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Humanitarian
Policy Group

Corruption perceptions and risks in humanitarian assistance: a Liberia case study

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Acknowledgements

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1. Introduction

This study sets out to examine the risks of corruption associated with the delivery of humanitarian assistance in Liberia and how such risks can be managed and minimised in the future. It is based on a short field visit to Monrovia and a limited number of interviews with members of the local population as well as with aid agency staff in the city. This study is by no means exhaustive or comprehensive, but is intended to serve as a starting point for a more open discussion of corruption risks by humanitarian actors in Liberia, and as a contribution to a wider HPG research project into the risks of corruption in emergency relief.

Liberia has been devastated by conflict in the past two decades. This conflict has caused immense suffering for the civilian population. Humanitarian assistance was desperately needed and life-saving when it could be delivered effectively—but it was often insufficient. Since the signing of peace accords in 2003, humanitarian actors have also been involved in providing much needed support to an ongoing process of recovery. This assistance has been delivered in difficult and frequently dangerous circumstances by aid agencies that often lacked sufficient funding to meet the enormous needs. The fact that this report focuses on corruption risks should in no way be seen as an attack on or as undermining the humanitarian imperative. The fact that some assistance may have been corruptly diverted does not mean that it was not needed. This report aims to promote the more effective delivery of much needed assistance. It is precisely because the needs were so great and resources so limited that any corrupt abuse of assistance was particularly problematic.

Corruption is a difficult and sensitive issue. The research conducted for this report was not investigative. The report does not make any judgements about whether corruption occurred in particular instances or agencies, or about the overall extent of corruption. Names and contexts have been removed where appropriate in order to ensure the confidentiality of agencies and the people interviewed.

Humanitarian action often takes place in difficult and challenging environments such as Liberia in which the risks of corrupt abuse and diversion of assistance are high. Most aid agencies have protocols designed to address such risks, but more could be done to strengthen them to ensure that management systems are in place to minimise and deal with risk, and to share learning and good practice between agencies. Progress, however, is constrained by the understandable sensitivity on the part of organisations about any open discussion of the challenges posed by corruption for fear that openness about corruption could undermine public support for humanitarian action. This silence, however, inhibits the sharing of learning and good practice.

The Humanitarian Policy Group at ODI is currently engaged in a research project focused on the issue of corruption in emergency relief. This work aims to engage humanitarian aid actors in a process of research and policy development around anti-corruption initiatives, and to develop tools and good practice. Work completed thus far or currently under way includes papers on managing and mapping the risks of corruption (Willits, King and Harvey, 2005; Ewins et al, 2006). In addition to this study, a similar case study has been carried out in Afghanistan (Savage and Delesgues, forthcoming) and one is planned for Zambia.

This work is intended to be a constructive contribution to the better management of corruption risks inside aid agencies. The aim is therefore to promote:

- Greater understanding in aid agencies and among their staff about the key risks of corruption;
- The sharing of learning and existing tools, systems and policies for minimising corruption risks and dealing with corruption when it occurs.
- Thinking about how to improve tools, systems and policies in order to minimise and manage corruption risks.

The study was conducted in partnership with Oxfam with funding from the European Commission Humanitarian Aid Office (ECHO).

The remainder of this section outlines how the study was carried out and the methodology used. Section 2 provides a brief introduction to the Liberian context. Section 3 focuses on disaster-affected populations' perceptions of corruption with respect to humanitarian assistance. The views of aid agency staff about corruption risks and the adequacy of the systems in place to minimise them are addressed in section 4. Section 5 presents conclusions about the implications for humanitarian agencies and actors, as well as some suggestions for the next steps to take.

1.1 Methodology

The study was designed to answer three key research questions:

- What are the main features, risks and perceptions of corruption in relief responses in Liberia?

- What are the systems in place to minimize corruption risks in such responses and how effective are they?

- What further steps could be taken to minimise corruption risks in the relief response?

The research conducted for this study relied on a range of qualitative methods in order to answer these questions. These had two distinct components: work with people affected by displacement, such as internally displaced persons (IDPs), refugees, and hosts (those who received assistance); and work with aid agency staff at the headquarters level (those who delivered assistance). The research was carried out over four weeks in November 2006 by a team from HPG and a local research organisation, Initiatives for Positive Change (IPC).

The research with aid agencies was carried out using in-depth one-to-one interviews with past and present staff members in a variety of positions. These included management and non-management functions from both senior and front-line positions in the organizational hierarchy. Twenty-four interviews were carried out with international and local staff. A half-day meeting was held with interested senior managers, at which the research project was presented, the initial findings of the case study were discussed, and the primary concerns and issues affecting corruption risk management were collectively discussed.

This study of aid agency staff was complemented by interviews with a donor, and two international businesses that provide goods and services to humanitarian agencies in Liberia and elsewhere. Interviews with aid agency staff were carried out in Monrovia by an HPG researcher in a one-week period. The study attempted to obtain a broad range of perspectives on the strategies of many different agencies rather than an in-depth analysis of the particular control systems used by a particular agency. The staff members came from 13 different organisations, and their experiences drew from work with over two dozen international agencies in Liberia, including non-governmental organisations (NGOs), the UN and the International Committee of the Red Cross (ICRC).

The interviews with disaster-affected populations—undertaken by a team of IPC researchers, two men and two women—targeted counties that had experienced large numbers of IDPs from conflict areas, because these were the focus of much of the humanitarian assistance in Liberia. In each county the team targeted communities that contained substantial numbers of resettled IDPs and a large returnee refugee population. Specifically, the counties targeted were Montserrado, Bong, Cape Mount and Bomi. During the conflict, Bong County hosted IDPs primarily from upper Lofa and Nimba, while Cape Mount hosted IDPs from Bomi and lower Lofa as well as refugees fleeing the conflict in Sierra Leone. Bomi hosted IDPs from Montserrado during the final stages of the conflict on the streets of Monrovia, and from Cape Mount and Lower Lofa.

The IPC team carried out 23 focus group discussions and 16 in-depth one-to-one interviews in five locations. These locations were deliberately selected to allow the participation of returning refugees from Sierra Leone, returning IDPs from inside Liberia, displaced persons who remain at IDP camp sites,

and so-called war-affected people who have not been displaced. In-depth interviewees included community leaders, elders, and social workers as well as former and existing employees of implementing agencies. There were three distinct categories of focus group: (a) groups with a single ethnic background; (b) groups with mixed ethnic backgrounds; and (c) groups of women.

A targeted study such as this is obviously limited in its ability to gain the trust of informants and, while the study was generally well received and many people spoke openly about their experiences, there was nonetheless some reticence about speaking about corruption. Without complete confidence that their input would be unattributed, it is understandable that NGO and government workers might be fearful about either losing their jobs by incriminating themselves or retribution from their colleagues for incriminating them. Similarly, the war-affected people interviewed for the study may also have been fearful of punitive actions by powerful people in their communities if they identified corrupt behaviour.

Summary of Discussions

COUNTY	NUMBER OF FOCUS GROUP DISCUSSIONS	NUMBER OF KEY INFORMANTS INTERVIEWED IN THE FIELD STUDY
BOND	3	3 former aid actors
	4	1 teacher, 2 nurses
	4	1 driver, 1 elder
C. MOUNT	3	1 former NGO worker
BOMI	3	1 former NGO worker, 2 NGO worker
MONTSERRADO	6	4 aid agency staff
TOTAL	23	16

The timetable and timeframe of the study also meant that discussions with local people were limited primarily to those who were affected by displacement. In consideration of people's ability to recall, the study focused on the period from the climax of the conflict in mid-2003, when huge numbers of people were living in IDP camps and receiving significant levels of emergency assistance, to the closure of the camps in 2006.

The high turnover of staff and the related weak institutional memory were also a limitation. A constant stream of (international) managers who stay for only a few months is typical in humanitarian responses, which made it difficult to identify senior managers who had significant knowledge of the corruption issues that were raised. The improving situation in Liberia has also led to a change from humanitarian assistance programming to longer term development programming, further increasing the already significant levels of staff turnover in those agencies that remain. Many of the international

managers spoken to for this study had been in Liberia for less than one year. This may be a factor in some of their reticence—it is natural to be reluctant to speak about problems about which there is no first-hand experience, especially when such problems involve individual wrongdoing.

