

Ministry of Foreign Affairs – (Department for Technical Quality Support, KFU)

Meeting in the Council for Development Policy 26 March 2019

Agenda item 3

- | | |
|---|---|
| 1. Overall purpose | For discussion and recommendation to the Minister |
| 2. Title: | Anti-corruption Programme 2019-2022 |
| 3. Presentation for Programme Committee: | 12 October 2018 |

Anti-Corruption Programme 2019 - 2022

Key results:

- Governments and businesses lived up to key commitments in relation to UNCAC, SDG 16, EITI and other relevant anti-corruption pledges
- Selected Danida priority countries' legal and policy frameworks addressed corruption risks in line with UNCAC
- Increased number of countries committed to addressing international enablers of grand corruption
- CSO partners are more effectively influencing anti-corruption policy and practice at national and global level
- An increased number of female anti-corruption activists influenced anti-corruption policy and practice
- Improved integrity in the maritime sector through awareness raising, dialogues and benchmarking
- More strategic dialogues and partnerships between key stakeholders (governments, civil society and the private sector)

Justification for support:

- Promoting the international anti-corruption agenda is a high-priority issue for Denmark as reflected in the "World 2030" and it will maintain the momentum and encourage further synergies among Danish and international stakeholders created by the International Anti-Corruption Conference (IACC) hosted by Denmark.
- Corruption undermines realization of the SDGs including the functioning and legitimacy of institutions and processes, the rule of law and ultimately the state itself
- Corruption affects macroeconomic stability and negatively affects the efforts at increasing investments and production as well as improving governments' ability to nurture sustainable growth and create job opportunities
- Global engagement is an essential prerequisite for the fight against corruption to be successful due to the many ways the corruption challenge transcends borders and the negative impact of international enablers of corruption including money laundering mechanisms, shell companies and tax havens

Major risks and challenges:

- The space for civil society to expose corruption and human rights abuses is rapidly shrinking and repercussions from governments towards civil society and media are becoming more severe.
- UN and UNCAC's ability to credibly and legitimately tackle corruption is questioned
- CSO partners do not attract enough core funding to be able to respond in a flexible and need-based manner

File No.	2018-25927				
Country	Global				
Responsible Unit	TQS/KFU				
Sector	Governance				
DKK mill.	2019	2020	2021	2022	Total
Commitment	25	25	25	25	100
Projected ann. Disb.	25	25	25	25	100
Duration	2019-2022 (four years)				
Finance Act code.	§06.32.08.70				
Head of unit	Mikael Hemniti Winther				
Desk officer	Adwan Mohamad				
Financial officer	Michael Schou Olsen				

Relevant SDGs:

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life Below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

Programme objective: To enhance the effectiveness of anti-corruption efforts through strengthened cooperation, advocacy, monitoring and research in key organisations and networks at national and international level

Engagement/Partner	Total thematic budget:
United Nations Office for Drugs and Corruption (UNODC)	23
Extractive Industries Transparency Initiative (EITI)	8
UNCAC Coalition	6
Transparency International (TI)	20
Global Anti-Corruption Coalition (GACC)	7
Publish What You Pay (PWYP)	7
Maritime Anti-Corruption Network (MACN)	13
U4/Christian Michelsen Institute	2
Follow up International Anti-Corruption Conference	3
Unallocated funds	7.5
Programme support	3.5
Total	100

Table of Contents

1. Context and Justification	3
2. Lessons learned	4
3. Theory of Change and underlying assumptions	5
4. Presentation of the Programme	8
5. Application of human rights-based approach.....	12
6. Gender and Youth	14
7. Synergies	15
8. The programme design and OECD-DAC Criteria.....	16
9. Management.....	17
10. Communication and studies.....	18
Annex 1: Context Analysis.....	20
Annex 2: Partners.....	30
Annex 3: Results Framework.....	37
Annex 4: Budgetary details	43
Annex 5: Risk Management Matrix	44
Annex 6: Communication Plan.....	47
Annex 7: Process Action Plan	48
Annex 8: Summary of recommendations from the desk appraisal	49

1. Context and Justification

Promoting the international anti-corruption agenda is a high-priority issue for Denmark as also reflected in the Danish strategy for development cooperation and humanitarian action, “The World 2030”. Part of Denmark’s brand is also being one of the world’s least corrupt countries. This is something to treasure and use actively- also in Denmark’s development cooperation. Denmark has supported anti-corruption and broader governance reforms through its bilateral engagement, through multilateral partners, through government-to-government engagement such as the collaboration between the Danish Ombudsman and partners around the world, through support to international NGOs such as Transparency International (TI), and finally through the support to anti-corruption and governance channelled by Danish NGOs to their partners. Denmark has thus over the years become an important player in the anti-corruption arena in the global South.

This programme will continue and complement these existing Danish efforts and will partly continue supporting existing partners and partly add new partners to the anti-corruption portfolio. The consolidation of these engagements in one programme will serve to increase the visibility of the Danish anti-corruption engagement in the wake of the International Anti-Corruption Conference (IACC) hosted by Denmark in October 2018 as well as maintain the momentum and encourage further synergies among Danish and international stakeholders created by the conference. There is thus a momentum for launching a Danish anti-corruption programme focused on ending impunity while also taking advantage of the positive incentives that the SDG agenda provides for all stakeholders.

The justification for a stronger global Danish anti-corruption engagement is that it contributes to fulfilling the objectives and strategic aims of “The World 2030”:

-It contributes to realise SDG 16: The fight against corruption gained new momentum when the international community recognized the negative impact of corruption on development and adopted the Agenda 2030 for Sustainable Development and **SDG 16**, which requires States to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”, through reducing illicit financial flows, strengthening the recovery and return of stolen assets, substantially reducing bribery and corruption, and developing effective, accountable and transparent institutions at all levels. Today there is an increased understanding of the multifaceted character of corruption across sectors and contexts, how it reduces the effectiveness of development assistance and how it has serious repercussions on reaching the SDGs especially in developing countries. SDG 16 and its targets on reducing bribery, strengthening institutions and accessing information are not only valuable aspirations in their own right, they are also vital conditions for the achievement of all the 17 goals. Combating corruption is thus an issue that cuts across all of the Danish development engagements in all countries, sectors and thematic areas.

-It contributes to rule of law, human rights and gender equality (SDG 16, SDG 5 and SDG 10): Corruption can have devastating impacts on the availability, quality and accessibility of goods and services. Moreover, it undermines the functioning and legitimacy of institutions and

processes, the rule of law and ultimately the state itself. Disadvantaged groups and persons suffer disproportionately from corruption. They are often more reliant on public goods and services and have limited means to look for alternative private services. They typically have fewer opportunities to participate in the design and implementation of public policies and programmes and lack the resources to defend themselves and seek reparations. Corruption thus lowers the quality of social services such as education and health and makes it more difficult for the poor and disadvantaged groups such as rural women to obtain public services and increase income.¹ It is therefore the expectation that reduction of corruption will contribute to SDG 5 on gender equality and SDG 10 on reduction of inequality.

-It contributes to stronger partnerships: **SDG 17** seeks to strengthen global partnerships to support and achieve the ambitious targets of the 2030 Agenda, bringing together national governments, the international community, civil society, the private sector and other actors. Despite advances in certain areas, more needs to be done to accelerate progress. At the moment all stakeholders have to intensify their efforts on areas where progress has been slow. This programme will contribute by strengthening existing and establish new multi-stakeholder partnerships between governments, the private sector and civil society to increase transparency and accountability.

-It contributes to realise the sustainable growth and employment agenda: The fight against corruption is closely linked to the growth and employment agenda and **SDG 8**. Concerns about corruption have mounted, in tandem with growing evidence of its detrimental impact on sustainable growth and development. Corruption affects macroeconomic stability and there are negative implications of corruption on the efforts at increasing investments and production as well as improving governments' ability to nurture sustainable growth and create job opportunities. It is being widely recognized that economic activity is harmed by corruption and that the negative impact of corruption as well as illicit financial flows on the global GDP is more than 3% annually.² Developing countries, struggling to become middle-income countries, are generally hardest hit by these negative effects of corruption, and especially countries affected by Fragility Conflict and Violence (FCV) are often caught in a vicious cycle of conflict, poverty and poor politics fuelled by corruption.³

2. Lessons learned

Anti-corruption in development has been evolving since the mid 1990s. During the first generation of anti-corruption engagement there was a strong focus on institutional weaknesses and lack of knowledge/capacity of for example anti-corruption agencies. The responds from development agencies was mostly “technical” with support to laws and institutional bureaucratic reforms, audits institutions, agencies and ministries. As results were slow to materialize, the focus partly shifted to the “demand” side with support to civil society advocacy and awareness raising. Today, there is still substantial support to civil society but with greater

¹ See among others: Transparency International “Global Corruption report: Education” 2013 and OECD “Consequences of Corruption at the Sector Level and Implications for Economic Growth and Development: Chapter 5 Health” 2015

² Global Corporate Governance Forum “Corruption, Economic development and Governance” Issues two, See among others OECD “Issue Paper on Corruption and Economic Growth”, 2013, World Bank “World Development Report 2017” and IMF staff discussion note “Corruption: Costs and Mitigating Strategies”, 2016

³ A study estimates that corruption adds 40% to the costs of doing business in Iraq for example. See Global Corporate Governance Forum “Corruption, Economic development and Governance” Issues two

attention to power asymmetry between civil society activists and corrupt elitist networks and a greater understanding of the political logic of corruption.

There is more financial and moral support to internationalizing of the engagement these days. A key lesson learned in recent years is that corruption is facilitated by the increasing interconnectedness of the global economy. Global economic, technological, political and financial ties have become so close that it is becoming increasingly important to understand and act on these international drivers of corruption. There is focus on the necessity of targeting impunity in relation to illicit financial flows, cross-national investigation and prosecutions while also realizing that positive incentives and integrity including peer pressure among duty bearers (government and the private sector) can play a key role. There is a stronger focus on building movements, alliances, partnerships and networks including with the private sector. Finally, years of impunity and fragmented implementation of anti-corruption legislation have prompted a stronger emphasis on the importance of moving from talk to action. The discussion is among others taking place among and between governments, business, CSOs and international organisations within forums such as the G20, B20 and C20 and at international anti-corruption summits. The new G20 Anti-Corruption Action Plan from the G20 summit in November 2018 is framed under the heading “More needs to be done” and the G20 Anti-Corruption Working Group (ACWG) recognizes the need to accelerate the implementation of past commitments. The high-level declaration and the national statements that came out of the IACC summit in Copenhagen also focused on implementation of *existing* commitments.

3. Theory of Change and underlying assumptions

The strategic objective of this programme is “**To enhance the effectiveness of anti-corruption efforts through strengthened cooperation, advocacy, monitoring, investigative journalism and research by key organisations and networks at national and international level**”. The indicators of effective anti-corruption efforts are that governments and businesses actually implement the commitments they have signed up to under United Nations Anti-Corruption Convention (UNCAC), SDG 16, EITI as well as other international forums such as the International Anti-Corruption Conference (IACC) in Copenhagen in 2018.

The Theory of Change (ToC) is that to effectively curb corruption and realise the SDGs, there is a need to focus on both the national and the international level. The idea is that *if* cooperation is strengthened and strategic partnerships with governments and CSOs and the private sector are established including at international level, if knowledge is generated through monitoring, investigative journalism and research and *if* this evidence is applied in joint advocacy campaign, *then* duty bearers (governments and the private sector) are more likely to implement the anti-corruption commitments which they have signed up to. Secondly, *if* government and the private sector are subjects to benchmarking and peer pressure from other duty bearers, *then* they are also more likely to take action and implement their commitments.

