999, with hardly any quality control of drugs (Center for Pharmaceutical Management, 2003). Some manufacturers are believed to have taken advantage of the lax quality control administration and supplied substandard drugs to the market. Registration is for five years after which products must be re-registered.<sup>143</sup> There is also increased transparency with all bid documents publicly displayed online. The TFDA also keeps an updated list of all registered manufacturers, also available online.

140 WHO-HAI Africa Regional Collaboration for Action on Essential Medicines in Africa 2002-2008 Evaluation report to DFID, August 2009 pg 26.

141 WHO-HAI Africa Regional Collaboration for Action on Essential Medicines in Africa 2002-2008 .Evaluation report to DFID, August 2009 pg 37.

142 Ibid

143 Chaudhuri, Sudip; Mackintosh, Maureen and Mujinja, Phares G M (2010). Indian generics producers, access to essential medicines and local production in Africa: an argument with reference to Tanzania. *European Journal of Development Research*, 22(4), pp. 451–468. <http://oro.open.ac.uk/26384/2/FD41259A.pdf> Interviews with TFDA officials 29 September, 2006 and 10 and 13, June, 2008.

13. The TFDA's strengthening of the registration system based on plant inspection has substantially improved the quality of privately-marketed drugs.<sup>144</sup> Some of the international traders who used to get products manufactured from abroad on contract basis disappeared. Both local and foreign manufacturers have been forced to upgrade. Problems do persist, as Bate et al. (2008) found for anti-malarial drugs in private urban and peri-urban retail markets in six African countries, including Tanzania. The TFDA's resources are limited and its standards are not as elaborate as those in the United States and Europe.
14. There is also need to strengthen the TFDA's capacity to monitor not just specification of standards, but also whether manufacturers are following proper procedure and abiding by safeguards to produce drugs which are safe and effective - and if not to take corrective action.
15. The structure and functions of the TFDA make it a very effective body able to carry out its mandate and not simply exist as a paper tiger. This is manifested by the directives it publicises in various press releases<sup>145</sup> such as the one posted on its website on the 17 January 2011, where it temporarily suspended the manufacturing, importation, distribution, sale and use of certain substandard medicines.

144 Chaudhuri, Sudip; Mackintosh, Maureen and Mujinja, Phares G M (2010). Indian generics producers, access to essential medicines and local production in Africa: an argument with reference to Tanzania. *European Journal of Development Research*, 22(4), pp. 451–468. <http://oro.open.ac.uk/26384/2/FD41259A.pdf> A consensus among a wide range of interviewees and interests.

145 <http://www.tfda.or.tz/>

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