



# DFID's Anti-Corruption Strategy for Sudan

January 2013

## Introduction

1. Corruption can broadly be defined as the abuse of entrusted power for private gain. The word can cover a whole range of abuses. On one level it can refer to the risk of taxpayers' money in DFID programmes being fraudulently spent or stolen. On another level it can refer to corruption within a country and its institutions, with the negative impact that this has on development prospects. DFID sets the highest standards for the manner in which its own money is spent. Through its development programmes, DFID also works to reduce the prevalence of corruption in each of its partner countries.
2. In November 2011, the **Independent Commission on Aid Impact (ICAI)** reviewed DFID's approach to tackling corruption. It found that DFID had a good awareness of the fraud risks and seeks to safeguard UK funds through appropriate choices of funding channels and programme design, and often played a leading role within the donor community on anti-corruption work. It did however recommend that in any country assessed as having a high risk of corruption, DFID should develop an explicit anti-corruption strategy. As part of its response, DFID is producing anti-corruption strategies for each of its main partner countries. This strategy sets out how DFID will (a) safeguard UK taxpayers' money and (b) support efforts in Sudan to reduce corruption and its impact on development over the next three years.
3. The UK Government is committed to **transparency, results and value for money**. To make it easier for taxpayers and citizens in its partner countries to 'follow the money', DFID now publishes details of all its new programmes and of all transactions over £500 on the DFID website (<http://www.dfid.gov.uk>).

## Protecting UK Aid funds in Sudan

4. Sudan is considered a very corrupt country. It is ranked 173 out of 176 on Transparency International's Corruption Perceptions Index 2012 (CPI) and comes into the bottom 4.3% of countries in the World Bank's Control of Corruption Index. There has been a marked deterioration since 2000, when Sudan was rated in the bottom 23.9%. The Global Corruption Barometer reports that 67% of respondents believe that corruption has increased in Sudan over the past three years.

5. The UK's work in Sudan focuses on responding to the underlying causes of conflict and its impact on the poorest and most vulnerable. DFID Sudan's budget is £150 million between 2012/2013 and 2014/2015. DFID uses a number of channels and partners. The funding channels chosen are based on thorough analysis of whichever is judged to achieve the best results. The UK does not channel any money through the Government of Sudan, but will continue to work through organisations which have robust financial and procurement management systems. At present, this is principally:
- International organisations such as the UN and the World Bank (77%). These organisations work with a range of partners including local non-governmental organisations and different levels of government. They provide humanitarian assistance and basic services like access to water, health and education, promote good governance and rule of law, and help build local capacities to do the same.
  - International Non-governmental Organisations (9%). These organisations work directly with Sudanese communities and local organisations. They provide humanitarian assistance and help communities recover from conflict by providing access to health, water and education and improving livelihoods at the local level.
  - Commercial service providers (14%). These are experts contracted following rigorous and transparent international competitive tendering. They provide dedicated specialist expertise – local and international - that would otherwise be unavailable to either the government or DFID. These services range from conducting external evaluations, to providing targeted training, for example on security sector reform.
6. DFID has a range of standard **controls and measures in place to protect UK aid**. These include rigorous risk assessments and monitoring requirements for all projects and programmes. Regular internal and external audits add a further level of assurance that money is spent on the purposes for which it is intended. DFID is continually strengthening its risk management procedures, and has recently brought in additional measures including: more detailed fraud and corruption risk assessments in programmes; enhanced pre-funding 'due diligence' checks on partners; and specialised training for staff. Where there is suspicion of corruption and fraud DFID will always follow up; and if fraud or corruption is uncovered DFID will always take action and work to recover UK taxpayers' money.
7. In Sudan, DFID will continue to ensure integrity and value for money through the above, and in areas such as:
- Continuous analysis of programmes' vulnerability to fraud and corruption, and a new systematic assessment of the relative risks across programmes, so that staff resources are focused where risk management is needed most.
  - Using new and innovative ways to check the information that DFID receives on its programmes, particularly from parts of the country which are difficult to access, such as Darfur where there is ongoing conflict. This will include ensuring that Sudanese citizens are better able to report back on what they receive from DFID programmes.

## Supporting efforts to reduce corruption in Sudan

8. DFID Sudan's response to corruption and fraud will focus on protecting UK tax payers' money. In addition, DFID will also help tackle corruption through:

- Building political commitment to increase accountability, which may include support to oversight institutions such as Sudan's Supreme Audit Institution, the Anti-Corruption Bureau or the National Election Commission. It will also include calling more frequently for corruption to be tackled in regular direct dialogue with government, including in discussions at federal and state level.
- Press for more accountability within the sectors in which DFID works— for example the justice sector, the private sector and the water sector. DFID will work with counterparts as they seek ways to control the problem.
- Improving transparency and accountability by strengthening public financial management and citizen oversight at the local level. This will allow citizens to have a greater say in what is important for them, to check the quality of services being delivered and helping money to go where it is most needed. For example, DFID Sudan's new water project in Eastern Sudan will engage community members in the oversight of services so that people have a say in how water provision is managed.
- Improving the information available on the nature and impact of corruption. This will help to motivate action, as well as making government more accountable to its citizens. DFID will also develop and maintain regular monitoring and analysis of the corruption situation.
- Ensuring that any new DFID programmes in Sudan take account of the wider corruption context in Sudan. Where possible, DFID will go beyond protecting UK aid funds and design programmes so as to improve transparency and accountability in Sudan, including through beneficiary monitoring.
- If international corruption cases arise in Sudan, and the UK is able to assist, for example because the proceeds of corruption have been laundered through the UK, or because bribery cases involve British businesses in Sudan, it will do so.

## More information

On the country programme is available on the DFID website at: [www.dfid.gov.uk/sudan](http://www.dfid.gov.uk/sudan)

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