Because assistance programmes are continuing in Liberia, the affected people interviewed for the study are likely to have seen the research team as influential and to have framed their answers accordingly. A particular problem was the abstract nature of the word corruption, which can overlap with other problems, such as management failings and shortages that produce the same effect for those in need. It can be understandably difficult for those in receipt of aid to know or deduce whether a shortfall is caused by a genuine shortage in supply or a corrupt diversion. This makes it difficult to have specific discussions about corruption that can differentiate between other factors that may have reduced the level or effectiveness of assistance.

1.2   Definition of Corruption

This study uses the commonly accepted definition of corruption: 'the misuse of entrusted power for private gain'. Ewins et al (2006) explains that 'in the context of humanitarian relief, this means thinking through where power lies, what would constitute misuse, how power has been entrusted and what "private" means'.

2. Liberia Context: Humanitarian Aid Amid Endemic Corruption

Liberia has long been seen as a country that is rife with corruption, perpetrated either by the Americo-Liberian ruling elite of the first republic or, in the past two decades of conflict, by the tyrannical regime of Samuel Doe and the plundering warlords of Charles Taylor.

The conflict killed an estimated 250,000 people, displaced millions and destroyed almost all the country's infrastructure and basic social services. Insecurity and violence were widespread, children were conscripted into militias, and families fled their homes and moved repeatedly between displacement camps and neighbouring countries—leaving their land and possessions behind. It is said that almost the entire population of Liberia has been displaced at some time in the past 17 years.

During this time the country has gone through various phases of civil war, war with neighbours, elections, peace, transition, and return to war. Kleptocracy and corruption have characterised the various governments during this period, in connection with both aid and natural resources. Assistance to Liberia has fluctuated enormously and been deeply affected by the corrupt diversion and political manipulation of aid. The corrupt abuse of aid and natural resources has been seen as an important factor in both the continuation of conflict and the establishment of peace.

Humanitarian principles challenged

During the first period of conflict, in 1989–1995, humanitarian assistance was at first limited to the Monrovia area because of logistical constraints and the level of insecurity. Expansion of assistance to greater Liberia coincided with the degeneration of the war into what has been described as 'warlordism', which is characterised by the factionalisation of the conflict and a profound and widespread disrespect for the rights of the civilian population (Atkinson and Leader, 2000). This period saw the wide-scale diversion and looting of relief supplies and assets, such as vehicles, which it was believed significantly assisted those involved in the fighting. In addition to diversions, aid actors were forced to relate to parties involved in the conflict in ways that challenged the principles of independence and neutrality, including the need to rely on armed escorts and negotiating relief goods in return for access. Atkinson and Leader (2000) describes the difficulties during this time as 'some of the most serious challenges ever faced in the provision of relief aid in conflict'. As a result of this, aid actors developed the Principles and Protocols of Humanitarian Operation (PPHO) and the Joint Policy of Operation (JPO). These are not only statements of traditional humanitarian principles but also mechanisms through which agencies have adopted a more political agenda for humanitarianism, which sought to change the behaviour of the fighting factions. This included efforts to advocate and promote International Humanitarian Law and, particularly with the JPO, the introduction of

conditionality to the actions of NGOs delivering aid. The JPO led NGOs to reduce severely their assistance to populations in need on the basis that diversion or looting was supporting the conflict and therefore doing more harm than good (Atkinson and Leader, 2000).

Elections in 1997 began what it was hoped would be Liberia's recovery and led to preparations for the return and reintegration of some 1.5 million people, half of whom were refugees in neighbouring countries and the other half IDPs in Liberia. By 1998 Taylor had officially declared an end to the emergency period in Liberia and in September 1999 USAID stated that conditions in Liberia no longer required emergency funding (OFDA, 1999). However, by this time the international community had recognised that Taylor was supporting the Revolutionary United Front (RUF) in Sierra Leone, and the US and the UK threatened to cut aid to the country. Liberia, Guinea, Sierra Leone and Cote d'Ivoire were now regarded as a region in conflict and the whole West Africa region came to be seen as a complex humanitarian emergency. In 1999 the short period of peace ended as rebels from Guinea began incursions and people were displaced once again. From 1999 Liberians suffered another four years of conflict that ended with the Accra Peace Agreement and Taylor's exile to Nigeria in August 2003. By that time, huge numbers of people had been displaced—there were an estimated 500,000 IDPs in Liberia, the majority in camps and settlements in and around Monrovia; over 300,000 Liberian refugees in neighbouring countries; and some 50,000 refugees from other countries in Liberia (OFDA, 2003). The new environment caused NGOs to revisit their policy in November 2003 and to develop the Joint *Principles* of Operation (also JPO) during a review process that took place in 2004 (JPO 2005). This involved a project co-funded by the United States' Office of Foreign Disaster Assistance (OFDA) and ECHO that combined the examination of humanitarian principles with the concepts and approaches of *Do No Harm* (from Anderson, 1999). This new JPO was endorsed by 22 International NGOs in October 2004. The first principle described in the JPO document, 'humanity', specifically commits to 'zero tolerance of any type of exploitation and abuse, for example, sexual and child exploitation, fraud and bribes'. According to the JPO:

> **"***In Practice:*
>
> - Aid workers should behave according to [humanitarian principles] to reinforce them and gain credibility. This applies specifically but not exclusively to the issue of sexual exploitation, the abuse of power or lack of respect for basic human rights.
>
> - Payments in cash or kind (bribes) should not be made to enable our work. Payment will inevitably be followed by further demands. For example, payments at checkpoints or bribes. This may result in delays and inconvenience. It may be necessary to turn a vehicle or convoy around and abort the mission to avoid payment and return to negotiations. These

demands should not be resisted where there is a threat of injury. However, such a situation should be treated as armed robbery and the incident reported to the police to take action. Other members of the humanitarian community should also be informed."

Corruption that fuels conflict

The war economy at the time of the first period of war was seen as reliant on the illegal extraction, taxation and export of natural resources such as rubber, diamonds, and gold. The international community was criticised for ignoring this analysis and substituting support for humanitarian interventions for effective political action (Atkinson, 1997). In 2001, as the whole region became embroiled in conflict, the international community imposed sanctions on the export of diamonds from Liberia (followed by travel bans and arms embargoes) because Taylor was using diamonds to fund his war efforts and to support the RUF in Sierra Leone. Taylor, however, had organised a vast web of corruption that reached around the world, using Liberian government officials and fictitious companies to export vast quantities of Liberia's timber resources to make huge unrecorded profits that by-passed state institutions. These profits enriched Taylor personally and allowed him to fund arms imports and his war machine in spite of the arms embargo (Global Witness, 2001, 2002, 2003). Despite the tremendous level of need at this time, which increased considerably when the fighting intensified in 2002, aid agencies faced great difficulty in generating adequate financial support for programming. At the same time, research carried out in late 2001 by UNHCR and Save the Children, and reported in *Sexual Violence and Exploitation: The Experience of Refugee Children in Liberia, Guinea, and Sierra Leone* (2002), brought the world's attention to corruption in humanitarian assistance programmes. Smillie (2002) accuses the international humanitarian community of myopia in failing to see the corrupt economy of the conflict itself, and accuses the UN in particular of mistakenly believing that generalised sanctions would cause excessive hardship for Liberians because of the experience in Iraq. Pressure and lobbying by NGOs and campaign groups such as Global Witness finally led to a ban on Liberian timber exports in May 2003 (Blundell, 2005). With rebels close to taking control of the capital in August 2003, Taylor agreed to leave for Nigeria, and the US and Nigeria sent troops—which were later followed by a 15,000-strong UN peacekeeping mission.