There are a number of *assumptions* underlying the programme. These assumptions are built on lessons learned from anti-corruption engagement over the years by governments, CSOs, Danida and other development partners. These assumptions need to be valid to allow the programme to move from outputs, to outcomes and finally to transformational change (see graphic depiction of the Theory of Change below). It will be important to monitor whether these assumptions continue to hold true as the programme is implemented.

Assumption 1: Cooperation and strategic partnerships are effective ways of incentivising agencies to act: Corruption is increasingly understood as a “collection action” problem. From a collective action perspective, all stakeholders are self-maximisers, and the way they behave to maximise their interests is highly dependent on shared expectations about the behaviour of others. This is why all stakeholders including citizens, governments and the private sector need to change at the same time in a sort of “big bang”.⁴ Further, since governments, the private sector and civil society all have important but distinct roles to play in combating corruption, building alliances and collective action between these stakeholders is likely to make the anti-corruption efforts more effective. Collective action usually means that companies, governments and civil society organisations (or combinations thereof) join forces to tackle corruption as it confronts them in markets, industry sectors or geographies, e.g. in public procurement processes.⁵ Collective action initiatives have developed over recent years and are now extremely diverse. They include standard-setting or principles-based initiatives, which can also include a certification model to monitor and audit adherence to the agreed standard or principles. In recent years there is also focus on more *strategic* dialogues between the public and private sector in line with SDG 17 on partnerships.⁶

Assumption 2: There should be a high risk of getting caught and being exposed: The assumption is that anti-corruption efforts will only be effective when the right incentives - negative and positive - are in place. An end to impunity through effective and predictable enforcement of the legal framework is an effective negative incentive. Investigation and prosecution are important tools in this regard. However, the assumption here is that non-state actors can also contribute to end impunity. As an example, civil society and investigative journalists can expose concrete corruption case or corrupt patterns. In their latest strategy (TI 2020) TI decided to focus more on fighting impunity. The idea is that an organisation such as TI should be moving beyond merely having a seat at the table towards exposing actual cases of corruption.

Assumption 3: Agencies are also encouraged to act through positive incentives: The SDG agenda constitutes a framework of positive incentives.⁷ Most governments as well as a growing number of companies have already made the SDGs, including Goal 16 on anti-corruption, a priority on their strategic agenda. Compliance and ethical behaviour in the field of anti-corruption is gradually becoming an important parameter of competitiveness as more and

⁴ See the writings of Mungio-Pippidu, Booth and Rothstein for more information on principle-agent versus collective action approaches to anti-corruption

⁵ For more info on typologies and tools on anti-corruption Collective Action as well as database with specific initiatives see Basel Institute on Governance: <https://collective-action.com/resources>

⁶ The Partnership Against Corruption Initiative (PACI) under the World Economic Forum is an example of such a high-level strategic CEO-led platform building on the pillars of public-private cooperation, responsible leadership and technological advances.

⁷ See the Business and Sustainable Development Commission “*Better Business Better World*” 2017

more companies sign up to the SDG agenda and agree to measure their adherence to anti-corruption legislation and high integrity standards.

Assumption 4: Social movements and networks are crucial in fighting corruption on a more transformative level. It is the assumption that citizens are increasingly willing to hold their duty-bearers to account and that this enhances the prospect of an actual anti-corruption movement. This assumption builds among others on surveys from TI and the Afrobarometer.⁸ This leads to significant opportunities for civil society including the partners supported under this programme.

Assumption 5: Anti-corruption in sectors can be an effective way of engaging: In line with the current anti-corruption discourse it is assumed that anti-corruption engagement in sectors can be an effective way of curbing corruption. Knowledge, insights and experience at sector level may add value as indicated among others by recent research.⁹ At present, most anti-corruption knowledge is at the national, cross-government level, which is broad and complex. It is assumed that at sector level there is both more knowledge and more ownership from those working in the sector. Working with particular sectors such as the energy sector or the maritime sector also ensures that focus is firmly on concrete implementation.

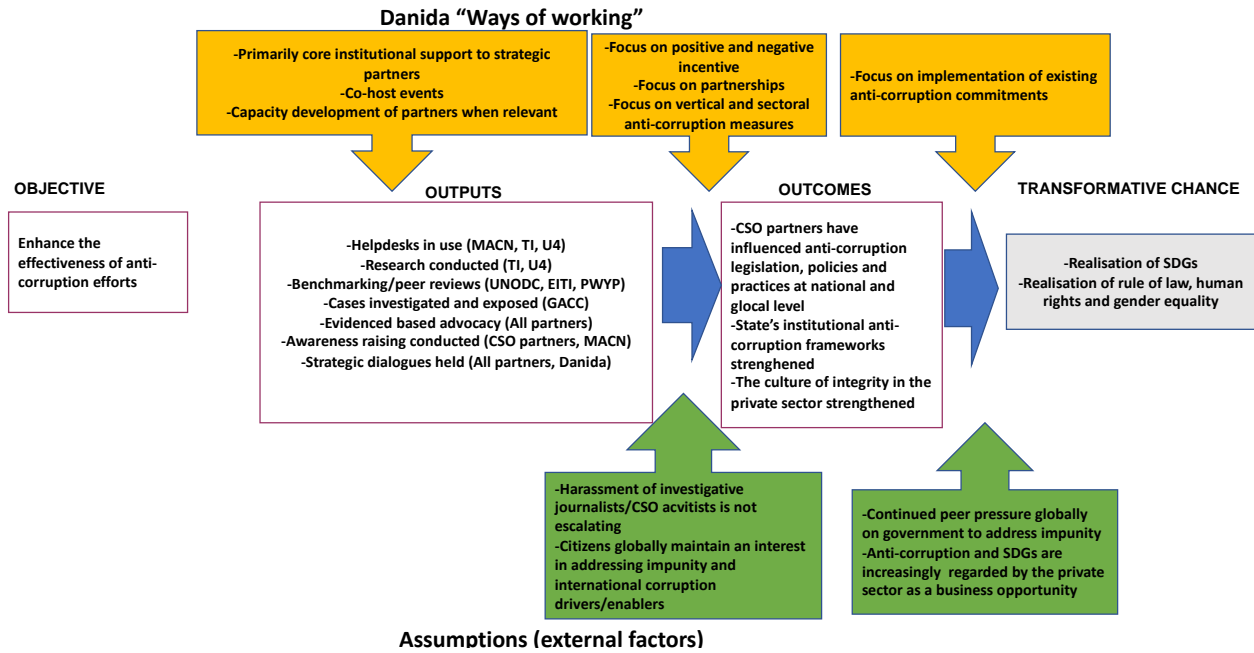
These assumptions are about “what works” have prompted certain Danida “ways of working” which are believed to contribute positively to the results chain (see graphic below). Danida has for example primarily selected partners who have a large constituency and work actively on including women and young people as activists. Danida has further put together a group of partners who reflects a holistic approach to anti-corruption (focusing on both positive and negative incentives as well as the “demand “and “supply side”), and who is committed to working in partnerships. Danida will further support both vertical anti-corruption measures (for example through implementation of UNCAC) as well as sector level initiatives (EITI, MACN).

There are a number of assumptions regarding external factors - outside Danida control, which need to be monitored closely. Both governments and the private sector will for example only be receptive to calls for implementation of commitments if the current interest from citizens and consumers in transparency and accountability is maintained. The current space for CSO and activists to engage should also not shrink and worsen, otherwise it may become very difficult for activists and investigative journalists to operate. The interest in the SDG agenda and the positive incentive this agenda currently provides for the private sector should also be maintained for the programme to progress as planned.

⁸ See among other TI Global Corruption Barometer 2017

⁹ See among others the DFID funded research programme at SOAS <https://ace.soas.ac.uk>

Theory of Change



4. Presentation of the Programme

In line with the Theory of Change the programme has three clusters to strengthen the role of governments, civil society and the private sector respectively and to use both positive and negative incentives to motivate key stakeholders.

Cluster one - Governments and Multilateral Collaboration

The prime responsibility for creating a corruption free environment that facilitates long-term inclusive and sustainable development rests with national governments (duty-bearers). This includes a host of issues such as the responsibility for agreements and collaboration with other governments and adherence to international conventions and agreements such as UNCAC. Most countries have signed up to various international anti-corruption conventions - most notably the UNCAC. More than 50 countries with extractive industries have also signed up EITI's global standards.

Under this cluster support will be extended to the United Nations Office on Drugs and Crime (**UNODC**), which is the guardian of the UNCAC. The most important mechanism to ensure progress in the implementation of the Convention is the UNCAC Implementation Peer Reviews. The Danish support will ensure the participation of low-income developing countries in the second cycle of the Implementation Review Mechanism and that funding is available for follow-up technical assistance relating to needs identified in these Implementation Reviews. Under this cluster support will also be extended to the **EITI** to promote revenue transparency

in the extractive sector. With this core funding the EITI Secretariat will continue to provide support to countries that have committed to implementing the EITI Standard for governance of their natural resources.

Cluster two - Civil society

Civil society has a crucial role in monitoring that government, the private sector and community organisations are transparent and respect the rule of national and international law. Civil society can likewise engage actively in global and national multi-stakeholder coalitions to advocate for changes to law and practice and monitor policy implementation. Civil society also has an important role to play in terms of exposing the corrupt and highlighting individual corruption cases. Finally, civil society plays a role in prevention and education by helping to build an enlightened citizenry and rights-holders.

Under this cluster support, Danish support will be extended to the **UNCAC Coalition**. A CSO network dedicated to promoting the implementation and monitoring of UNCAC by taking advantages of the opportunities for civil society inputs and influence on the Implementation Review Mechanism (IRM). Continued core support will also be extended to Transparency International (**TI**) for implementation of their strategy. The long-standing partnership with TI is an integral part of the Danish support to the global fight against corruption. The Danish funds will among others serve to finance the monitoring mechanism that TI will set up to follow up on the anti-corruption commitments of the countries and organisations participating in the high-level segment of the IACC 2018. Support will further be extended to another existing Danida partner; Publish What You Pay (**PWYP**). PWYP - one of the close CSO partners of the EITI - is a global coalition of more than 700 members advocating for transparency, accountability and good governance in the extractive sector. Finally, the Global Anti-Corruption Consortium (**GACC**), will be included in the CSO portfolio. The GACC partnership brings together investigative journalism spearheaded by OCCRP and advocacy driven by TI. The Danish support will be earmarked to an expansion of their activities in the African region.

Cluster three - the private sector

Companies on their side are responsible for implementing effective compliance programmes in their organisations to prevent, detect and address corruption and for complying with anti-corruption legislation and they are therefore also considered duty-bearers. Furthermore, they have, and gradually accept, a broader responsibility for improving the environment for doing business in the countries in which they operate by engaging in collective action and multi-stakeholder forums in line with the SDG agenda. In recent years there is also focus on more strategic dialogues between the public and private sector.

Under this cluster support will be extended to the Maritime Anti-Corruption Network (**MACN**) - an innovative business initiative that has successfully addressed corruption in the maritime sector through private sector collective action as well as in partnership with industry players, governments and civil society. The earmarked Danish support would allow MACN to

deepen its current engagement in Nigeria, use the learnings gained in Nigeria, bring this knowledge to neighbouring countries as well as developing a Global Port Integrity Index measuring the level of integrity in ports worldwide. A number of sector initiatives involving the private will also be taken (see below “Keeping up the momentum after IACC”).

Others (U4) - Knowledge generation and sharing on corruption

In supporting U4 with continued membership, Danida is supporting generation and dissemination of knowledge of corruption and illicit financial flows. The membership allows Danida to draw on the expertise of U4 staff and resources.

