

# Special Development Situations

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## 5. Special Development Situations

Asia Pacific has been the scenario of various conflicts and natural disasters. High profile recent cases such as the Indian Ocean Tsunami 2004 and the South Asia Earthquake 2005 have attracted considerable attention from the media, facilitating fundraising and attracting generous amounts of aid – which have opened up new avenues for corruption as standard operating procedures no longer operate. The diversion of humanitarian aid through corruption assumes a legal and ethical dimension, since it undermines the very spirit of humanitarian action to ‘help’, instead in turn jeopardizing livelihoods and putting human lives under greater risk.

### 5.1 Discussion Questions

#### *Objectives of the discussion*

- o To understand the vulnerability of special development situations (SDS) to corruption, due to the complexity of systems by which special development situations takes place, variety of actors involved in it and the type of emergency to which they are responding.
- o Obtain ideas on innovative and creative solutions to mitigate the effect of corruption on the poor and disadvantaged groups.

#### *Questions to guide the discussion*

- o Why are countries in special development situations prone to corruption?
- o Do you have examples/case studies of any NGOs, governments or donors that have been implicated in corruption?
- o Are there best practices?
- o What are some measures that could be implemented to reduce corruption in SDS?
- o To which extent can human development (access to information etc.) contribute to addressing corruption in SDS?

### 5.2 Contributors

Responses were received, with many thanks, from:

Christian Lemaire, UNDP Indonesia

### 5.3 Online Discussion

**Christian Lemaire, UNDP Indonesia**, wrote:

**Facilitator’s note:** *Christian Lemaire suggests that rebuilding after disaster situations could actually provide distinctive opportunities for transforming corrupt situations, by exploiting the charged environment that prevails. There are serious challenges: to also guard against ‘the means*

*corrupting the end' and against exacerbating existing problems when institutions are suddenly torn apart, and expediency inclines donors to turn a blind eye, simply to keep chaos at bay and save lives. Will corrupt officials exploit the changed environment, or will donor affinity be shaped by 'strategic means transforming the end'?*

Earlier discussions have highlighted the pervasiveness of corruption in the societies of the region and the fact that the price of corruption is mostly paid by the poor. When such a society is confronted with a disaster (be it one caused by nature or political/civil upheaval) and falls in an SDS, one can contemplate on the extent of the aggravation the new parameters will have on an already existing problem. Will the new emergency erase previous efforts at fighting corrupt practices in the various sectors of the economy and will the sudden institutional weakening and/or the breakdown of law and order promote expediency at the detriment of efficiency? Will the donors be more inclined to turn a blind eye on corrupt practices in order to expedite aid deliveries, keep the peace at all cost, and save lives? Will corrupt officials have a field day in the new environment? And will the means ultimately corrupt the end?

Well-meaning emergency responses do not need to be less principled. It is essential that the same message prior to the emergency is conveyed early, in the response to the disaster, as it relates to the continued unacceptability of unethical and illegal behaviour as well as would be profiteers. There is a need for a well-publicized, standard code of conduct applicable to all intervening parties, which will leave no doubt on the policy in place during the period of emergency as well as the ensuing SDS. Reconstruction will be at stake.

One could even be tempted to argue that, given the long, difficult and not necessarily successful struggle against corruption having taken place in normal circumstances before the onset of an SDS, the disaster may also provide unique opportunities for change and what is commonly referred as 'building back better'. This is not a cynical or insensitive position but one that considers the inevitability of the new situation and tries to put a positive spin to an otherwise tragic event. There is all the more reason for upholding and promoting high moral and ethical standards right from the emergency response phase.

When disaster of any kind strikes, local institutions and capacities may be unable to function normally, followed by a period of weakness and rehabilitation (SDS). CSO's may have better survived the disaster or had a quicker recovery, and may find themselves at the forefront of emergency response and reconstruction/peace building. This is another huge opportunity for strengthening their capacities and watchdog roles against corruption. Even during emergencies,

they can provide a channel for reporting and exposing corrupt practices and it is essential that donors be seen as openly supporting their role. As conditions return to normal, then CSO's may have gained more credibility and respect in their watchdog role and other independent forces such as the media, judiciary and law enforcement agencies can be brought to bear on the side of investigation, prosecution and reparation.

### *Closing message*

Dear Network members,

The deadline has now passed for this sub-section. Perhaps the small number of postings has helped to spell out the difficulty of this topic for many agency people – difficult because situations like the Indian Ocean tsunami are acutely painful environments to work through; difficult because handling massive amounts of cash (including personal donations) transfers enormous responsibility, heightened when the work is in countries that have a reputation for corruption; difficult because there is acute time pressure on spending the money, requiring too-quick decisions about who to recruit and procure from, with limited data and local knowledge (under intense media spotlight); difficult because the transfer of goods is invariably in volatile security environments; and difficult because competition between different agencies are contesting shares in an intense donation market. What actions can be taken to develop policies and mobilise funds to promote agencies and staff who decide to tackle corruption? UNDP is launching websites that enable governments and communities to monitor spending on reconstruction projects. What other steps are needed?

What actions can be taken to ensure the groundwork and risk assessments are not too hasty but are effective? Transparency, consistent application of rules, publicity – all these help; but administrative processes alone will not win the fight. Local communities' involvement is essential for transparency, rules and publicity to work. Only when combined with systematic community engagement (particularly involving recipients) will administrative actions be able to tackle diversion. Local engagement is critical for watching over who receives benefits and how much, and who gets the jobs or takes the kickbacks. This also involves communicating easily understood information to communities about the projects, and what relief they can expect, and what compensation they are entitled to. These measures cannot guarantee the military will not levy taxes on vehicles trucking in supplies, or that officials will inflate how many people need aid in their districts, or that people will resell the goods in the market, or that expatriates will divert assets or take kickbacks. But if the interim goal is to get agencies talking about this problem, and to support those who do something, then we could expect the beginnings of a different culture or set of expectations when \$11 billion or so next flows into

an emergency situation. Corruption is only inevitable if people deny it is happening. Accepting that it occurs, and providing support to agency people who take the first steps against it will enable environments far less conducive to corruption. And this will save more lives.

The next topic will be announced in a follow-up email. It is on the natural resources sector. And to up-date you on remaining topics: the NR topic will be followed by Police and Judiciary, and then the forum will be completed by a discussion on Localisms.

Thank you all for your continued interest, and Christian Lemaire for his observations.  
Jim Chalmers