The transitional government that followed Taylor was also accused of widespread fraud and corruption. Concerns over this led donors to formulate the *Liberia Economic Governance and Action Plan*, which imposed limits on the transitional government, placed non-Liberians in key ministries to control finances, and appointed foreign judges to lead a robust anti-corruption commission. The plan was rejected by the transitional government but, after severe pressure was exerted by Western and African governments, it eventually agreed to the implementation of the Governance and Economic Management Assistance Programme (GEMAP), which ceded less control to non-Liberians, and

acknowledged that widespread weak fiscal management had hampered efforts to check systemic corruption. The present Johnson-Sirleaf government has focused directly on the elimination of corruption and the Liberian parliament has ratified both the UN and the AU anti-corruption conventions. Recently, very visible action has been taken with the arrest of several government officials accused of corruption.

Humanitarian actors in Liberia have thus been operating in a context where corruption is of great concern, and in which practices in aid programmes have not only undermined their effectiveness but also been implicated in the causes of the crisis, as well as the abuse and exploitation of those they were intended to help. Since the peace agreement and the subsequent increase in stability, the diversion of aid has been less of a concern. Corruption in the processes of humanitarian assistance continues, however, and this ultimately means that resources that should be directed on the basis of need are being directed on the basis of power or position. In addition to the failure to meet needs, this can lead to the exploitation and abuse of those in need.

The above context presents three general problems for humanitarian actors with respect to corruption. First, the all pervasive nature of corruption throughout the country affects most private or public businesses and increases the cost of operations, meaning that less can be done with a given amount of funds. Second, this pervasiveness increases the risk of corrupt behaviour by agency staff. Third, taking action against corruption is difficult because of the dysfunctional legal, judicial, and security systems—and the level of resignation towards corruption that exists throughout society.

3. Disaster-affected People's Perceptions of Corruption

The study spoke to people affected by the crisis: primarily those who had been displaced by the conflict and received assistance from the international response in camps; and secondarily to returning refugees and people who, while not displaced were nonetheless affected by the crisis—although not always assisted. The study asked about their experiences of humanitarian assistance and about the extent to which they were affected by corruption. However, although the term corruption is widely used in Liberia today, it is primarily used with respect to the government. It is not a term typically used by ordinary people such as those interviewed for the study. They use terms such as cheating and stealing to describe many of the problems they encountered that fit the definition of corruption used by this study.

The focus of the study was primarily either IDPs in Liberia or refugees in neighbouring countries. It is estimated that there were around 500,000 IDPs in Liberia and over 200,000 Liberian refugees in neighbouring countries in September 2003. There were also some 50,000 refugees from other countries in Liberia (OFDA, 2003; NRC/Global IDP Project 2004). Most of these people settled in camps or spontaneous settlements along the main roads leading to Monrovia, which ranged in size from 2000–30,000 inhabitants (OCHA/UNHCR 2004). In late 2004 an official process of resettlement and reintegration began which led to 314,000 people registered in 35 camps and settlements being assisted to return home in an 18-month period (JRS, 2007; IDMC, 2006). When the official returns were finished and the camps officially closed in April 2006, humanitarian assistance also stopped. However, according to the Jesuit Refugee Service (JRS, 2007), significantly more than 29,000 people remained in the camps six months later—only a few weeks before this study.

The vast majority of problems raised by both those who had lived in IDP camps and those who had been refugees in Sierra Leone were linked to either food distributions or registration as an official camp resident, which determined access to such distributions. The assistance received in recent years has predominantly been food aid. In 2004, the World Food Programme was providing general rations to over 300,000 IDPs in Liberia (WFP, 2004). Many other forms of assistance were delivered to the camps that may have been equally important, such as health care, but these are less tangible and directly affected individuals less regularly. When speaking to people about assistance, it was food that was at the forefront of their minds.

Some people acknowledged that mismanagement and shortages in supply must partially have been to blame for shortfalls in their rations, but there was also a strong perception that many of the shortfalls in entitlements were linked to corruption.

The most common issues raised in connection with corruption were the diversion of food rations, the diversion of medicines, the inflation of population figures using falsified lists, using fake identification cards to increase the amount of aid available for diversion, and the extortion of money, favours or sex by those controlling access to aid. Through their observations of overt examples of corruption, and in the absence of any opportunities for full participation, transparency or accountability, people concluded that the aid distributions were highly corrupt, and put little trust or faith in the authorities involved. There was a universal perception of endemic corruption by the camp leadership, and block leaders were consistently singled out as exploitative and corrupt individuals who colluded to steal from and cheat those they were representing.

3.1 Camp leadership

The study detected a profound dissatisfaction with the leadership structure and representation in the camps. Camp leadership was ostensibly democratically elected and ran in parallel with existing governance structures in the displaced communities. However, there was a strong perception that the process had been corrupted—particularly by members of the government agency responsible, the Liberia Refugee, Repatriation and Resettlement Commission (LRRRC)—in order to control the camps and divert resources for personal gain.

> *Whenever it was time for a distribution the block leaders, camp leaders, and the distributors met in private so we never knew what they discussed. We didn't receive what the signboards said we should receive.*

3.2 Redress of grievances and improvements

A consistent complaint that was made by those interviewed for this study was that they had no way of taking their grievances to people who would take corrective action. Many of these complaints about unaddressed grievances relate to a time when the only avenue for appeal was through the LRRRC, which, it is alleged, referred people back to the camp leadership. Several people informed us that those who complained had their access to food rations cut for a period of time as a punishment. This appears to have changed over time, however, and there was a perception by beneficiaries in the IDP camps around Monrovia that agencies—UNHCR, WFP, and NRC were specifically mentioned—did

eventually respond and make changes to address such problems. It is difficult for those in the camps to recall the detail and the timeline of such changes. As the security situation improved in 2003, and levels of assistance increased, donors and agencies paid more attention to camp management issues. At the end of 2003 the LRRRC, UNHCR, USAID, and OCHA established several forums to address IDP camp management issues and to manage the assignment of 'lead' agencies to take on camp management responsibilities. At this time the Norwegian Refugee Council (NRC) began a camp management project in Liberia that involved training staff in lead agencies as well as the camp leadership in camp management, which included addressing issues such as protection and redressing grievances. A decline in the level of corruption over time was attributed by beneficiaries to the displacement of local NGOs by international NGOs, which took more control of the relief response and insisted on more robust and regular systems of monitoring. Some agencies such as the Jesuit Refugee Service and World Vision were specifically singled out as having been responsive to instances of corruption when they occurred, and also when camp inhabitants made complaints to them.

The beneficiaries spoken to for this study were extremely appreciative of the assistance that was sent to Liberia and perceived that the problems of corruption occurred inside the local implementing partners of agencies and the local authorities. Remarkably similar messages, which respondents wished to be taken away as advice for the future, were repeated by almost everyone the study spoke to:

> *'Donors should come and see for themselves how their money is being spent'*
>
> *'Donors should not give their money to partners, they should distribute the food directly themselves'*
>
> *'Donors should monitor implementation directly themselves'*

3.3 Registration

Entitlement to most forms of assistance in the IDP camps was restricted to those officially registered as camp residents, which meant possession of a registration card. The registration cards identified people as camp residents and, most importantly, served as ration cards that gave access to aid distributions. Registration, and the related registration cards, was unsurprisingly one of the issues most often mentioned by people as problematic or corrupt.

Registration in IDP and refugee camps is a great challenge because of the number of people who are moving during crises, because the various ways in which aid actors attempt to enumerate and register residents accurately are fraught with problems, and because the huge importance attached to being

registered puts people in a vulnerable position that can be exploited by those who control the registration process. Former IDPs and refugees in several of the camps reported being obliged to pay 100–500 Liberian dollars in order to be registered at the camps, while others stated that women had to pay with sex. Several people alleged that camp leaders brought local residents who had not been displaced into the camps to be registered during registration exercises, which enabled excess numbers to be registered and extra registration cards to be generated, thereby making it easier to divert the food aid.

As well as this corrupt inflation of numbers, informants repeatedly stated that many genuine camp residents were unable to be registered. One particularly problematic practice involved announcing surprise enumerations for registering people on an unspecified night during a specific week, compelling people to remain in the camp on the nights of that week. According to several informants, it was fairly commonplace for people to travel away from camps to pursue various livelihood strategies, such as seeking employment in Monrovia, which made it difficult to be in the camp every night. The problem was not with the system per se, but that agencies apparently did not always carry out the registration exercise in the week that had been announced. At first, people made sure they were in the camp each night during the specified week, but after the agencies failed to arrive on more than one occasion people stopped listening to the announcements and chose to prioritise other considerations for their livelihoods. When the enumerations did take place, many missed out because they were away from the camp.