Keeping the momentum after IACC

A budget has been allocated under the programme to ensure momentum after the IACC on a number of specific Danish priorities. The IACC was hosted by Denmark and convened representatives from governments, civil society and the private sector for a high-level discussion on how to remove corruption related obstacles to growth and development and beneficial ownership disclosure - among others. The outcome of the discussion was a set of national anti-corruption pledges as well as a high-level statement with joint commitments. The Transparency International secretariat in Berlin will continuously be tracking whether these commitments are being honoured in the time leading up to the 19th IACC in South Korea in 2020.

IACC was premised on the understanding that collective action can bring new dynamic to the fight against corruption. The MFA will ensure that the strategic dialogues between the public and private sector continue on a few selected issues where Denmark has a strategic interest and can provide added value to further the discussion. The MFA will host a few events bringing together governments, civil society and the private sector for very practical discussions on how these actors can work better and closer together on curbing corruption in the value chains of certain sectors. Sector-based developments against corruption are coming more into focus as governments and companies recognise that each sector has its own particularities based on their particular value chains, so the solutions depend on companies in that sector and the relevant parts of government as well as civil society working together. Working with particular sectors also ensures that the focus is firmly on implementation.

MFA will bring the discussion forward in two different sectors. One of the sectors will be the maritime sector in which Denmark will be able to draw on the Danish shipping companies, where Maersk has been a leader in the industry, and the positive experience of the MACN, supported under this programme, means there is an existing anti-corruption entity to build on. Representatives from governments and civil society from relevant Danish priority countries (for example Ghana and Kenya) and Nigeria (MACN priority country) as well as academics will be invited.

Another sector will be the extractive sector including the renewable energy sector, where Denmark has a development as well as commercial engagement. There are major corruption

problems in this sector, both at the power generation end of the industry (oil, gas, wind, hydro, solar, coal, etc) and at the consumer supply end. There has been little focus to date on how to address these problems in a sector-wide way, but considerable opportunity to use a collective action approach involving major power companies. This is a sector where Denmark can add value among others by acting as a credible convenor of power companies, by bringing Danish companies and Danish sector ministries into the discussion, and by drawing on the lessons learned and network of other Danish initiatives such as Partnering for Green Growth and the Global Goals 2030 (P4G). Again, representatives from Danish priority countries (for example Kenya, Bangladesh and Ethiopia), civil society (including relevant partners supported under this programme) as well as academics will be invited for the discussion.

In addition, MFA in close collaboration with partners will bring the discussion forward on beneficial ownership disclosure. Scandals such as the Panama Papers have spurred the regulatory momentum for enhanced ownership disclosure and transparency and the high-level declaration from IACC also acknowledged that shell companies can facilitate corruption and that there should be improved transparency in the beneficial ownership of companies, consistent in line with the principles of the Financial Action Task Force (FATF) on combating money laundering and terrorist financing. Denmark has added value in furthering this agenda. Denmark was one of the first countries to implement a public register of beneficial owners. The register has received praise from both OECD and FATF and Denmark has been a progressive supporter of international action in this area. For an event focussing on this topic, Denmark will bring together representatives from countries and organisations working on improving transparency in beneficial ownership. Many of the partners supported under this programme work directly and indirectly on beneficial ownership disclosure including UNODC, EITI, TI, PWYP and GACC. It would also be relevant to involve other Danish institutions such as Danish Ministry of Industry, Business and Financial Affairs in the discussion.

The modalities are:

- Roundtable events co-hosted by MFA and partners
- Side events linked to existing initiatives such as P4G hosted by the MFA or sector initiatives by Danish non-state actors

The expected outcomes of these initiatives:

- Keeping up the momentum after IACC
- The understanding of the specific corruption challenges and associated solutions in specific sectors where Denmark has significant development engagement and/or commercial interest- is improved;
- Synergies between this programme and other Danish sector initiative are enhanced;
- Competences and experience of all actors including other Danish ministries, CSOs, business associations and companies are brought into play;
- The various partners of the programme are convened to discuss topical issues of common interest such as beneficial ownership disclosure and access to and use of big data.

Unallocated funds

This programme will seek flexibility by allocating 7.5% of the total budget as a reserve in line with the general ambition in the MFA of more flexible programming. The idea is that not all activities can be planned in detail at the outset of a four year programme. The partners have flexibility as most of them receive core institutional funding; however it may be that new opportunities for innovative initiatives arise or the context changes in a way that smaller innovative and catalytic activities may add significant value.

The criteria for allocation of funds are:

- It should contribute to the overall objective of the programme.
- It should leverage on already existing initiative
- It should in principle not add new partners to the programme. Only if it is demonstrated that this adds significant value that cannot be achieved by strengthening existing partnerships.

Concrete options for a secondment will be assessed in order to contribute to improving the effectiveness of anti-corruption efforts and promote Danish priorities in relevant organisations. Building on the achievements from the 18th IACC and contributing to efforts to promote Danida partner countries to implement anti-corruption measures would be relevant programmatic areas for a secondment.

The purpose of the mid-term review in 2020 will among others be to assess the status of the unallocated funds and to point to new initiatives that may be supported.

5. Application of human rights-based approach

Danida generally promotes a human rights-based approach to anti-corruption, an approach that puts the international human rights entitlements (the “rights-holders”) and the corresponding obligations of the State (the “duty-bearer”) in the centre of the anti-corruption debate and efforts at all levels. Lately the private sector has increasingly been brought in by development actors including Danida as a “duty-bearer” which has obligations vis-à-vis the citizens and rights-holders in the societies in which they operate. The private sector has a double role both as “duty-bearer” with the obligation to to respect, protect, and fulfil rights of citizens, workers and consumers while as companies they also have a role as rights holders and can as such enter alliances with other non-state actors to claim their rights vis-à-vis the state. This programme is framed around strengthening both “duty-bearers” and “rights-holders” by extending support to both state and non-state actors.

Human rights mechanisms can help clarify the entitlements of rights holders and responsibilities of duty bearers. International human rights mechanisms, including the Human Rights Council, have paid increasing attention to the negative impact of corruption on the

enjoyment of human rights and made numerous recommendations to Member States with the aim to prevent and suppress corruption. UN institutions such as OHCHR, UN human rights bodies and mechanisms (i.e., Human Rights Council, its Special Rapporteurs, and the Universal Periodic Review mechanism, as well as human rights Treaty Bodies) are increasingly attentive to the negative impact of corruption on the enjoyment of human rights and have addressed issues of corruption and human rights on numerous occasions.¹⁰

Despite the above, corruption and human rights tend to be considered in parallel by separate processes. In the anti-corruption sphere, the UN Convention against Corruption (UNCAC) is strongly focused on the criminal law perspective and it is not designed for addressing the victims of those criminal acts. The UN human rights system, on the other hand, with its focus on individuals, does have the potential to bring that dimension to life. Human rights standards, principles and mechanisms thus provide additional entry points to complement anti-corruption efforts. Partners organisation such as TI will for example use the various human rights avenues within the UN and the UNCAC Coalition will coordinate a civil society working group on human rights to bring the aspect of human rights into discussions on UNCAC implementation.

Danish development cooperation is based on the principles of non-discrimination, participation and inclusion, transparency and accountability as highlighted in the “World 2030”. In a programme such as this one, these principles are a goal in itself while they are also regarded as an effective anti-corruption measure. All of the partners involved in this programme promote and advocate for respecting and upholding these key governance principles as a central part of their work:

Participation: Protecting those who participate in anti-corruption efforts is an area where human rights and anti-corruption might cooperate as a matter of priority. Anti-corruption is a way of upholding human rights including the rights of marginalised groups to social services free of corruption and for anti-corruption activists to exercise their political and civil rights to speak out against corruption without risking serious repercussions including jail and murder. Those involved in efforts to investigate, report, prosecute and try corruption are at heightened risk of human rights violations and require effective protection. On a conceptual level, it is a key element of the “participation” dimension of the HRBA: people must have a voice and space to speak up without fear of retaliation. On a practical level, concerns grow from all directions on this matter. Human rights institutions and advocacy groups including programme partners increasingly sound the alarm on reducing civic spaces that make, among others, anti-corruption activists and advocacy groups vulnerable.

Accountability: The very aim of the programme is to enhance the accountability of “duty bearers” in order for them to actual implement the anti-corruption commitments that they have signed up to. Investigative journalism, as supported under this programme, is critical in bringing allegations of corruption to light, as it is an element of the “accountability” dimension

¹⁰ See the context analysis in annex 2 with reference to the Raoul Wallenberg Institute “*The nexus between Anti-Corruption and Human Rights*”, 2018

of the HRBA, but all partners work on this realising accountability by advocating for state and non-state actors to be held accountable for their anti-corruption promises.

Non-discrimination: Corruption as demonstrated in various reports and studies (see context analysis for more information) prohibits equal access to social services which disproportionately affects the poor for example in the health and education sectors. Poor people do also not have the same access to justice when they experience corruption in the judiciary - bribe-taking by police and the officials in judicial systems, political influence over and lack of independence of judges and prosecutors – and corruption in places of detention.

Anti-corruption efforts also need to comply with human rights standards, otherwise they lose their legitimacy. This respect for the human rights - also of the people accused of corruption or mismanagement - will be one of the guiding principles of this programme.

Transparency: Access to information and transparency in both the public and private sector, beneficial ownership disclosure, e-governance, Open Data, etc. is regarded as vital in curbing corruption. There is progress in e-governance across all types of countries¹¹ and many governments including Denmark¹² have also signed up to initiatives such as the Open Government Partnership (OGP), the Beneficiary Ownership Transparency Network, the Open Data Standard Initiative, the Extractive Industries Transparency Initiative (EITI) - to name a few international efforts aimed at promoting increased transparency in public affairs. All partners work on enhancing transparency and this programme supports many of these initiatives directly (EITI) or indirectly (Open Government Partnership (OGP) and the Beneficiary Ownership Transparency Network. Most of the partners for example work on enhancing beneficiary ownership disclosure.

6. Gender and Youth

Partners have been encouraged to systematically include gender considerations in their work including by analysing how corruption impacts various groups (including men and women) differently and considerations of how to engage both men and women in their interventions. Many of the partners acknowledge the need to engage women and youth in their interventions.

Young people are increasingly emphasized as agents of change in the anti-corruption discourse as well as in Danish development cooperation. Young people are using social media as a protest and advocacy tool in the fight against corruption. Some CSO partners such as TI has tapped into this potential for engaging youth especially in relation to new technologies. This programme provides numerous opportunities for engaging youth further on the anti-corruption agenda. All partners have been encouraged to engage youth when relevant and feasible.

¹² Denmark has signed up to Open Government Partnership (OGP) and recently to the Beneficiary Ownership Transparency Network

UNODC has identified gender as an issue cutting across all aspects of its programmes and activities both at headquarters and in the field and developed a staff guidance note which devotes special attention to anti-corruption programming. A recent review of TI showed positive contributions and a large engagement with young people, while less has been achieved in terms of engaging women. TI acknowledge this as an issue and concrete targets for how to engage women activists in the movement has been set as part of this programme. PWYP have likewise developed stand-alone targets for addressing gender more systematically in the next years. PWYP will be exploring and tackling the barriers to women's participation in natural resource governance initiatives to enable more active participation of communities, women and youth in relevant extractive governance initiatives and to ensure that a revised 2019 EITI standard includes more requirements related to gender and ultimately that EITI is more gender-sensitive, including more gender-disaggregated data in EITI national reports.

More information on the question of gender, youth and corruption can be found in annex 1 (context analysis) with reference to several studies and several U4 briefs.

7. Synergies

There are very strong synergies between partners in the programme. In terms of UNCAC and EITI implementation, the programme supports both the “supply” and the “demand” side. The programme supports strengthening civil society to demand for governments to implement their UNCAC commitments (the UNCAC Coalition) as well as states' ability to actually honour these commitments (through UNODC technical support to governments). There are likewise strong synergies between the support to EITI (governments led initiative) and to PWYP (a CSO network) as both are working on creating improved resource governance from the supply and demand side respectively.

