



# DFID's Anti-Corruption Strategy for Ghana

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 Ghana 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 Ghana

4. Ghana was ranked 64 out of 179 (where 1 is best) in Transparency International's Corruption Perceptions Index in 2012<sup>1</sup>. The World Bank's Control of Corruption index<sup>2</sup> also ranks Ghana as better than 62% of countries. However, national surveys show a rising trend in perceived and reported corruption. A recent poll found that 60% of Ghanaians said they had paid a bribe in the last year, and as many as 80-90% of respondents said they believed key public institutions (government, police, judiciary etc) were corrupt, which is a much higher figure than a decade ago.

<sup>1</sup> [www.transparency.org/cpi2012/results](http://www.transparency.org/cpi2012/results)

<sup>2</sup> [http://info.worldbank.org/governance/wgi/mc\\_chart.asp](http://info.worldbank.org/governance/wgi/mc_chart.asp)

5. DFID Ghana's budget in the three years from 2012/13 to 2014/15 is £250 million. DFID uses a variety of channels and partners for this assistance. In each programme, careful thought is given to which channel is likely to prove most effective. Most support goes via the Ghana government, reflecting successive governments' commitment to improving public financial management and implement effective policies and programmes to tackle poverty and achieve the Millennium Development Goals. Distribution of DFID's support is:
- Through Ghana government (65%): DFID provides earmarked funding to specific sectors (education, health, cash transfers for the poorest people) to add to the government's own resources in support of national programmes. DFID also provides assistance directly to the government's central budget, though funding through this channel is declining. In addition DFID supports programmes that enable government to address specific issues, such as tackling malaria, increasing family planning, ensuring girls complete school, strengthening the management of public finances, contributing to successful elections, and improving the investment climate.
  - Through international organisations such as the World Bank and UN and non-governmental organisations (20%): Through these partners DFID is providing support to the Ghana Statistical Service, an integrated rural development project in the North of Ghana, to female parliamentarians and to girls in school.
  - Through commercial service providers (15%): 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. In Ghana, commercial service providers are managing support to increase the incomes of poor people in the North of Ghana, to civil society organisation holding government to account, assistance to give children who missed out on going to school a second chance, and large, technical evaluations of a few programmes.
6. DFID has a range of standard **controls and measures in place to protect UK aid**. These include rigorous risk assessments and monitoring and audit requirements for all 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.

In Ghana, DFID will continue to ensure integrity and value for money through the above, and in areas such as:

- Conducting 'Fiduciary Risk Assessments' of the Government of Ghana's financial systems for all programmes that provide funding directly to the government. These assessments (which are standard across DFID) check the credibility of government partner systems and identify appropriate safeguards.
- Carrying out more frequent unannounced spot checks of programmes to assess progress, to review financial accounts and assets registers.
- Supporting the use of new technology, for example helping government to trial making cash transfer payments by mobile phone to transfer money directly to beneficiary families, reducing costs and transaction risks and providing a means by which people can report any problems.

- Sharing best practice and lessons on managing fraud and corruption risk, and so continuing to improve knowledge and skills.

## Supporting efforts to reduce corruption in Ghana

7. Over the next three years, DFID will support Ghana in tackling corruption through:

- Supporting civil society organisations that campaign for more transparency and that seek to hold government to account for their actions and spending.
- Offering new assistance for the Select Committees of the new parliament that takes up office in January 2013, so they can fulfill their role effectively in scrutinising government policy and spending
- Offering new assistance specifically on anti-corruption, including to the Ghana Revenue Authority (which has responsibility for collecting taxes), and to institutions involved in investigating allegations of corruption and punishing wrong-doers.
- Continuing to help Ghana's government strengthen its public financial management, tackling waste and fraud, and offering new assistance to strengthen its capability to manage new oil and gas resources effectively to the benefit of all Ghanaians.
- Strengthened UK political dialogue on grand corruption, including money-laundering, illicit drugs trade and procurement.
- Working with health and education ministries to strengthen their capability to secure better value for money and eliminate fraud, including finding new ways of involving Ghanaian citizens in monitoring public services.

### More information

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

Media enquiries: [pressoffice@dfid.gov.uk](mailto:pressoffice@dfid.gov.uk)

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