A large number of unregistered people who were in great need but unable to receive aid created an environment that was ripe for exploitation by corrupt individuals. Fake registration cards were sold and apparently used successfully to receive rations. Many people who took part in the research for this study told of women being extorted by camp leaders for sex in order to be added to registration lists or in exchange for a fake registration card. Registration was carried out by household and subsequent aid distributions were often made according to household size. Respondents from more than one camp stated that officials undertaking the registration would inflate the number of people registered in a household in exchange for money or sex. In other cases officials would extort money or sex from people by threatening to register fewer people than were in their family. Several people told how they were registered in an enumeration but subsequently failed to obtain a registration card.

> 'I personally seized a registration card from someone because I saw that the card he was carrying was mine, with all my particulars on it. I did this because I had not received my

registration card and not received any rations because I had been told my name was not on the list'.

'At one point I had 27 registration cards that I purchased from others to increase my ration and I also added to the number of dependents registered on the cards for more rations'
(former chairwoman of a camp committee).

It was also apparently common for camp leaders to take money from camp residents in return for representing them in 'appeals' to aid agencies and the government in Monrovia. For example, block leaders would collect money from the unregistered people in their block ostensibly to appeal to UNHCR in Monrovia to have them added to the registration lists. It is quite difficult to measure how genuine these efforts were or whether they were just outright exploitation. However, focus groups told the study that the money was collected to cover transport costs even though the amounts collected were many times greater than the price of transport to Monrovia. At least one local leader who took part in the study argued that there was nothing wrong in people collectively paying their representatives to travel to Monrovia to appeal on their behalf.

The availability of land at the camps was also an issue that led to risks of corrupt exploitation during registration. People reported having to pay up to 500 Liberian dollars when they arrived in order to obtain a space in the camp on which to build a shelter.

'It was very difficult to enter this camp as you had to pay for your spot before being given authority by the LRRRC'.

3.4 Distributions

Diversion of food aid during distributions was also a consistent complaint, although it took several different forms. The most common example given was the skimming of food at the point at which it was given to recipient families. Food was measured using a cup of a standard volume, which should have been levelled off using a straight edge. However, by using the back of their hand distributors could scoop a small amount of food out of the cup, leaving the distributor with a surplus at the end of the distribution. Another method that was related to the study involved collusion between the distributor and the receiver. In this case, the distributor simply gave the receiver more food than he was entitled to and the distributor came back to the receiver after the distribution to collect his share of it.

Many of the people spoken to for the study were convinced that significant amounts of food aid were being diverted in the camps at the time of distribution but before the final distribution to households. It was consistently mentioned, and widely known at the time, that many private vehicles would arrive at camps at the time of the distributions and leave soon afterwards laden with food aid. It is often the case that people would prefer to sell their food rations in order to purchase certain other goods, and this phenomenon could be dismissed as legitimate private business. However, former residents of many of the camps who were interviewed for this study were adamant that the large quantities of food aid leaving in this way were the result not of families selling their rations, but of camp authorities and food distributors diverting the food aid. Several people told how on the majority of occasions that food aid distributions were made a large surplus was left over after everyone on the lists had received their food, and that this surplus disappeared without being accounted for, having been taken away to be sold by camp leaders and food monitors.

Accounts of the extortion of money and sex during distributions were given in all the study locations:

> *I was given a ration card but I didn't receive any food at all because my daughter refused to have sex with a block leader*

There was an obvious reticence about discussing the sexual exploitation that occurred in the camps but—because it is understandably a sensitive and difficult issue to discuss, and it was not a specific aim of the study to investigate it—the fact that the issue was raised consistently in discussions demonstrates how prevalent it was. Sexual exploitation has been a well publicised issue in West Africa and Liberia, particularly in relation to the supply of relief goods, especially food—involving relief workers, the camp management, and private transporters of food supplies. However, this study had only a limited ability to examine this specific issue. The realisation of what was occurring led agencies to develop new codes of conduct for their staff, which included banning relationships between agency staff and beneficiaries.

Because the food aid was the most regular and the most significant type of assistance given to the widest number of people, it is not surprising that most conversations focused on it. However, examples of corruption involving other forms of assistance were also given; for instance, camp residents were charged a fee for education. One example involved collusion between aid workers and school officials, who forced parents to pay significant amounts to enable their children to attend school. Another

example encountered several times, and acknowledged by different agencies to be a recurring issue, was for medicines to be diverted from clinics and sold to private pharmacies outside the camps.

4. Aid agencies

Aid agency staff often distinguished between internal corruption, which referred to the behaviour of agency staff members, and external corruption, which referred to the behaviour of other non-humanitarian agencies that agencies had to work with in order to operate. Clearly, however, these are often inter-related, for example, when staff are bribed or collude with suppliers or traders to divert goods or corrupt a tendering process.

A third distinction was sometimes made to refer to corruption that occurred in beneficiary populations, which involved the assistance given, for example, when powerful community members manipulate registration lists. This was felt to be both external to agencies because it involved people outside the agency and internal because it involved the direct abuse of relief assistance and it affected beneficiaries.

4.1 Dealing with government

Many of the aid agency staff interviewed spoke specifically about the endemic corruption of government officials, which permeated every aspect of Liberian government from top to bottom. The interface with the institutions of state was the predominant external corruption risk that people cited, and the one that was predominantly outside their own agency and control.

In dealings with a government that lacked capacity and adequate resources, it was difficult to differentiate between legitimate and illegitimate costs. During the transitional government period agencies were bombarded with requests and demands from various ministries to pay fees for innumerable reasons. The impression gained by agencies was that they were regarded as a target for revenue raising by the ministries. A particular problem was that these ministries were compelling agencies to bypass official payment mechanisms—it was set out in legislation that payments should be made into the national government's bank account—to make payments directly into ministry accounts. Furthermore, the fees did not match those set out in legislation and were often variable. Charging processing fees for licences, vehicle registration, visas, passports, customs clearance, and import duties are usually accepted as legitimate. However, in the absence of officially communicated prices and of receipts, and because prices fluctuated for the same service, it became clear to most people that much of the revenue raised went into the pockets of the officials who controlled each process. For the officials involved this may have been a way to supplement their inadequate salaries.

Such extortion and bribery appears to have affected agencies quite differently. Larger agencies that work globally, have access to high levels of resources, and are well known around the world, reported having less trouble with this type of corruption than smaller agencies. Their higher profile apparently gave them more 'clout' with officials and the government generally. When they encountered problems they were often able to make a visit or a phone call to senior officials and thereby resolve the problem without having to make corrupt payments. In other cases, they were able simply to ignore demands from low-level officials for unofficial or non-transparent payments knowing that no action would be taken against them. Smaller agencies did not appear to be able to avoid this type of corruption so easily.

A specific example that was commonly discussed was that of moving goods through the port. High profile agencies reported that they had successfully resisted extortion at the port in the past few years by steadfastly refusing to pay the bribes demanded, by writing letters to government, and by meeting or telephoning senior government officials to complain about a particular case and have the path cleared. Smaller, lower profile agencies felt less able to resist extortion and reported being extorted for money regularly at every stage of the import process and when moving goods through the port.

There was a perception that the situation in Liberia had improved in 2006. The new government, through its anti-corruption efforts and the GEMAP, has taken specific action in institutions such as the Port Authority and Roberts International Airport, and published official charges for moving goods through the port. This apparent reduction in corruption was not universally appreciated. At least one interviewee pointed out that while it may have reduced financial costs, it has raised the cost in time as it is now necessary to follow slow bureaucratic processes, which in the past had been based on simple and instant cash transactions with no paperwork.