Most of the CSO partners already work closely together on topical issues such as beneficial ownership disclosure and money laundering and most of the partners also work on improving their ability to effectively generate and analyse big data to inform evidence-based advocacy and policy change. The programme will support partners to take positive advantage of data including big data while also addressing the risks and challenges related to data availability and use. Finally, most of the CSO partners are also struggling with how to operate within the shrinking space of civil society. This is an area where the collaboration between civil society and investigative journalists under the GACC umbrella is pointing to new and innovative ways of using the available space for investigations and advocacy.

There is also potential synergy with the engagement of Danida at the national and at sector level. The support to UNODC for example ensures technical assistance to help states, especially Danida priority countries, with implementation of UNCAC in critical areas. This will reinforce existing Danish governance engagement at national level in partner countries. As part of the programme, a number of sector level initiatives will also be taken to ensure that the strategic dialogues between the public and private sector from IACC continues on a few selected issues - where Denmark has a strategic interest and can provide added value to further the discussion.

8. The programme design and OECD-DAC Criteria

The programme has been designed (overall design and selection of partners) to maximise relevance, effectiveness and sustainability while also respecting the need for efficiency.

Relevance: The programme is relevant to the World 2030 and its objective of furthering an international anti-corruption agenda. As highlighted in the “lessons learned” section, a global programme sharing knowledge across borders and addressing international drivers and enablers of corruption is relevant and needed. Relevant partners have been selected to fulfil these ambitions. CSO partners that understand and work on both national and transnational aspects of corruption as well as CSO partners that draw their support from a large number of members and supporters have been selected.

Effectiveness: As highlighted in the “lessons learned” section, it is regarded as effective to support a mix of partners. The partner group is therefore a mix of multilateral organisations or government-led initiatives that would strengthen the ability of governments to respond to calls for greater accountability and transparency, CSO partners that would keep up the pressure on governments to honour their commitments and finally a private sector led initiative that will strengthen the ability of companies to contribute to positive change. It is also regarded as effective to focus on alliances, networks and strategic alliances. It is therefore regarded as relevant to engage with partners that work in new and innovative ways either in fostering new types of partnerships between government, civil society and the private sector or breaking down silos as the GACC project does between civil society and investigative journalists. The partners selected are thus all committed to partnerships and strategic dialogues. Finally, it is regarded as effective to aim for implementation of *existing* commitments and therefore all partners aim at this as part of their programmes.

Efficiency: The programme has been designed to minimise the project management as much as possible for the MFA while also ensuring that the programme generates results including innovation and internal learning in the MFA. There will not be a Steering Committee bringing the partners together on a regular basis. It is primarily the partners who will be charge of project management, monitoring, reporting and communication of results. Many of the partners selected are existing partners and have thus documented that they are able to manage projects including by exercising sound financial management. Only a few of the partners are new and less established. These have been included to ensure innovation in the programme (for example GACC). In the case of GACC, the MFA has a collaboration agreement with USAID, which has supported GACC for many years.

To minimise transaction costs for the MFA as well as the partners, most the partners will receive core institutional support. Some of the new and less established partners such as MACN and the UNCAC Coalition will receive earmarked support. However, in this case the UNCAC Coalition, a close collaboration has been agreed with Norad to avoid duplication of efforts.

Sustainability: The programme has integrated measures to help ensure sustainability of the results. Several measures such as choosing core support as support modality, integrating capacity building of the partners (a Danida secondment to a partner is for example an option if there is a need and demand) and facilitating institutional linkages between partners are all features of the programme that enhance the prospect of sustainability. Core support allows the partners to focus on their own strategic objectives, which lead to a more demand driven and sustainable organisational focus. The organisation may also prioritise using some of the resources for fundraising for future activities to ensure sustainability. Lastly the programme will, as mentioned, encourage the building of durable linkages and networks between partners.

Most of the partner organisations will undoubtedly survive an end to Danish funding, with varying impact on their level of activity. Most activities are likely to continue but at a smaller scale after the phasing out of Danish funding. The Danida funding only constitute a smaller part of most of the partners' total funding (UNODC 10%, EITI 4%, TI 3%, PWYP 6%). For a few of the partners, the phasing out of Danida support may have a greater impact on the ability of the organisations to undertake the activities planned under this programme. The Danida funding will for example double the annual revenue of the UNCAC Coalition and Danida will also be one of the key contributors to GACC¹³. In the cases of the UNCAC Coalition and GACC however, the Danish presence is expected to attract other donors and will actively be used for that. In the case of MACN, Danida is the only contributor to those activities foreseen under the programme. MACN, as an initiative, is however funded by corporate membership and they will be able to continue their engagement, although at a smaller scale, if Danida funding ends.

However, most of all, the sustainability is in the longer-term impact of the activities funded. Such as the effect of UNODC's technical assistance in strengthening asset recovery regimes; the local and global impact of the exposure of corruption cases by the GACC journalists – ref. their exposure of the Azerbaijani laundromat and the effects it had on the procedures of the Council of Europe and the impact of the MACN anti-bribery projects on changing of mind-set in the maritime sector.

9. Management

Each individual engagement will be managed and implemented by the engagement partner as described in the individual Development Engagement Documents. The monitoring at the partner level will also be undertaken by partners. The results framework is depicted in annex 3 with the overall programme objective, impact indicator, baseline and targets. In addition, the outcomes of the engagement at the partner level is included. For the full results frameworks which include baselines and targets at the output level for each partner, please consult the individual development engagement documents. Partners are also responsible for revisiting

¹³ The total funding of GACC in 2019 is not known at this point. GACC has several interested development partners but partnership agreements are still to be finalized.

their Theory of Change and the underlying assumptions and risks on a regular basis. All partners have elaborated risk matrixes, which are attached to their Development Engagement Document. The MFA on the other hand will be responsible for revisiting the Theory of Changes, assumptions, risks at the programme level at on an annual basis when receiving the annual reports. Possible adaptation is also expected at the time of mid-term review.

The reporting and accounting requirements will differ according to the support modality. Core funding in the cases of EITI, TI, GACC (soft earmarking to the African region), PWYP, UNCAC Coalition and project funding in the cases of UNODC and MACN. Finally, membership fee in the case of U4. The plan is to have joint dialogues and monitoring arrangement with other development partners such as Norad, Sida and the US State Department at least in the cases of TI, the UNCAC coalition and GACC. This is expected to reduce the resources needed for programme management for both the MFA and partners and create mutual opportunities for learning.

There is no intention to establish any advisory or other regular forum bringing together the partners. However, a budget line has been set aside to organise events, e.g. involving programme partners together with Danish anti-corruption stakeholders and media to facilitate mutual learning, promote the anti-corruption agenda, and maintain the momentum among Danish anti-corruption stakeholders created by the IACC in October 2018.

KFU participation in reviews as well as annual or bi-annual meetings with partners may be relevant in some cases (UNODC, GACC), where possible in coordination with other donors. Otherwise, the engagements will largely be monitored through the progress and financial reports of the partners. A mid-term review will be carried out in 2020.

10. Communication and studies

This programme has strong potential for showcasing results of Danish development assistance. Issues such as money laundering, tax havens, shell companies, illicit financial flows are receiving global attention including in Denmark. The idea is to leverage on the attention that the IACC conference received in Denmark and to take it a step further by continuing to focus on the negative effects that corruption have on realising the SDGs in developing countries.

It is primarily the partners, who will be responsible for communicating the results of their work. The partners will be responsible for ensuring that budgets are available for communication within the total budgets allocated to them. Several of the partners such as EITI, OCCRP, TI and PWYP have very elaborate communication strategies and a strong presence on social media. UNODC has an elaborate communications plan for this specific project, which will be executed at both the global and the national level in countries where technical assistance is being delivered. Overall the strategy aims to emphasize the importance of implementation of UNCAC and the role that Denmark is playing, particularly through this project, in supporting the implementation. At a global level the role of Denmark and the project will be included in the broader advocacy programme on UNCAC Implementation and

in countries where assistance is being provided under this project there will be targeted communication around the delivery of specific activities.

MFA will set aside resources for elaboration of learning notes with case studies during implementation of the programmes. These will be used for reflection and learning but also for showcasing the results of the programme to a Danish and an international audience. MFA developed a close working relationship with many of the programme partners during the IACC conference with joint communication initiatives. MFA may for example post on TP's website and mutually share different communication products on various platforms. This is expected to continue throughout the programme period. Additional communication efforts by MFA will be linked to specific events and campaigns carried out by other Danish stakeholders. It could for example be an event on a specific issue co-hosted by a Danish NGO and a programme partner. The MFA will further seek opportunities of linking the activities conducted under the programme with its on-going initiatives. The MFA will elaborate concrete communication strategies linked to these initiatives and events.

Annex 1: Context Analysis

1. Overall development challenges, opportunities and risks

Corruption results primarily from processes generated within the domestic political economy. This is why the prime responsibility for creating an environment that eliminates corruption rests primarily with national governments and therefore Danida has governance related engagement at the national level. There is however increasingly an understanding that coordinated action in different jurisdictions is needed to fight corruption, as corruption challenges are interlinked. This programme is premised on the understanding that corruption transcends borders and international cooperation and initiatives, as supplement to national level initiatives, is an essential prerequisite for success in the fight against corruption. It is therefore an issue for development actors such as Danida to turn the spotlight to international enablers of corruption such as shell companies, money laundering and Illicit Financial Flows (IFFs).

Many forms of IFFs divert scarce resources away from development. According to Global Financial Integrity, every year the developing world loses as much as US\$1 trillion in illicit outflows through government corruption, criminal activity, commercial tax evasion and mispriced commercial transactions. The High-Level Panel on Illicit Financial Flows from Africa estimated that Africa alone loses more than US\$50 billion annually to IFFs.¹⁴ These amounts that drain out of countries every year are far in excess of the amounts provided in official development assistance (ODA). Illicit outflows overwhelm current annual ODA by OECD-DAC members by a magnitude of 10 to 1, i.e. for every US\$1 poor nations receive in ODA, an estimated US\$10 flows illicitly abroad.

Major international factors such as illicit financial flows, money laundering mechanisms, shell companies and tax havens interact with domestic processes and in many countries – developed and developing alike – loopholes, tax enforcement and systemic weaknesses create opportunities for corruption to thrive. There is increasingly a will to address these loopholes as reflected by the commitments made at the IACC conference in Copenhagen and by adoption of new legislation against money laundering and tax havens or Magnitsky Acts adopted in a number of countries allowing them to sanction corrupt government officials implicated in abuses anywhere in the world. There are however also set-backs. President Trump has for example repealed the Dodd-Frank anti-corruption measure, which required corporations traded on U.S. stock exchanges to publicly disclose the payments they make to governments for natural resources. There is therefore a need for a global anti-corruption programme that continuously focus on global issues and “connects the dots” by creating synergies between the anti-corruption efforts at national and global level.

There is also stronger focus on integrity and the role of leadership in the anti-corruption discourse nowadays. As evidence shows a key catalyst for institutional change is effective leadership and ethical behaviour of leaders. Accordingly, political leaders, senior governmental officials and business leaders can play a critical role in changing norms and expectations, not only through the design and execution of public and corporate policies but also through their own personal behaviour. Several business leaders have also shown global leadership by engaging in initiatives such as the Maritime Anti-Corruption Network (MACN), supported under this programme. B20 also has a heightened focus on anti-corruption, integrity and transparency. Finally, the UN Global Compact and their members also engage more broadly on the SDG agenda among others through the Business and Sustainable Development Commission.

