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# Combating Corruption through Improved Administration: the Local Governance Program in Iraq

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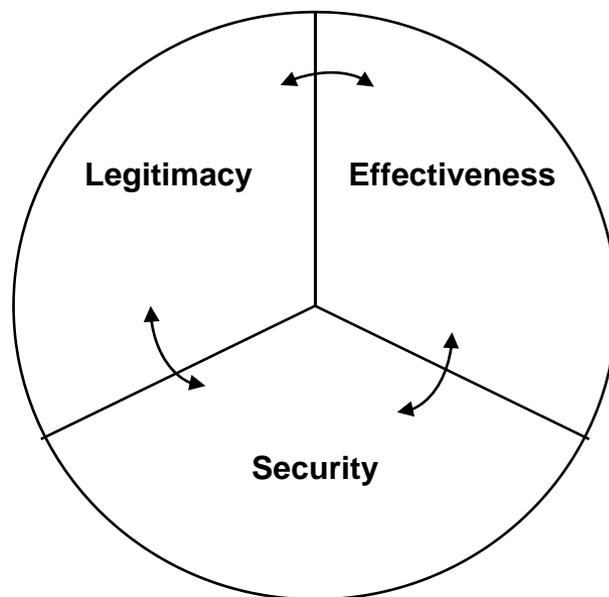
# Governance challenges in fragile states

- Fragile states face three governance deficits.
- These include:
  - Security: failure to protect people and property.
  - Effectiveness: failure to provide basic services and economic opportunity.
  - Legitimacy: failure to provide responsive and accountable government, protection of basic rights, representation and inclusiveness for all citizens.

# Connections among the governance deficits

## State-society linkages

- Processes, structures, institutions
  - Inclusion
  - Equity
  - Transparency
  - Accountability
  - Responsiveness
  - Individual/group rights
  - Formal-informal
- Extra-state relations: Representing citizen interests vis-à-vis:
  - Other states
  - Non-state transnational actors



## Government steering & rowing

- Government as guarantor of:
  - Services
  - Welfare
  - Economic opportunity
- With delivery by:
  - Government
  - NGOs
  - Private sector

## Social contract

- Rule of law
- Human rights
- Coercive power

# Corruption in post-conflict states

- Affects all three governance dimensions
- Security: black market, criminal activity
- Effectiveness: siphons off externally provided reconstruction and country resources
- Legitimacy: negatively affects citizens' perceptions of government and public officials, reduces trust and support for government, promotes cynicism

# Donor responses to corruption in fragile states

- Bypass government and channel reconstruction resources directly to NGOs and contractors
- “Ringfence” resources through special mechanisms, for example:
  - Liberia: GEMAP (Governance and Economic Management Assistance Program)
  - Afghanistan: ARTF (Afghanistan Reconstruction Trust Fund)
- Build financial management and control capacity
- Create political will to fight corruption

# Iraq Local Governance Program Overview

- LGP1: April 2003-May 2005, LGP2: May 2005-December 2008
- LGP2 activities:
  - Improve the efficiency and effectiveness of local government (planning, budgeting, technical, and administrative)
  - Capacity building for provincial and district councils
  - Create an enabling environment for sub-national government (legal and regulatory framework)

# Local Governance Program Overview 2

- LGP on behalf of USAID provides 80 out of the 330 technical advisors on PRTs
- LGP present at 14 PRTs; 12 out of 13 embedded PRTs
- Five Regional Service Centers - 17 Expatriate and 460 Iraqi advisors
- LGP partners: RTI, Bearing Point, Creative Associates, International County/City Management Association, VNG International

# LGP activities relevant to anti-corruption

- Administrative systems strengthening: transparency and controls
  - Budget planning and financial tracking
  - Procurement and contracting
- Oversight and accountability (executive agencies and elected officials)
  - Council websites
  - Project and financial monitoring
  - Participatory planning and citizen consultation (Provincial Development Strategies)

# Activity details: project and financial monitoring

- Provincial FMIS
  - Goal is to produce reports for MOF and Councils
  - Simple computerized accounting system to replace handwritten account books
- Accountability
  - Governor's office staff and ministry directors general provide technical oversight and contract sign-off
  - Integrity committees of the councils provide ex-post oversight of project outcomes
- Training for provincial senior staff in accounting and accountability.

# Activity details: support to district governments

- Management of professional staff
  - Finance advisors, mapping advisors, planners, engineers
  - In Baghdad and Anbar, administrators
- Training for councilors and municipal staff
  - 3,600 + persons trained in 07-08
  - Council operations, policy reform, public administration, revenue raising, budgeting and accounting, project oversight and accountability, provincial development strategy
- Technical staff training
  - Water treatment plant maintenance, sewer lines and pumps, street and bridge repair, canal maintenance
  - Facilitation of the private sector as primary implementer

# New LGP add-on: Accountability Program

- Launched in May 2008
- Builds on work done on financial systems and computerized accounting.
- Targets:
  - Installation and operation by 360 provincial accounting unit staff in 15 provinces of new accounting system
  - Training for 360 provincial and district project implementation unit staff in project monitoring and oversight
  - Training in budget and project oversight for 480 newly elected provincial council members
  - Three regional conferences on oversight of public funds

# Administrative approach to anti-corruption: pluses and minuses

## ■ Positives

- Integrates anti-corruption into public management systems and procedures
- Builds local capacity
- Enhances prospects for sustainable change
- Engages country actors in systems design, roll-out, and implementation

## ■ Negatives

- Systems without attention to incentives are unlikely to change behaviors
- Potentially long timeframe to build sufficient capacity to realize anti-corruption impacts
- Vulnerable to politics and patronage

For more: <http://www.lgp-iraq.org/>