The urgent need for action that humanitarian responses sometimes demand can create difficult dilemmas for aid agencies. Refusing to be extorted, or refusing to give bribes to circumvent unclear rules, can mean that official processes move extremely slowly, either naturally or deliberately in order to encourage bribery. This can lead to agencies deciding that the humanitarian imperative to provide swift assistance means that bribes may have to be paid in some circumstances. Robust but cumbersome or complicated internal control systems to minimise corruption can significantly restrict a programme's ability to deliver or respond to change, and some managers suggested that early on in an emergency response corruption had to be tolerated and seen as inevitable because avoiding it would lead to delays that would be too costly. Differing attitudes to corruption are discussed further below.

4.2 Private businesses, contractors and partners

A particular problem for some international agencies is the risk of corruption in the implementation of work undertaken by others such as local contractors or local relief agencies (often referred to as local partners). The latter case is essentially a matter of subcontracting from one relief agency to another, so the corruption risks are very much the same; the supporting agency has to consider how capable the local partner is of managing these same corruption risks. However, there is also the risk that the partner is fundamentally corrupt and will deliberately set out to defraud the agency. Situations of recovery and transition create a market for local partners where demand can be much greater than supply, and this creates opportunities for unscrupulous entrepreneurs to create NGOs purely to defraud supporting agencies. Afghanistan has been infamous for this in recent years (Savage and Delesgues, forthcoming). A notable example cited in Liberia was of support provided by NGOs or charities from abroad to local orphanages. In some cases NGOs were providing support for several orphanages that did not exist, while in other cases the orphanages existed but had far fewer children than claimed.

Subcontracting work to external actors carries the risk that these actors will dishonestly inflate costs or supply work or goods at a lower standard or quantity than specified. Many examples were given of contractors using lower quality or cheaper materials and building to a lower standard than specified in the contract. This often requires the collusion of staff in the contracting agency. An example repeatedly given in various forms was of a supplier bribing or colluding with the staff who received the goods to sign a receipt for a quantity greater than that actually delivered. This appears to be common practice for goods supplied in large quantities, such as food or building materials. These are difficult to measure accurately by observation alone, which makes it less likely that the fraud will be exposed. The business environment in Liberia is one of regular and systematic corruption where bribes and kickbacks are part of everyday business practice. In a country without effective systems of audit, taxation, policing, and justice, which normally control finance and business, it is extremely difficult to control corruption. The usual control mechanisms that an agency might use may be meaningless because businesses do not need auditable paper trails to meet their financial obligations. For example, many accounts were given by agency staff of themselves or others being offered receipts for whatever amount they wished when making simple payments or, when quotations were involved, of giving a receipt for the quoted amount but handing back a portion of cash to the staff member making the payment.

Typical example of corruption in procurement

A large NGO called for tenders for some printed materials. Their tendering rules called for multiple quotations, from which the best one would be selected.

Staff in the NGO invited suppliers to tender but corrupted the process by controlling which tenders were accepted. The staff accepted two authentic tenders but modified them, made two further fake tenders, and colluded with another supplier to make a tender at a lower price than that of the other four. By modifying and forging the other four, the tenders were all for a price some four times more than they should have been. What should have been a $15,000 contract became $60,000, providing a $45,000 surplus to share among the colluding staff and the supplier.

In this way they arrived at five tenders that could form the documentation for the process and give the appearance of following procurement procedures.

However the (expatriate) project manager responsible did not carry out a documented bid analysis. The contract was awarded to the supplier with which the staff had colluded and the payments were signed off by the project manager.

A subsequent internal investigation by the agency determined that the project manager had been negligent in not carrying out a bid analysis, although this would presumably not have changed the outcome. The agency suspected that the project manager was involved in the fraud but it did not take any action to recover the money or to prosecute any of the staff members. It did, however, terminate some contracts and ask the project manager to leave.

The use of receipts from suppliers as an integral part of financial control is a particular weakness of existing practice. Existing practice relies on external financial regulations and controls to ensure that receipts issued by a business are authentic and correct; however, in a context of endemic corruption with little if any regulation and control of private business, receipts are quite useless. Because receipts rarely form any part of a regulated control system inside the business, they are generally given out freely to NGO workers who ask for them, and filled out for any amount requested.

Other examples were given of whole communities being falsely listed as having received relief goods. In these cases, several individuals from a programme had to collude in order to carry out the deception. Paperwork was completed and procedures followed, but final receipt lists of beneficiaries were filled in with false signatures or thumbprints and the goods released from stock were delivered elsewhere. In some cases such diversions were revealed because an honest staff member reported them, but in other

cases the diversion was only discovered because managers visited beneficiaries and asked them about the goods they should have received. Robust tracking systems to ensure stock is received, warehoused, transported and delivered did protect goods, but these could then be diverted quite easily at the interface between the agency and the beneficiary. Regular monitoring and verification by managers is ultimately the only way to ensure that systems work.

4.3 Pressures on local staff

Unlike international staff, local staff work in the context of their own community and the politics and conflict inside it. Local staff members will have to live in their communities long after often short-lived employment with aid agency programmes. Peer pressure, classmates, kinship, school friends, neighbours, and social connections were all factors mentioned by local staff that influenced corruption, in particular nepotism in the hiring of staff. For instance, one former senior manager, a Liberian working with an international organization, stated that he provided opportunities for jobs for people he knew or with whom he had some dealings. He added that he does not feel guilty about such nepotism because the few he assisted were competent at their jobs. He also told how some members of his village had expressed strong dismay that, with his level of control over relief resources, he had not done more to assist them by directing food aid to them. Such pressure or demands on local staff from their communities, families and kinsmen—because of the abject poverty, unemployment and other socioeconomic reasons alluded to above—contributes to corruption.

Vulnerability of national staff to pressure from authorities

A Liberian programme manager told of an incident in which he refused to give a ride in his vehicle to a relative of a local army general, because of agencies' policy of only allowing staff members to ride in their vehicles. As a result of refusing the lift, he was temporarily detained by the authorities. He felt that it was very unlikely that an international member of staff would have suffered such a consequence.

4.4 Whistleblowing and reporting corruption

The pressures on local staff also affect how they are able to respond to the corrupt actions of others. The study spoke to agencies' local staff members who had directly experienced the costs of being honest and attempting to prevent corruption at work. Three cases were discussed where staff members had either taken action to prevent corruption or reported it after the fact. While each case was different, in all three, regardless of the institutional outcome, the staff members found it impossible to carry on working. In one case a staff member tried unsuccessfully to convince colleagues and senior managers that the actions they were taking were wrong. When they were later caught because of their own mistakes, the staff member was forced to admit what he knew or face being fired along with them.

While they kept their jobs, the staff member found it impossible to continue working for the organization because of the hostility he encountered, even from those who had not been part of the corruption. This person believes that the repercussions from this case followed him to his new job in a completely different and unconnected aid organisation. He was so concerned that we were asked not to cite any details of the case that could identify the person or that he had talked to us.

There were different opinions given by the international managers that the study spoke to with respect to the reporting of corruption. Some managers perceived a veil of silence about corruption from local staff. They felt that staff were reticent about reporting cases of corruption for a combination of reasons, including a culture of not speaking out, and the existence of powerful networks of collusion that could ostracise and coerce whistleblowers and even threaten them with violence. In other words, while it is certain that not everyone is corrupt, the picture painted was of a workplace culture in which corrupt workers can act openly and need concentrate only on avoiding detection by systems or senior members of the international staff. The managers interviewed for this study spoke of a culture of anonymous whistle blowing that did not result in the successful exposure of corruption, but resulted instead in 'smokescreens' and 'dirt throwing' to cover up corruption and sully the name of those who might be true whistleblowers. The result was as bad if not worse than silence, and it was impossible to investigate all the tip-offs and impossible to separate truth from slander. This resulted in workplaces where no member of staff was trusted by managers, which obviously led to an extremely poor working environment made all the worse by the common cultural divide between an overwhelmingly local staff and a group of international managers.

Other managers, while acknowledging some reticence among staff, suggested that it is normal to be reticent about accusing others of wrongdoing and confidently stated that particularly trusted members of staff would give them signals or indications when corruption occurred that would allow them to investigate and follow up without revealing the source of their information.