Linkages with the SDGs and UNCAC:

The international community has recognized the negative impact of corruption on development in its Agenda 2030 for Sustainable Development and has included Goal 16, which requires States to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”, through reducing illicit financial flows, strengthening the recovery and return of stolen assets, substantially reducing bribery and corruption, and developing effective, accountable and transparent institutions at all levels. In his most recent report on progress towards the SDGs, the United Nations Secretary General highlighted that “opaque, burdensome and inefficient regulations and procedures nurture opportunities for corrupt officials to extract bribes or unofficial payments” (SDG report 2018).

The 2030 Agenda for Sustainable Development presents a radical approach to transforming the world, focusing on the integrated pillars of sustainable development: economic, social, and environmental. It includes within its universal policy

¹⁴ <https://www.uneca.org/publications/illicit-financial-flows>

framework key elements on democratic governance, peace, security, justice, tackling corruption, promoting inclusive participation, access to information and other human rights and institutional capacity, which were not part of the Millennium Development Goals framework.

Despite the challenging global, regional and country-level contexts for tackling corruption, the adoption of the 2030 Agenda for Sustainable Development by 193 Member States on 25 September 2015 was a major breakthrough for the anti-corruption movement because it capitalizes on the importance of promoting transparency, accountability and anti-corruption, and makes an explicit link between corruption and peaceful, just and inclusive societies.

In particular, Goal 16 and its targets on reducing corruption; developing effective, accountable and transparent institutions; ensuring responsive, inclusive, participatory and representative decision-making; and strengthening access to information, are not only valuable and important aspirations in their own right, they are also important conditions for the successful achievement of the entire 2030 Agenda.

Goal 16 has five key targets, which are instrumental in enhancing the whole 2030 Agenda by preventing corruption:

- 16.4: Significantly reduce illicit financial flows and strengthen the recovery and return of stolen assets;
- 16.5: Substantially reducing corruption;
- 16.6: Developing effective, accountable and transparent institutions;
- 16.7: Ensuring responsive, inclusive, participatory and representative decision-making;
- 16.10: Ensuring public access to information.

The SDGs offer a new growth strategy for businesses that may open up new market opportunities and rebuild trust. However rebuilding trust requires businesses to avoid corruption and pay their taxes transparently. Governments can help businesses pursue the shared goals by creating a regulatory environment that balances private sector growth with safeguarding public interests and concerns. Main elements are ethical leadership, a transparent and accountable government that respects the rule of law and for example ensures effective contract enforcement, provision of functional infrastructure as well as trade, labour-market, economic, and other policies.

The implementation of the UNCAC also provides an opportunity for adopting a comprehensive global framework to combat corruption. Over the last decade, anti-corruption has been one of the fastest growing areas worldwide. This has been due to the near-universal ratification of the UNCAC (186 state parties as of 11 October 2018), and the growing importance of governance and anti-corruption in enhancing sustainable development by improving the capacity, efficiency and effectiveness of public institutions; strengthening coordination and monitoring mechanisms; and removing governance and corruption bottlenecks that impede progress to achieve development goals.

UNCAC, as the first global legally-binding anti-corruption instrument, recognizes that corruption undermines sustainable development by threatening the stability and security of societies, as well as institutions and values of democracy, ethical values, justice, and the rule of law. It covers five main areas: prevention; criminalization and law enforcement measures; international cooperation; asset recovery; and technical assistance and information exchange. UNCAC is a reflection of the fundamental recognition by the international community that effective anti-corruption efforts are crucial for achieving our common goals of good governance and sustainable development.

The Conference of the States Parties (COSP) is the main policy-making body of UNCAC. It supports States parties and signatories in their implementation of the UNCAC, and provides policy guidance to UNODC to develop and implement anti-corruption activities. The COSP was established to improve the capacity of States to implement the UNCAC; to enhance cooperation among States in achieving the objectives of the UNCAC; and to promote and review the implementation of the UNCAC.

However various analysis (see for example the SDG report 2018) point to gaps in policy, institutions, and effectiveness. The implementation of the 2030 Agenda, and in particular, Goal 16, will not be successful if proper mechanisms are not put in place to mainstream, measure and monitor its progress. Significant gaps still exist in terms of: weak institutional capacity and political will; knowledge in mainstreaming and integrating Goal 16 and anti-corruption targets in national development plans and processes; methodologies and data to benchmark and monitor progress on anti-corruption; and national coordination mechanisms to involve major anti-corruption stakeholders in monitoring the SDGs

Linkages between corruption and the sustainable growth and employment agenda:

In the growth process, corruption is often portrayed as a symptom of underlying problems: bureaucracy and red tape, unaccountable officials, excessive discretion, lack of transparency, and so forth. Few would doubt that corruption is harmful in and of itself, that it may dissuade investment and distort the incentive system. At the same time, the

bureaucratic delays and hurdles that bribes are paid to circumvent may also be harmful. For decades, economists have debated the net effect: is corruption “grease” for the wheels of commerce, and therefore positively related to growth, or is it “sand” that impedes the functioning of the economy? Most empirical studies suggest the latter. A recent meta-analysis, examining 460 estimates from 41 different studies¹⁵ found that, on average, most studies find a negative association between economic growth and corruption.

What, then, is the effect that corruption has on individual firms - and the role that firms play in generating the corruption? Empirically, as it turns out, the micro behaviour does, in fact, mirror the macro results. Many (but not all) studies of data on individual firms relating their performance with the level of corruption they face find a negative association: firms that pay bribes, and firms in more corrupt environments perform worse than firms that don't pay bribes and firms in less corrupt environments. For example, a well-known study in Uganda found that a one percentage point increase in the bribery rate was associated with a reduction in firm growth of three percentage points.¹⁶ Another study, using a large panel dataset of firms in 14 transition countries from 1997 to 2007, found that higher levels of bribery impeded the average firm's growth of both real sales and labour productivity.¹⁷

It is possible for economies to grow without big changes in the nature of governance, but it is not clear how long such growth can be sustained. Research indicates that the difficulty many middle-income countries have in sustaining growth (also called the middle-income trap) can be partly explained by for example policy capture, since an important source of sustained growth is an increasingly efficient allocation of resources.¹⁸ Upper-middle-income escapees lower their levels of corruption significantly before becoming high-income economies, whereas “non-escapees” do not see an improvement in corruption. In fact, corruption maintains the status quo in non-escapee countries and undermines competition and the creation of new growth coalitions.

There are a number of concrete manifestations of corruption that constrain companies and economies worldwide either directly - such as bribery and facilitation payments in relation to customs, ports, business licensing, investment permission, public procurement, access to utilities and land or pressure on companies to recruit or promote certain political connected employees - or more indirectly - by creating a difficult and risky business environment of uncertainty, short-termism and reduced reliability of policies due to vulnerability to corrupt influence. Corruption also leads to inefficient public utilities charging high prices of energy, water and internet connection. Corruption may provide insufficiently qualified candidates for recruitment due to inefficient and corrupt education systems at all levels.

Research shows that corruption has significant negative effects on investment (including Foreign Direct Investment (FDI)), government efficiency, competition, and entrepreneurship. Furthermore, corruption affects other important indicators of economic development such as the quality of the environment, personal health and safety status, equity (income distribution), and social capital or trust.¹⁹ In general corruption creates unfair competition from companies enjoying corruption-based access to reduced taxation or to illegitimate profit-shifting to tax havens (i.e. through illicit financial flows): from shell companies belonging to unknown beneficiary owners; from unqualified companies and companies without references or track record winning government contracts. All of this results in unfair competition as well as waste of scarce resources.

Policy and state capture are perhaps the most serious obstacles to sustainable growth as they lead to serious inefficiency in terms of allocation of public resources. Through high-level bribery and influence peddling, powerful companies can bend the regulatory, policy, and legal institutions for their own benefit. Policy capture has a number of manifestations such as diverting credit, government loans and import licenses or using market regulations to favour specific firms, tilt policies to favour politically influential groups, or direct public investment to specific sectors or regions where such groups are located. Monetary policy and the independence and credibility of the central bank can also suffer from policy capture, and inflation tends to be higher in countries with higher corruption. The financial sector in corrupt countries also tends to have lower deposits from the public and provide less credit to the private sector, reflecting less inclusiveness of the sector and providing less growth stimulus. Corruption increases market distrust, reduces access to credit and increases transaction costs. Research shows that more productive firms will leave the market because of the higher cost of doing business as a result of corruption.²⁰

¹⁵ See Campos, Dimova, and Saleh, 2010

¹⁶ See Fisman and Svensson, 2007

¹⁷ See Kochanova, 2012)

¹⁸ World Bank “World Development Report 2017”

¹⁹ See among others OECD “Issue Paper on Corruption and Economic Growth”, 2013, World Bank “World Development Report 2017” and IMF staff discussion note “Corruption: Costs and Mitigating Strategies”, 2016

²⁰ IMF staff discussion note “Corruption: Costs and Mitigating Strategies”, 2016

What is the scale of the negative impact of corruption? The negative impact of corruption as well as illicit financial flows on the global GDP is more than 3% annually. 1/3 of all companies worldwide are constrained by corruption with regional differences ranging from more than 50% in the Middle East to 40-45% in Latin America, Sub-Saharan Africa and South Asia,²¹ and corruption adds at least 10% to the cost of doing business in many parts of the world²² - again with significant variations, as a study estimates that corruption adds 40% to the costs in Iraq for example.²³

What can we do about it? Many cross-country studies²⁴ provide evidence for continuing such policies that strengthen accountability and enforce transparency in order to achieve sustainable economic growth. There is also research that indicates that and can't necessarily be promoted *only* through traditional anti-corruption initiatives in all contexts. A move from the informality inherent in neo-patrimonial systems to a system where formality is the norm (in relation to for example permissions and property rights) is not automatic. In many low and lower middle-income countries with neo-patrimonial systems there are simply not enough companies that are sufficiently dependent on competitiveness and market transactions to demand enforcement of formal rules. They do not yet have positive incentives to change the rules of the game. In this context, a sector approach to assist the enforcement of specific policies and agencies that speaks to their positive incentives may prove the most effective.²⁵

Sector-based developments against corruption is coming more into focus. As governments and companies recognise that each sector has its own particularities, so the solutions depend on companies in that sector and the relevant parts of government working together. The early days of sector cooperation started in 1997 with the development of the Extractive Industries Transparency Initiative (EITI), when companies in the extractives sector worked with NGOs and oil and mining ministries to improve transparency in the sector. Since then, other sectors are now starting to cooperate similarly, such as in construction,²⁶ defence,²⁷ education²⁸ and fisheries.²⁹

In a globalized world with new technological advancements there are new opportunities for corruption especially high-level corruption. The technological revolution may have benefitted societies globally, but also the criminals who learned to exploit new systems for their own illicit gain. Anti-corruption activists need to find alternative ways making use of new technologies such as open data, big data, artificial intelligence, e-governance, blockchain and crowdsourcing - to mention a few. Digital technology and innovation can be effective tools by providing greater oversight of governments and the private sector. However new tools and greater transparency, though essential for informed debate and public scrutiny, is insufficient in itself to unlock problems of corruption which are often deep-seated and complex.