An important distinction was commonly made between local and international members of staff with respect to their risk of being corrupt and their ability to confront corruption. International staff do not generally have much connection beyond their work to the local context—they are not part of the society and community in which they are operating. This vastly reduces the opportunities to pressure or coerce them because they do not have social obligations locally such as debts, concerns, families, and relationships that make them vulnerable to threats. In addition, legitimate governments such as in Liberia, and even rebel armies, are usually highly sensitive to pressure from the international community, which can be brought to bear when foreigners are threatened, and thus extend

considerable protection to international staff. This makes it less likely that threats of violence will be made against international staff. Such special protection from governments, and being in relatively highly paid jobs and senior positions, can often give rise to a feeling that foreign workers can work with relative impunity. It is not surprising then that no mention was made of international members of staff being pressured into acts of corruption. International staff members can more easily confront corruption inside their own agency because they are usually in senior positions and have fewer levels of hierarchy above them. Not only are they in a better position to take action against corrupt subordinates, but it is also far less risky for them to report corrupt colleagues—or even organisational superiors. While there is perceived to be less risk of coercion, three cases were mentioned of senior international managers being threatened or harassed for taking action against corruption. Conversely, the relative seniority of international staff members is felt to increase the risk of international staff being corrupt because they are in a better position to manipulate systems of control and hide their actions.

4.5 Hiring and firing

Any discussion with agency staff about corruption in humanitarian assistance in Liberia inevitably and almost immediately leads to a discussion of the risks posed to agencies by corrupt members of staff. In the past few years of emergency assistance in Liberia, cases of corruption among aid agency staff members have involved significant fraud, massive collusion, and often an outside actor such as a supplier. An obvious starting point for minimising the risk of corruption is to recruit honest staff, but hiring the best person for the job is undermined by nepotism—which makes a transparent and open recruitment process crucial. Strong systems—which included public advertisements and blind selection of applicants, the use of diverse interview panels, and minimised the risk of nepotism—were undermined in some cases by staff intercepting applications before they entered the system. Several agencies discovered that applications for employment were being vetted by members of staff before they reached the personnel officer who was managing recruitment. One solution was to use a locked post box on the gate of the office that could only be opened by the recruitment officer.

An issue that was repeatedly raised was the recruitment of staff who had been suspected of corruption in the past while working for other aid agencies. The widely held perception was that internal corruption was mostly a result of a small number of individuals, who were able to circulate from agency to agency, and to continue to use their positions for private gain. More than one manager cited an example of a member of staff they had recently sacked because of corruption, who had quickly found work in another agency. Most of these informants expressed surprise about this and asked 'why didn't the agencies call us for a reference?' While this was clearly a widespread problem, there was little

consensus about the solution. Robust checking of references was felt by everyone to be essential, but it is clear that a smart applicant is not going to submit a negative reference, and would instead try to hide the period of employment. Some agencies have attempted to address this problem through 'naming and shaming' by publishing the names of dismissed staff in newspaper advertisements. However, dismissing people or giving negative references often proves challenging because of the difficulties in 'proving' people guilty of corruption or providing evidence of wrongdoing, which might be either illegal acts or breaking internal agency regulations. Corrupt actions can be very difficult to prove satisfactorily. Many agencies spoke of the difficulties they encountered in sacking members of staff for what they felt were legitimate reasons, as a result of labour laws designed for a time of stability rather than a context of emergency response. Without substantial evidence, most managers spoken to for this study felt that it was impossible to fire, or even give a bad reference to, a member of staff. Some agencies and managers attempted to construct carefully neutral references that avoided any libel but offered nothing positive. Such carefully worded references that allow future employers to 'read between the lines' would seem to be a way of avoiding the problem, but might not stand up to legal scrutiny if made official. This tactic is unlikely to work with organizations not fluent in the same language. In at least one case this system did not work even where the organisations shared the same language background—a manager who had recently hired someone, on the basis of a very cold and neutral reference, complained vociferously to the head of another agency that they had not written a clearly negative reference. Of course, a system which prevents people from being falsely accused of corruption, fired from their job without genuine evidence, and then further victimised when they apply for a job elsewhere is the hallmark of a just society and to be commended, However, during crises when there is a humanitarian imperative to maximise efficiency and the use of resources, managers feel that there is a legitimate case for a more flexible application of labour laws than is appropriate in more usual times. Several agency managers also lamented the existence of a litigious culture and a corrupt justice system that would take sides against foreign NGOs. Several people related attempts to use the justice system to deal with internal fraud that resulted in failures that were felt to be attributable to bribery by the guilty party.

4.6 Legal redress

As a result, few agencies choose to take legal action against staff members suspected of corruption and dismiss relatively few people in comparison to the number they believe to be involved in corruption. Rather than dismissal, contracts are either terminated early or not renewed without specifying a reason. Some managers reported that, in cases where there was clear evidence, they had asked the person to resign; but it is clear that more often than not the staff member simply has the remainder of their contract paid out in a lump sum of salary and benefits and that little is said. This should be risk free as it respects the terms of the contract and appears to be lawful. Nonetheless, there

have been legal challenges mounted against agencies that have followed this course of action. Only in the worst cases have agencies attempted to use the justice system.

Staff in most organisations spoke of a culture of impunity inside both the Liberia generally and inside their own organisations. Because agencies are unable to use the justice system, and have proved incapable of communicating with each other effectively about those they have fired, the costs of being caught are so low as to be of little consequence in comparison to the expected gains. Several experienced local managers mentioned that this culture of impunity appeared to include international staff. Liberian managers in different organisations gave examples of international staff who suddenly and inexplicably left the organisation in a cloud of suspicion and rumour. The clear perception was that corrupt internationals are quietly moved on from a country by agencies that either cannot or will not take action beyond making them leave. The lack of transparency and communication about this was perceived to be harmful to staff morale and created a feeling that corruption carries little cost to the individual involved.

4.7 Organisational culture, values, and leadership

When discussing the corrupt behaviour of staff, most people spoke of occurrences of the type of simple fraud and stealing that are usually quickly caught by existing systems. These were so commonplace that even managers with experience in other countries felt that it was unusual. The common perception was that endemic corruption throughout all aspects of Liberian society affected how staff in aid agencies behaved. Several internationals lamented their failure to inculcate a feeling of professionalism and 'esprit de corps', or a belief in the mission that would reduce levels of corruption. Many international managers longed to understand why local members of staff would risk a well-paid job for the short-term gains of petty corruption in a context of economic crisis where very few people had jobs. Conversely, it was easier to understand why people in senior positions in an agency might risk their job for an opportunity to corruptly divert large amounts of money: relatively low risk in exchange for relatively high gain. The main issue raised in this discussion was the challenge of instilling corporate values in staff. In other words, how to communicate the codes of conduct and standards that the agency requires of its staff and how to elicit such behaviour from staff. To some extent, it was felt that this was obstructed by the differences in cultural values between agency culture and Liberian culture. However, several programme managers felt that, while they had the necessary skills technically to manage their programmes, they were not equipped with the leadership skills required to inspire their subordinates to carry out their jobs with the values of the agency. An observation that appears particularly problematic and would undermine such efforts was that there were differing attitudes in agencies between the official policies and attitudes expressed by the most

senior representatives and those expressed by programme or project managers. In more than one instance, while official policy was a 'zero' level of tolerance for corruption, the attitude of field managers appeared to be much more pragmatic. Some junior members of staff suggested that this sent mixed and confused messages.

It is important to consider the extent to which institutional values, dedication and loyalty to the work of an organisation, as well as concern for the long term, can realistically be instilled during a period of rapid expansion or the initial establishment of agencies in the early phase of a crisis. There was a perception that the risk of corruption may be lower in established agencies, which may have staff who have been with them for many years. Unfortunately, a common observation was that in emergencies and during large-scale responses, a flood of UN organizations and new NGOs with huge amounts of funding and high salaries tends to pull apart the valuable and high-quality staff structures of existing agencies. Some longstanding agencies in Liberia described how they had lost huge numbers of their most experienced staff to new agencies at the peak of the emergency response, and had thus lost their own ability to respond and faced having to build their capacity all over again.

An unavoidable but difficult subject that was raised when discussing corruption inside organisations was the differences between national and international staff members. Crises typically occur in developing countries but the management of international humanitarian responses is dominated by a European-North American-Australasian elite of humanitarian aid managers who typically arrive during a rapid and massive expansion, such as occurred in Liberia as the conflict peaked and then ended. The distinction between managers and the rest of the staff is thus amplified by huge differences in culture, language, and legal status. The differences in culture and origin greatly affect people's perception and understanding of corruption, while the differences in access to power significantly affect the risk of corruption. International staff were largely of the opinion that a culture of corruption exists in Liberia that is different from their own culture. They argued that there was a significant gulf between what is commonly considered to be corrupt in their own culture and what is considered to be corrupt by Liberians. Both explicitly and implicitly they spoke of a difference in values when looking for an explanation for why their Liberian colleague might do something that was (in their mind) so self-evidently corrupt. The overwhelming perception expressed by both national and international staff was that international staff were a lower corruption risk than national staff. Perceptions such as this must be treated with caution. National staff outnumber international staff by a huge ratio and, therefore, it should be expected that the absolute number of occurrences of corruption would be much higher among national staff. It seems reasonable to expect that it is the absolute number of occurrences that influence people's perceptions. All those who spoke about this difference between national and

international staff acknowledged that they had seen some examples of corrupt behaviour by international staff.

While realising that international staff can certainly be corrupt, many senior managers still felt that the risks of social pressure, coercion, or extortion—either to commit corrupt acts or remain silent about the actions of others—were much higher for local staff and concluded that the overall risk of corruption was much lower with international staff. One of the large international suppliers in Monrovia, which supplies most of the INGOs in Liberia, expressed the same sentiment. When asked about corruption risks and agencies, he named one specifically, stating that the agency carried the least risk of corruption because it used international staff in all its key positions relating to finance, procurement and supply. The solution suggested by several managers, both international and Liberian, is to fill powerful positions, such as finance, logistics, procurement, and senior management, with international staff. However, many of the senior managers spoken to complained that this strategy, while effective, was difficult to implement because of their reliance on bilateral donors who are reluctant to fund too many international staff. Furthermore, this may also be resisted by the Liberian government, which may see aid agencies as a source of local employment and follow the example of other countries by restricting the number of visas issued to internationals.

When discussing the challenges they faced, several programme managers spoke of a need for training and skills development in the management of corruption risks. They felt that, while they had an adequate grasp of the technical objectives of their programme, they did not have enough training and support to address the risks of corruption. In some organisations, past cases of corruption were to some extent blamed on the inexperience of programme managers and linked to donors' desire to keep support costs low and reluctance to fund international salaries. This can mean that key positions of support—such as finance, procurement, and personnel—are not filled by people with adequate levels of experience in relief response management. The lack of highly qualified and experienced people to implement standard financial and logistical controls in the initial months of an emergency response was cited repeatedly in discussions of past incidents of corruption.

4.8 Donors

ECHO and USAID were singled out by agencies as being particularly supportive of attempts to address corruption risks in Liberia. Nonetheless, there was a perception among several people in different agencies that smaller, highly donor-dependent agencies are reluctant to expose too much corruption because it is the agency, rather than the donor, that is responsible for any financial losses as a result of

corruption, and it may not be able to cover large losses. However, the study neither looked for nor found any evidence to support this assertion.

By far the most common issue raised by agency managers was the pressure felt from all donors to reduce indirect project costs, which is largely accomplished by removing the costs of international support staff from project budgets. Many of the agencies felt that having highly experienced international support staff to manage the control systems of the support roles was a key strategy for reducing the risk of corruption. Some stated that they had been forced to find alternative funding to cover such staff, meaning that donors are not paying the full cost of their projects.

4.9 Financial and logistical control systems

A failure to set up systems and appoint people from the start specifically to monitor the risk of corruption in finance and logistics management was regarded as a major cause of both immediate problems and subsequent long- term problems related to corruption. Significant momentum can be lost from building accountability and good practice inside an organisation, which it can be difficult to recover. It was not a lack of available tools or systems that was identified as the main issue—there was a widespread perception that adequate financial and logistical control systems do exist and can easily be implemented by finance and logistics professionals. Instead, the issue was putting sufficient numbers of such personnel in place to install and manage such systems. This was again attributed to the requirement for lean programmes with low overheads in order to meet donor requirements, and to a focus by organisations on speedy and visible responses that prioritise programme staff over support staff.

No controls at all

In some cases, it appears that corruption can occur because a decision has been made that instituting a robust control system to minimise corruption risk would be too inconvenient. An example was given in which a staff member was given the responsibility to hire and regularly pay a cleaner. Instead of going through the usual procedure of contracting and making payments through the finance office, having the cleaner come into the office to sign a contract and receive his payments, the staff member was allowed to hire the person and make the payments each month in cash outside the office. The staff member was able to pay the cleaner only half the amount contracted and keep the rest. The staff member had signed the original contract and subsequently signed all the receipts for payment. The system of control should have been adequate but it was undermined from the start because it was poorly implemented by management.

Control systems for finance and logistics were seen as a key part of agencies' management of corruption risks, and where these were in place they were perceived to be working relatively well. This was felt to be the case because of the number of times the systems had identified corrupt activity. As is discussed above, agencies have identified many cases of corruption. It is often the simple mechanisms or systems that are successful. Much of the frustration expressed by people interviewed for this study was about the fact that people continued to behave corruptly in simple cases of fraud or theft knowing that they would probably be caught. Much of the effort appeared to go not into devising complicated ways to beat the system, but into simple tactics that took advantage of poor monitoring, for example, by delaying paperwork. More than one example was given of corruption that was highly visible and easily detectable by logistical and financial systems, but where the paperwork was delayed until just before a deadline or during a key manager's holiday when it was felt that the corruption could slip through unnoticed—at least until the next audit.

Training sessions were perceived to be a common target of corruption as a result of the lack of controls. Significant amounts of money are spent on training, and those who attend are paid allowances and expenses, and receive materials. The training sessions are usually small and involve minimal numbers of staff and therefore attract light systems of accounting that can be easy to corrupt. Several informants cited instances where training sessions did not take place, although payments were made to the trainer; or where false names were added to attendance lists, the allowances for which were taken by the trainer. In these cases single individuals had responsibility for the complete financial flow, from registration through to attendance and payments. Problems were identified only by accident when visiting managers observed fewer people attending, or that fewer people had attended, a training session than 'felt right' and investigated further. In most cases, the advantages of light financial controls might have been preserved and corruption nonetheless avoided if adequate monitoring had been undertaken by managers.

No amount of financial and logistical controls will stop corruption completely, especially if people collude to defeat them. Only high quality monitoring and implementation of projects will be able to detect that such corruption has occurred. A particularly common example involved collusion between suppliers and agency staff in which invoices and goods-received- notes were made out for quantities that were greater than those received—most often in connection with orders for large quantities or goods such as construction materials, seeds, or food. Where such supply contracts involve direct delivery to the end user of the materials, the corruption results in an audit trail that is perfectly sound and therefore difficult to detect through control systems. Control systems can always be defeated through such collusion, and will therefore require parallel monitoring systems to in order to verify them.

Cases where corruption was only discovered by accident rather than by systems of control or by systematic monitoring highlight two common reasons for such failures. The first reason is the appointment of incompetent or inexperienced technical managers who were unable adequately to monitor projects because they do not have the skills required to do the basic checking of quantity estimates or the quality of workmanship, or to recognise bad design. For example, construction projects run by agencies are prone to diversion of materials that control systems have difficulty in preventing. Robust warehousing and logistics systems can ensure that the correct materials arrive on site without diversion but, if planning is not carried out or materials are not verified by experienced project managers, it is easy for a builder to request, for example, more cement than is required.