List the key documentation and sources used for the analysis:

Global Corporate Governance Forum “*Corruption, Economic development and Governance*” Issues two, “*Issue Paper on Corruption and Economic Growth*”, 2013,
World Bank “*World Development Report 2017*”
IMF staff discussion note “*Corruption: Costs and Mitigating Strategies*”, 2016
Transparency International “*Global Corruption report: Education*” 2013
OECD “*Consequences of Corruption at the Sector Level and Implications for Economic Growth and Development: Chapter 5 Health*” 2015
Anti-Corruption Evidence programme at SOAS university <https://ace.soas.ac.uk>
<https://www.transparency.org.uk/corruption/corruption-statistics/#.W8A4uRMzbpA>
<http://www.worldbank.org/en/topic/governance/brief/anti-corruption>
<https://www.weforum.org/agenda/2016/05/the-world-can-defeat-poverty-by-2030-but-only-if-it-does-this/>
<https://www.uneca.org/publications/illicit-financial-flows>

2. Fragility, conflict, migration and resilience

²¹ See World Bank Enterprise Survey

²² BIAC “*OECD proposal on a Collective Action Project 2016*”

²³ Global Corporate Governance Forum “*Corruption, Economic development and Governance*” Issues two

²⁴ See among others OECD “*Issue Paper on Corruption and Economic Growth*”, 2013, World Bank “*World Development Report 2017*” and IMF staff discussion note “*Corruption: Costs and Mitigating Strategies*”, 2016

²⁵ For more information please consult the DFID funded Anti-Corruption Evidence programme at SOAS university <https://ace.soas.ac.uk>

²⁶ See CoST infrastructure transparency initiative

²⁷ See IFBEC, the official International Forum for Business and Ethical Conduct in the defence and aerospace industries, and Transparency International [Defence and Security](http://www.ifbec.org).

²⁸ See the UNESCO education anti-corruption initiative at <http://etico.iiep.unesco.org/en>

²⁹ See the Fisheries industries Transparency initiative at [EITI](http://www.eiti.org)

Linkages with Fragility, Conflict and Violence (FCV)

In the joint statement from the high-level segment of the 18th IACC it is acknowledged that there is a particularly urgent need to work with fragile and conflict-affected states to find new and strategic ways of combating corruption. Corruption requires different approaches in different places. Nowhere is this clearer than in Fragile, Conflict and Violence (FCV) settings, where the rationale for, and approach to, controlling corruption is most often very different from those in stable environments. This global programme will address corruption occurring in countries affected by FCV and in more stable environments and through the intervention of partners it addresses both the international drivers of corruption in these settings and point to appropriate context specific solutions. It is here important that partners as well as MFA staff are aware of the latest knowledge and lessons learned on the corruption and anti-corruption dynamics in various settings.

Poverty, fragility, and corruption are increasingly interlinked. By 2030, between 43% and 60% of the world's extreme poor will live in FCV contexts. Conflicts also drive 80% of all humanitarian needs, while they reduce GDP growth by two percentage points per year, on average. Violent conflict has spiked dramatically since 2010, and the fragility landscape is becoming more complex. Tackling the development dimensions of fragility, conflict and violence requires doing business differently, and the same is true for addressing poor governance and corruption in FCV environments. Corruption is both a cause and a consequence of fragility and corruption and fragility are mutually reinforcing.

Understanding the drivers and consequences of conflict is essential if development actors such as Danida are to design interventions appropriately. Engaging early, even before peace settlements are reached, can help reduce the risk of exclusionary or predatory institutions re-emerging. In addition, anti-corruption efforts should be seen within the context of a broader set of governance reforms. The World Bank in its paper on corruption and FVC points to four interrelated elements: (A) accelerating the delivery of public services, (B) strengthening voice mechanisms to rebuild trust, (C) building core state institutions, and (D) providing fiduciary assurance appropriate for the high-risk environment.

This programme is not especially targeting fragile countries or situations but several of the partners engage in FVC settings. Many countries affected by FCV have signed up to both UNCAC and EITI and a country such as Afghanistan also participated in the IACC in Copenhagen and issued a national statement with a number of commitments. There should therefore be prospects for synergies between the large scale bilateral Danish anti-corruption engagement in Afghanistan and this programme.

Relevant references and guidance:

International Dialogue for Peace and State Building – New Deal: <https://www.pbsbdialogue.org/en/>
DAC International Network on Conflict and Fragility (INCAF): <http://www.oecd.org/dac/governance-peace/conflictfragilityandresilience/>
World Bank - Fragility, Conflict and Violence: <http://www.worldbank.org/en/topic/fragilityconflictviolence>
Global Initiative Against Transnational Organised Crime: <http://globalinitiative.net/>
Global Witness: <https://www.globalwitness.org/en-gb/>
Brief on Corruption, Fragility and Conflict Prepared by the World Bank Group for the IACC High Level Meeting (unpublished)
Jesper Johnsen “Anti-Corruption Strategies in Fragile States”, 2016

3. Assessment of human rights situation (HRBA) and gender³⁰

International human rights mechanisms, including the Human Rights Council, have paid increasing attention to the negative impact of corruption on the enjoyment of human rights and made numerous recommendations to Member States with the aim to prevent and suppress corruption. UN institutions such as OHCHR, UN human rights bodies and mechanisms (i.e., Human Rights Council, its Special Rapporteurs, and the Universal Periodic Review mechanism, as well as human rights Treaty Bodies) are increasingly mindful of the negative impact of corruption on the enjoyment of human rights and have addressed issues of corruption and human rights on numerous occasions.

A new study of the impacts of corruption on human rights was launched by the Universal Rights Group (URG) and Kroll in Geneva in May 2018. It shows that depending on the level, pervasiveness and form of corruption, corruption can have devastating impacts on the availability, quality and accessibility – on the basis of equality – of human rights-

³⁰ The purpose of the analysis is to facilitate and strengthen the application of the Human Rights Based Approach, and integrate gender in Danish development cooperation. The analysis should identify the main human rights issues in respect of social and economic rights, cultural rights, and civil and political rights. Gender is an integral part of all three categories.

related goods and services. Moreover, it undermines the functioning and legitimacy of institutions and processes, the rule of law and ultimately the State itself.

Disadvantaged groups and persons suffer disproportionately from corruption. They are often more reliant on public goods and services and have limited means to look for alternative private services. They typically have fewer opportunities to participate in the design and implementation of public policies and programmes and lack the resources to defend themselves and seek reparations. Those involved in efforts to investigate, report, prosecute and try corruption are at heightened risk of human rights violations and require effective protection.

While acts tainted by corruption can constitute human rights violations, corruption itself is best seen as a structural obstacle to the enjoyment of human rights. Corruption, especially grand corruption, has enormous implications, both direct and indirect, for the enjoyment of human rights. Corruption undermines – perhaps even violates – a wide array of economic, social and cultural rights, including the right to development as demonstrated by the Study from the Universal Rights Group (URG) and Kroll.

Despite the above linkages, corruption and human rights tend to be considered in parallel by separate processes. In the anti-corruption sphere, the UN Convention against Corruption (UNCAC) is strongly focused on the criminal law perspective and it is not designed for addressing the victims of those criminal acts. The UN human rights system, on the other hand, with its focus on individuals, does have the potential to bring that dimension to life. Human rights standards, principles and mechanisms provide additional entry points to complement anti-corruption efforts. Anti-corruption activists and organisations such as Transparency International and other NGOs supported under this programme may for example use the various human rights avenues within the UN. The implementation of international norms against corruption could be improved with the help of human rights arguments and instruments as highlighted by a recent review (2018) from the Raoul Wallenberg Institute (Commissioned by the Ministry of Foreign Affairs of Denmark).

At the same time, anti-corruption efforts need to comply with human rights standards, otherwise they lose their legitimacy. This includes the respect for human rights, also of people accused of corruption or mis-management.

Key **rights holders** and **duty bearers** in the programme

Human rights mechanisms can help clarify what the entitlements of rights-holders and responsibilities of duty-bearers are when corrupt acts distort governance processes. Danida generally promotes a human rights-based approach to anti-corruption, an approach that puts the international human rights entitlements (the “rights-holders”) and the corresponding obligations of the State (the “duty-bearer”) in the centre of the anti-corruption debate and efforts at all levels. Lately the private sector has increasingly been brought in by development actors as a “duty-bearer” that has obligations vis-à-vis the citizens in the societies in they operate.

The programme is framed around strengthening “duty-bearers” by extending capacity development support states to implement UNCAC or EITI or by enhancing the positive anti-corruption engagement of the private sector and “rights-holders” by strengthening their voice and empower them to hold “duty-bearers” accountable.

Human Rights Principles (PANT)

Denmark’s development cooperation is based on the principles of non-discrimination, participation and inclusion, transparency and accountability as highlighted in the “World 2030”.

Participation: Protecting those who participate in anti-corruption efforts is an area where human rights and anti-corruption might cooperate as a matter of priority. On a conceptual level, it is a key element of the “participation” dimension of the HRBA: people must have a voice and space to speak up without fear of retaliation. On a practical level, concerns grow from all directions on this matter. Human rights institutions and advocacy groups increasingly sound the alarm on reducing civic spaces that make, among others, anti-corruption activists and advocacy groups vulnerable. The protection of whistleblowers is yet to grasp the attention of human rights mechanisms on par with the protection of human rights defenders.

Accountability: Investigative journalism, as supported under this programme, is critical in bringing allegations of corruption to light, as it is an element of the “accountability” dimension of the HRBA. Government should also be held accountable for the protection of freedom of expression, in particular media freedom, but also freedom of association and the protection of privacy and correspondence.

Non-discrimination: Corruption as demonstrated in various reports and studies mentioned above prohibits equal

access to social services which disproportionately affects the poor for example in the health and education sectors. Poor people do also not have the same access to justice when they experience corruption in the judiciary - bribe-taking by police and the officials in judicial systems, political influence over and lack of independence of judges and prosecutors – and corruption in places of detention.

Transparency: Access to information and transparency in both the public and private sector, beneficial ownership disclosure, e-governance, Open Data, etc. can be vital in curbing corruption. In particular, e-governance and the level of transparency it implies hold strong promise in terms of corruption prevention including all phases in the budget cycle (preparation, approval, execution and audit/evaluation). There is progress in e-governance across all types of countries³¹ and many governments have also signed up to initiatives such as the Open Government Partnership (OGP), the Beneficiary Ownership Transparency Network, the Open Data Standard Initiative, the Extractive Industries Transparency Initiative (EITI) - to name a few international efforts aimed at promoting increased transparency in public affairs. This programme will create synergies with these initiatives among others by supporting a tracking mechanism that tracks progress in all these various initiatives.

Gender

The most important question in terms of corruption and gender lies in the analysis of how corruption impacts individuals differently. This includes a 'horizontal' analysis of corruption's different impact on women in respect to men and an intersectional analysis on how corruption affects different types of women and men differently. Different studies show that corruption impacts individuals differently; in fact, it negatively affects poor women the most since they are more reliant on public services. A Danida study on corruption and gender likewise points to the finding that men are more often in a position to benefit from corruption however not *all* men are equally benefitting - a factor that may aggravate domestic violence and ethnic conflicts.

To the extent possible and feasible partners under this programme will be encouraged to develop gender disaggregated data in order to have concrete numbers and figures about how corruption affects women and men differently. Partners have been encouraged to systematically include gender considerations in their work including how to engage both men and women in their interventions. As an example, the recent mid-term review of TI pointed to limited strategic attention to gender in TI. The TI Secretariat is however committed to address gender more systematically in next years, and MFA as a strategic partner will encourage them to stick to this commitment.

Youth

Young people are increasingly emphasized as agents of change in the anti-corruption discourse. International organisations from Transparency International (https://www.transparency.org/news/feature/15_ways_young_people_can_fight_corruption) to OECD (<http://www.oecd.org/corruption/ethics/youth-anti-corruption-campaign.htm>) and U4 (<https://www.u4.no/publications/best-practices-in-engaging-youth-in-the-fight-against-corruption.pdf>) have published inspirational guides on how to engage youth more in the fight against corruption.

There is great potential especially in Africa - a continent of youth where many are using social media as a protest and advocacy tool in the fight against corruption as witnessed in campaigns such as [Follow The Money](#), [#EndBankingFraud](#), [#Reform9jaBanks](#), [#AfricaAgainstCorruption](#), [BudgIT](#).

Some campaigns initiated by youth use new technology. [BudgIT](#) is for example simplifying budgets and public finance using technological tools while [Follow The Money](#) has tracked more than \$120 million with technological tools. Some CSOs such as TI has tapped into this potential for engaging youth especially in relation to new technologies. The 2018 mid-term review of TI for example showed positive contributions and a large engagement with young people at national chapter level in TI. There are also opportunities related to on-going processes linked in African regional organisations. The [African Governance Architecture](#) convened high-level regional youth consultations under the theme "Leveraging Youth Capacities for the Fight Against Corruption in Africa" in 2018 and both the AU and ECOSOC Youth Forum provide platforms for youth to engage on the anti-corruption agenda.

List the key documentation and sources used for the analysis:

- Universal Rights Group: *A policy brief on Corruption- Human Rights Impact Assessment*
- Basel Institute "Corruption and Human Rights" Working paper No 20, 2015
- UN E-Government Survey 2018
- Raoul Wallenberg Institute "The nexus between Anti-Corruption and Human Rights", 2018

- Danida (NCG) “*A Gender Analysis of Corruption- forms, effects and eradication strategies*” 2009

4. Inclusive sustainable growth, climate change and environment

Corruption threatens to jeopardise climate change mitigation efforts. Many of the institutions, governance processes and initiatives designed to mitigate and adapt to climate change are vulnerable to a broad range of corruption risks. These range from undue influence on policies and regulations, to misallocation of funds, and manipulation of markets, reporting and verification mechanisms. TI has published a report (Global Corruption report 2011), which maps and analyses where the impacts of climate change will be exacerbated by corruption.

In addition, there is specific corruption risks in the renewable energy sector (wind, hydro, solar) both at the power generation end of the industry and at the consumer supply end. This has serious implications and reduces the positive impact renewable could have had in mitigating climate change. There has been little focus to date on how to address these problems in a sector-wide way. This programme intends to bring the various stakeholders together for collective reflections on how to reduce corruption in the energy sector.

List the key documentation and sources used for the analysis:

-Transparency International “*Global Corruption Report: Climate Change*” 2011

5. Capacity of public sector, public financial management and corruption

Corruption as consequence of limited capacity and poor control in the public sector including in public financial management systems has been recognized since the beginning of 1990s. This is the rationale behind the technical and financial support that Denmark has extended over the years to governance reforms in Bhutan, Vietnam, Indonesia, Ghana, Kenya, Uganda, Tanzania, Ukraine, China and Afghanistan among others. There is still a need for extending this type of support as acknowledged in the high-level declaration from the IACC, which underlines the importance of increased international financial and technical support for anti-corruption efforts, particularly in developing and middle-income countries. This includes: sharing good practice and peer support and providing technical and financial support to countries.

Nowadays, there is also a stronger focus on implementation or lack of implementation. Many developing countries have top tuned anti-corruption legislation and policies but with poor and fragmented implementation. This has led to a growing realization that corruption is not only a consequence but also the cause of poorly functioning systems in the public sector. In other words, the systems are poorly designed and implemented because certain civil servants and/or politicians benefit from it.

This has prompted an interest in understanding better the conditions that exist on the ground in partner countries as well as internationally. It means understanding the context, its politics, how institutions work and why they do so and the difference power makes in getting things done. On the basis of this development partners should be extending financial and technical support for public sector reforms that are “Working with the grain”.

The various development engagements under this programme are designed and will be implemented with this understanding in mind. All partners have developed a Theory of Change with a set of assumptions based on solid context analysis. These will be monitored during implementation of the programme to ensure that they are continuously adapted to the context.

List the key documentation and sources used for the analysis:

6. Matching with Danish strengths and interests, engaging Danish actors, seeking synergy

Denmark has over the years built up strong partnerships with other development partners not least in relation to

designing, implementing and following up on the International Anti-Corruption Conference hosted by Denmark in October 2018. Danida has developed a close collaboration with multilateral organisations such as UNODC, the World Bank, UNDP, OECD and Global Compact on how to accelerate anti-corruption efforts. Denmark has a strong interest in maintaining and strengthening these working relations to continue to be at the forefront on “what works” in relation to corruption.

Danida is also drawing on competences and network of civil society in relation to anti-corruption. Most of the Danish NGOs work on advocacy on broader governance reforms and some work directly on anti-corruption also on a global level. There are strong synergies between the work that Danish NGOs carry out with their partners in country or at the global level and the work of the partners supported under this programme including but not limited to advocacy related to tax evasion, illegal financial flows and transparency in the reporting of the extractive industry.

Denmark has a commercial interest in fighting corruption in new and emerging markets which traditionally has high levels of corruption. There are a number of concrete manifestations of corruption that constrain Danish companies either directly - such as bribery and facilitation payments in relation to customs, ports, business licensing, investment permission, public procurement, access to utilities and land or pressure on companies to recruit or promote certain political connected employees - or more indirectly - by creating a difficult and risky business environment of uncertainty, short-termism and reduced reliability of policies due to vulnerability to corrupt influence. This creates an uneven playing field for Danish companies which will be held accountable for their behaviour abroad by Danish legislation on bribery of foreign officials and generally by high expectations of integrity in their domestic environment.

This programme is bringing in the private sector as a close ally. The private sector driven initiative in the maritime industry (MACN) is of key strategic interest for Danish shipping companies. In addition, the programme will focus on the energy sector, where Denmark has a development as well as commercial engagement. This is a sector where Denmark can add value among others by acting as a credible convenor of power companies, by bringing Danish companies into the discussion, and by drawing on the lessons learned and network of other Danish initiatives such as P4G. Again, representatives from Danish priority countries, Danish civil society as well as Danish academics will be included in the discussion.

List the key documentation and sources used for the analysis:

7. Stakeholder analysis

Governments, civil society and the private sector are all important stakeholders in a complex interplay that involves groups that benefits from corruption as well as groups that actively work to eliminate it. Sometimes the same group can even appear to be doing both at the same time. Some governments or parts of governments benefit greatly from corruption either for personal gains or to support a ruling party to stay in power. Individual and groups of individuals (family, friends, cronies and party supporters) as well as certain companies close to the government may likewise benefit from corruption. Other individuals and companies or political parties that are not able to or willing to engage in corruption are on the losing end. Each national context will have its own dynamic and winners and losers, which create national-level entry points and challenges in the fight against corruption.

In FCV settings, it is even more important to understand the politics and the distribution of power. In these settings, power allocation is even more fluid and unstable, as are the corruption risks. This fluid allocation of powers creates space for corruption and capture that, in turn, allows groups to extract rents and resources from the country and to create incentives for other groups to try to take power. Clans, warlords, and criminal organisations may vie for power and the rents that accompany power, undermining accountability institutions and limiting the authority and capacity of the government. In addition to the pernicious effect that corruption exerts directly, corrupt environments also make it extremely difficult to introduce any basic reforms to establish a functioning legal government that promotes accountability, inclusion, and equity.

The private sector is driven by both positive and negative incentives when it comes to anti-corruption. The private sector has been largely driven by negative incentives until now. Especially international companies operating in developing countries have been encouraged to not use bribery as a shortcut by national legislation in their home jurisdictions on bribery of foreign officials abroad. Especially the US and UK anti-bribery acts have been instrumental in encouraging companies to set up ambitious compliance programmes. However positive incentives are coming more into focus. The SDG agenda constitutes such a framework of positive incentives. The SDGs offer a new growth strategy especially for

international companies that may open up new market opportunities and rebuild trust. A growing number of companies have made the SDGs, including Goal 16 on anti-corruption, a priority on their strategic agenda.

At the same time there is a growing understanding that in many low income and lower middle income countries with neo-patrimonial systems there are simply not enough companies that are sufficiently dependent on competitiveness and market transactions to demand enforcement of formal rules. They don't yet have positive incentives to change the rules of the game. In this context, a sector approach to assist the enforcement of specific policies and agencies that speaks to their positive incentives may prove the most effective.³²

Technical interventions, laws and policies, international initiatives and capacity building and new technologies have made much more data and more knowledge available, thus creating opportunities for civil society to act. But such initiatives have often done too little to shift the behaviour of the powerful or ensure greater benefits for citizens. They are usually promoted in a technocratic spirit which aspires to be politically neutral and does not recognise the hard realities of politics and power. So the challenge for civil society organisations such as the CSO partners and investigative journalists supported under this programme is to ensure that more and better information flows into the public domain while using that information more effectively to foster citizen action which leads to greater and more lasting benefits to citizens. A related challenge is for all the CSO partners to defend the space for civil society organisations to do their work. There is no value in distributing more data on the corruption if people are prevented from making effective use of it. Civil society organisations' legitimacy is challenged by governments and companies and many activists are experiencing intimidation, threats and violence while new laws are also restricting civil society organisations from accessing the resources they need for their work, such as funding from abroad (see annual reports from Freedom House).

Governments can still draw legitimacy from taking part in international transparency and accountability initiatives while at the same time harassing or arresting activists working on anti-corruption. This is also why it was so important that the governments (some of which can be categorized as authoritarian regimes) that participated in the high-level segment of the IACC conference committed themselves to protecting civil society and investigative journalists.

List the key documentation and sources used for the analysis:

Freedom House Annual Reports <https://freedomhouse.org>

Brief on Corruption, Fragility and Conflict Prepared by the World Bank Group for the IACC High Level Meeting (unpublished)

Anti-Corruption Evidence programme at SOAS university <https://ace.soas.ac.uk>

³² For more information please consult the DFID funded Anti-Corruption Evidence programme at SOAS university <https://ace.soas.ac.uk>

Annex 2: Partners

1. Criteria for selecting programme partners

The ambition has been to have a mix of partners that will strengthen and re-enforce the capacities and especially the positive incentives of governments, civil society and the private sector. The partner group is therefore a mix of multilateral organisations or government-led initiatives that would strengthen the ability of governments to respond to calls for greater accountability and transparency, CSO partners that would keep up the pressure on governments to honour their commitments and finally a private sector led initiative that will strengthen the ability of companies to contribute to positive change.

It was also the ambition to engage with CSO partners that understand and work on both national and transnational aspects of corruption as well as CSO partners that draw their support from a large number of members and supporters. It is further the ambition to have both partners with well-established organisational structures as well as new and less established partners. It was finally the aspiration to have partners that work in new and innovative ways either in fostering new types of partnerships between government, civil society and the private sector or breaking down silos as the GACC project does between civil society and investigative journalists.

2. Brief presentation of partners

The UN Office on Drugs and Crime (UNODC)

The UN Office on Drugs and Crime (UNODC) is the organisational anchor of the UN Convention against Corruption (UNCAC), the only existing universal and legally binding anti-corruption instrument. Since the adoption of the Convention by the General Assembly in 2003, 183 parties have ratified or acceded to the Convention (status as of April 2018), representing a near universal commitment to combating corruption. The most important mechanism to ensure progress in the implementation of the Convention is the UNCAC Implementation Peer Reviews. In addition, UNODC has piloted a regional platform approach to fast-track UNCAC implementation in South East Asia and Eastern Africa. Based on thematic areas identified during the review process, regional-level meetings comprising technical experts and policy makers drawn from relevant government departments, civil society, the private sector, and development partners are convened. These meetings identify regional synergies, innovative approaches and opportunities for South to South cooperation and serve as a platform for development partners for providing direct support to countries.

The Danish support is earmarked to support the implementation process in two ways: 1) by supporting the participation of low-income developing countries in the second cycle of the Implementation Review Mechanism and 2) by funding delivery of follow-up technical assistance relating to needs identified in the Implementation Reviews. The Danish funds will supplement the funding for these purposes coming from the UN core budget and will serve to finance technical assistance to countries that are not able to mobilise bilateral support for this purpose, and the Danish funding may further allow for the expansion of the regional platform approach to Central and Southern Africa. Support will primarily be extended to Danish priority country to ensure maximum synergies with the Danish country programme engagement.