The second reason is that even where highly competent project managers are in place, they are often swamped with administrative and management tasks that keep them at their desks. It was common for those interviewed to comment that project managers spent too little time visiting projects to monitor them adequately. Most of the cases of corruption that involved collusion to undermine robust financial and logistical controls relied on the knowledge that project managers would not be adequately monitoring the detail, progress, and quality of the projects. Instead of monitoring the tangible outputs, they were preparing and signing the paperwork for all the control systems, which if ignored would stop work on the project. It is clear that a better balance must be achieved between control systems and monitoring. For example, cases were cited in which buildings were constructed using less timber and wells lined with fewer concrete rings than specified. In such cases, only a detailed inspection by competent professionals would reveal the problem. One agency's response, when it realised that this was happening, was to strengthen its project management with more systematic monitoring of construction outputs and stock consumption—the project manager was required to spend more time on site, inspecting wells and latrines, and less time reading progress reports and stock consumption reports at their desk.

Some goods such as fuel and other consumables are seemingly impossible to maintain complete control over. For example, stealing or 'skimming off' quantities of fuel from vehicles is a typical and recurrent problem, regardless of whether complex fuelling systems are in place. In one agency's logistics office, a signboard lists every vehicle in the local fleet in a table that indicates the average monthly fuel consumption for each. This sends a clear signal to everyone that this is being monitored, and also displays for all to see any vehicle with an unusually high fuel consumption. While it may not prevent corruption completely, it ensures that people know that even if corruption is difficult to stop, the agency cares about the resources that have been entrusted to it.

5. Conclusions

IDPs and refugees painted a bleak picture of widespread corruption in the camps and of the relief distributed to them. They identified a wide range of corrupt practices including sexual exploitation, extortion of payments for relief items and access to camps, and intimidation. It is clear that humanitarian responses face particular challenges in managing camps and corruption in beneficiary communities at the point where relief is handed over and beyond. How these challenges are met affects the impact of aid programmes and whether they can meet the needs of all the people they are intended to.

The study found it difficult to investigate how the most serious problems in camps were dealt with at the time. The high turnover of staff at agencies meant that few of the managers interviewed were working at the time that assistance was being delivered in the camps. Agencies today appear preoccupied with the internal corruption risks inherent in procuring supplies, and hiring and managing staff—and much less concerned about the widespread abuse of relief during distribution. This may be based on an assumption that such abuse is predominantly limited to large-scale food distributions, especially in camps. The focus is now more on recovery programming with returning communities, but it should not be assumed that similar problems with corruption and controlling access to such programming are not reoccurring.

Most of the aid workers interviewed categorised the corruption risks for humanitarian assistance in similar ways, by distinguishing between the internal and external risks that agencies faced. Most internal risks were felt to be a result largely of the external context and the various interfaces that agencies worked at. The largest financial losses revealed by agency staff occurred in the early stages of the relief response and were caused primarily by weak financial controls or weak management and oversight. This appears to be the result of large-scale responses having to be mounted quickly, with priority given to tangible action rather than the institution of control systems and, crucially, the quality of staff required to manage them.

Repeated cases of significant fraud and diversion linked to a lack of fairly standard controls in the initial phases of an emergency response require further discussion. It is clear that there may be a high cost to be paid for prioritising speed and tangible outputs accompanied by low overheads for support personnel—both in terms of immediate corruption and the long-term problems that result from the inertia that such minimal systems may cause. However, the study was not able to look retrospectively at such cases in any depth—not least because the rapid turnover of staff meant that there were few

people available to interview who had first-hand knowledge of the cases. Furthermore, there is still a reticence to speak openly about large-scale fraud and the loss of large amounts of money—despite the context of Liberia in which agencies are being remarkably progressive in collectively discussing the risks they face, and in which donors appear to be sympathetic to the difficulties posed by corruption. ECHO and USAID were singled out by agencies as being particularly supportive of attempts to address corruption risks in Liberia. However, there was a clearly felt need in many agencies for donors to be more supportive of higher indirect costs in budgets that would cover the employment of highly experienced international support personnel to manage financial, logistical and administrative controls—although this should not be used as an excuse by agencies. Blaming incidents of corruption on the reluctance of frugal donors to pay for adequate staffing is neither sensible nor accurate. The resulting increase in risk is borne not by the donor, but by the agency and the beneficiaries who may lose the benefits of the project. If financial losses occur it is the agency that will be forced to draw from its reserves to cover them, and if other forms of corruption occur it is the agency that loses its reputation—not the donor.

External risks were felt to be things that agencies were least able to influence. The significant extent to which these risks and the external context influenced internal risks—the corrupt behaviour of staff members—was a source of great disappointment to a number of managers. There was a clear desire by managers for support or tools to help them better understand the local context and to help them instil particular values into their staff when carrying out their work. Despite frustration over the level of mistrust by staff, a clear note of optimism was often expressed about the end of the conflict and the progress being made in Liberia under the new government.

Two areas in need of further research are clear from this study. The first is the management and governance of camps and possibly other forms of community representation such as village relief committees. Why do supposedly democratic systems of representation through committees and 'block' leaders sometimes fail to deliver fair and equitable access to assistance and end up being profoundly corrupt and what could aid agencies do to try and prevent this from happening? The second is the failure of some agencies to manage risks from the start of responses and particularly the difficulties faced in filling key finance, logistics and management positions with appropriately experienced and qualified people.

Overall, the research project encountered open and welcoming discussions in most agencies. Several senior managers recognised a need for more research and the development of tools to assist them to manage corruption risks. Both agencies and donors in Liberia appear quite open to a discussion of the

corruption problems they have encountered. This may in part be because of the very public discourse about corruption and the commitment to anti-corruption being made by the new government and by donors. There have also been a number of cases of corruption in humanitarian assistance programmes that have affected a range of different NGOs and agencies, and that have been widely acknowledged— at least in the humanitarian community there. There are a number of forums in which agencies, and sometimes, donors, meet to discuss corruption risks, and which have led to some collective action to try to minimise such risks—notably efforts to improve the hiring and firing of personnel.

Corruption is contrary to humanitarian principles and undermines the effectiveness of humanitarian aid. It must therefore be clearly shown to be unacceptable, and minimised or mitigated to the extent possible. Aid agencies have a responsibility to make their assistance as effective and efficient as possible, and to contribute to just and sustainable human development. However, they must recognise the limits of what they can achieve and not be overwhelmed by pessimism with respect to corruption. They are operating in a context that is extremely difficult, where the enforcement and justice systems that underpin social behaviour are absent or only now being rebuilt, where dishonest and powerful elites continue to control many aspects of people's lives, and where many people have great difficulty in making an adequate living to support their extended families. Despite their recognition of the high levels of corruption in Liberia, the perceptions of those suffering the effects of crisis there were of the enormous amounts of good that had been accomplished by humanitarian relief. All the people spoken to for this study expressed their gratitude for the assistance provided by relief agencies to help them to meet their needs.

Key findings:

1. The experience of the study showed that people welcome the chance to discuss the difficulties of corruption faced by humanitarian agencies. Managers of aid agency programmes would clearly welcome the continuation and development of forums in which they can safely discuss with and learn from each other how better to manage and mitigate corruption risks in relief programmes. This type of cross-agency collaboration should be encouraged by senior managers in agencies and by donors.

2. There is a continual battle against corruption in the management of assistance programming, which requires adequate levels of resources. Minimising risks in financial flows, procurement, logistics and administration through adequate systems and management requires highly skilled and experienced staff. This may lead to increases in indirect personnel costs. Such costs must be more carefully balanced against the significant risks of corruption if they are not funded.

3. Targeting, registration, and distribution of assistance are areas in which there is a high risk of corruption in local communities. Although the focus of humanitarian assistance has moved away from general food rations in IDP camps, these risks emanate from the patterns and networks of power and influence in a society and will continue to exist in the context of returning communities and recovery from years of conflict. Agencies must continue to pay close attention to these aspects of assistance if they are to reach successfully those who they aim to help.

4. The monitoring and programming of assistance in beneficiary communities is something that agencies can improve by taking some simple steps. It is evident from the study that identifying how corruption works and how its is affecting beneficiaries is not difficult. It may often mean nothing more than asking people what is happening. Agencies should strive to ensure that programme managers are spending time monitoring projects with their own eyes and speaking to beneficiaries face to face.

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