Extractive Industries Transparency Initiative (EITI)

The objective of the work of Extractive Industries Transparency Initiative (EITI) is to promote revenue transparency in the extractive sector. The Extractive Industries Transparency Initiative (EITI) is the global standard to promote the open and accountable management of oil, gas and mineral resources. The standard requires the disclosure of information along the extractive industry value chain from the point of extraction, to how revenues make their way through the government, and how they benefit the public. By doing so, the EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector. In each of the 51 implementing countries, the EITI is supported by a coalition of government, companies and civil society.

The core institutional funding from Danida would fund the operations of the EITI Secretariat. In 2019-2022, the Secretariat will continue to provide support, as resources allow, to all implementing countries. Support to implementation will focus on ensuring that implementing countries make progress under the EITI Standard and harness the EITI as a tool to improve the governance of their natural resources. Two global conferences are expected to take place in this period, in 2019 and in 2022, which will require the Secretariat's focus on gathering its implementing countries for discussions of EITI's impact and future strategy. For each country, the Secretariat identifies key issues and develops detailed strategies and action plans on how to support countries to address these issues. Progress of implementation is monitored through

Implementation Progress Reports Internal (IPRI), Implementation Progress Reports (IPR) and regular regional team meetings.

UNCAC Coalition

This network has 350 CSOs as well as a number of individual expert members dedicated to promoting the implementation and monitoring of UNCAC. The Implementation Review Mechanism (IRM) provides several opportunities for civil society: CSOs may inform the review process by sharing their assessments and recommendations with reviewers and through the UNCAC Coalition they can support UNCAC implementation with technical expertise, benchmarking capabilities and inputs from across the globe.

The Danish support will be core institutional support. The Coalition was up to now hosted by TI in Berlin, but starting from July 2018, the UNCAC Coalition is setting up its Coalition Hub in Vienna. A permanent presence in Vienna, where UNODC hosts the UNCAC Secretariat, will allow the Coalition to better support the research and advocacy needs of its civil society member organisations and to ensure that the voices, concerns and demands of civil society are heard in UNCAC-related fora and other UN bodies. The vision for the Hub is to stay small and agile with a team of 2-3 people, who will lead and support international advocacy efforts while providing support to Coalition members to help them use the UNCAC to advance their mission on the national and regional levels.

Norway has just signed a funding agreement with the Coalition for the period 2018 to 2020. The funding approach will therefore be a basket fund by which the Coalition can fund any of its activities benefitting ODA-eligible countries, including direct headquarter costs linked to such activities. This will allow Denmark to draw maximum benefit from Norway's prior knowledge of the Coalition and ensure that the Coalition avoid duplication of efforts related to monitoring and reporting.

Transparency International (TI)

Danida has supported TI - the global anti-corruption movement - since 1997. This long-standing partnership with TI is an integral part of the Danish support to the global fight against corruption. TI is a central actor and has over 100 national chapters all over the world. The current TI strategy "Together against Corruption" provides the strategic framework for Transparency International's collective ambition and actions for the years 2016-2020. The strategy aims at contributing to citizens around the world taking increased action to confront corruption while also involving a growing number of key partners and leaders to drive anti-corruption progress. The purpose is that public and private institutions actually implement the highest transparency, accountability and integrity standards to prevent and confront corruption. In recent years TI has also increasingly focused on ending impunity by ensuring that the corrupt are held to account and punished. TI also has a focus on ensuring that countries are held accountable for the commitments they make in international forums such as the IACC in Copenhagen. Finally, TI is strongly focused on being a focal point for knowledge generation and sharing of expertise.

The TI Secretariat (TI-S) in Berlin is well placed to scan global trends, identify opportunities and most importantly, make connections that no other actor can make. It is in a unique position in that it has access to both the national grassroots level in many countries, and to global policy processes as well as research credibility and a global network of CSOs, academics and policy experts, which can be harnessed not only to respond to developments, but to predict and influence them before or as they occur. A mid-term evaluation of TI-S from 2017 shows that the goals outlined in the Strategy 2020 are increasingly relevant and that the Movement is well placed to help achieve these goals.

Danida has strengthened its strategic collaboration with TI the last few years among others by jointly preparing the IACC that Denmark and TI co-hosted in 2018. Denmark will continue to extend core funding to TI in the coming years, and it is agreed that in the 2019-2022 period, these funds will partly serve to finance the monitoring mechanism that TI will set up to follow up on the anti-corruption commitments of the countries and organisations participating in the high-level segment of the IACC 2018. The financial support will be managed by TI-S in Berlin.

Global Anti-Corruption Consortium (GACC)

The GACC was launched in 2016 by five governments and seven partners that bring distinct media, advocacy, tech, and legal expertise. GACC is a partnership that brings together investigative journalism spearheaded by the Organised Crime and Corruption Reporting Project (OCCRP) and advocacy driven by TI. This collaboration allows OCCRP's global network of local journalists and TI's 100+ chapters to share data and knowledge, informing advocacy with actionable data generated through cross-border investigations. In its first year, the GACC has made significant contributions to spotlighting and pushing for policy reforms in response to money-for-influence scandals and exposés of global money laundering.

The GACC is currently supported by the Governments of Argentina, Australia, Denmark, Norway, and the United States. With initial 2018 contributions of \$10,000 each from Argentina, Australia, Denmark, and Norway, the U.S. State

Department funds the vast majority of the effort for a total of \$4.8 million through January 2020. The continued and increased Danida funding (soft-earmarking) will go towards accelerating consortium reporting and national- and local-level advocacy in Africa. This work will allow the GACC to build new capacity in Africa in particular and allow GACC to fully pursue identified priority themes, complementing the first-year emphasis on what can be characterized as global investigations and campaigns.

Publish What You Pay (PWYP)

PWYP is a global coalition of more than 700 member organisations advocating for transparency, accountability and good governance in the extractive sector. One of PWYP's greatest achievements has been the campaign for mandatory disclosure legislation which requires oil, gas and mining companies to publish their payments to governments around the world. Laws were adopted in the United States (2010), Norway (2013), the European Union (2013) and Canada (2014). As a result, and although the American law is currently under threat, a majority of the world's largest listed extractive companies now publish reports detailing the amount of royalties, fees and taxes they pay to governments for the extraction of resources, which in turn allow activists in the developing world to keep a closer eye on money earned by their governments. Another key achievement of PWYP is the establishment and subsequent growth of the Extractive Industries Transparency Initiative (EITI), a voluntary, multi-stakeholder initiative that supports information disclosure in the extractive sector. Over the past 15 years, PWYP has been instrumental in shaping and strengthening the EITI at global level and in the 51 EITI implementing countries. The PWYP Secretariat is the de-facto facilitator and convenor of the civil society constituency on the EITI international board, on which several PWYP members sit. At the national level, PWYP members take part in multi-stakeholder groups which are responsible for producing EITI reports to reconcile company payments and government receipts, revealing discrepancies and gaps and use the reports to make policy recommendations to address the governance issues exposed. Danida is already partnering with PWYP and will continue core funding to the organisation.

The Maritime Anti-Corruption Network (MACN)

This network is an example of an innovative business initiative that has successfully addressed corruption in the maritime sector through private sector collective action as well as in partnership with industry players, governments and civil society. MACN was established in 2011 as an industry-led initiative, working collaboratively towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. The Danida funding will be earmarked towards implementing collective action projects in Nigeria and Senegal, and to conduct regional best practice sharing workshops with stakeholders from neighbouring countries. This support would allow MACN to deepen its current engagement in Nigeria, use the learnings gained in Nigeria, bring this knowledge to neighbouring countries as well as expanding MACN's work and presence in West and Central Africa. The project will further include the development and launch of the first ever Global Port Integrity Index, measuring the level of integrity in ports worldwide. The index will not only encourage more competition between ports, but also be a useful advocacy and investment tool to raise awareness on how maritime corruption is impeding growth and development especially in low- and middle-income countries.

The project will be led and managed by a project manager based at MACN's secretariat in Denmark, which is managed by the non-profit business network BSR (Business for Social Responsibility). BSR's backstopping and support functions will be made available to support on financial management, reporting and technical backstopping. In-kind resources will also be made available via the MACN secretariat and the MACN Steering Committee. The project manager will be working closely with and overseeing the implementing partner in West Africa - the Convention on Business Integrity (CBI). MACN has been working with CBI since 2012 and established a close and successful partnership with the organisation. CBI will provide project management resources in Nigeria and across other targeted African countries. MACN will engage with the Embassy of Denmark in Abuja, the Trade Council, the Danish General Consulate in Lagos, and the General Consulate in Dakar during implementation.

U4 (Chr. Michelsen Institute)

In supporting U4 with continued membership, Danida is supporting generation and dissemination of knowledge of corruption and illicit financial flows. Since 2003 the U4 Anti-Corruption Resource Centre has studied how corruption threatens development outcomes. Together with global research networks and practitioners, it pursues emerging topics and advance the anti-corruption field. It is a unique multi-donor partnership under the Christian Michelsen Institute in Bergen, Norway and is hailed as one of the leading resource centres with regard to the topic of fighting corruption, and provides assistance and services to both members, developing countries and donors. U4 supplements Danish governance programmes in partner countries among others by providing anti-corruption trainings. As a member of U4, Danida also benefits from privileged access to the U4 knowledge and resources among others through their helpdesk and to the network and expertise of other U4 members such as Australia, Finland, Germany, Norway, Sweden, Switzerland and the UK. The membership fee of 222,000 Euro per year is equivalent to core funding and the work plan and budget are based on U4's overall organisation strategy for 2017-2021. A yearly budget and work plan are presented by management for the approval of the Steering Committee, where Denmark is an active member represented by MFA's Department for Technical

Quality Support (TQS). The Danish membership fee is already paid for the period 2019-2021 so it is only the remaining DKK 2 million annual fee for 2022 that will be drawn from the budget of this programme.

3. Summary of key partner features

Name	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
UNODC	UNODC is the guardian of UNCAC and through the peer review process and technical support, UNODC aims at strengthening the effective implementation of the Convention	The global programme has more than 20 donors. The contribution of Danida is app. 10 pct. of the available funding.	Medium: UNODC has a voice in the anti-corruption discourse and will as such be able to shape the discussions.	UNODC will, ensure that governments are better able to respond to the calls for effective implementation by State parties.	Strengths: UNODC has a strong mandate as guardian of UNCAC and extensive experience with anti-corruption Weaknesses: The discrepancy between mandated Economic Crime Branch (CEB) functions and insufficient regular budget and extra budgetary resources to fulfil these functions internally Opportunities: High demand by states for UNODC services. Successful fundraising the latter years and more than 20 donors for their global AC programme Threats: There is a certain fatigue with UNCAC because of the lack of effective implementation by State parties.	Accelerating implementation will ensure increased support for UNCAC and the work of UNODC. UNCAC has more than 20 donors for this global programme and will be able to continue the activities even without Danida funding.
EITI	EITI is a multi-stakeholder coalition that seeks to strengthen government and company systems, inform public debate and promote understanding in relation to transparency and accountability in the extractive sector.	EITI has 16 supporting countries and a large number of corporate supporters. Danida funding is 4 pct. of the total budget.	Medium: EITI together with PWYP can provide important inputs on how to further the debate on sector level anti-corruption engagement and collective action	EITI is able to provide peer pressure on both governments and the private sector to step up implementation of commitments	Strengths: EITI is an established and experienced organisation supported by a coalition of government, companies, and civil society. It has a large (51) number of implementing countries Weaknesses: EITI does not have an overall strategy but is guided by an annual work plan. Opportunities: EITI moved to become more of a membership-based organisation, which may entail more ownership from implementing countries Threats: -There is a move away from transparency in general -Some countries rely on donors for financial support. World Bank's Extractives Global	Implementation of EITI global standard has to be stepped up for EITI to prove its value. This is also the objective of this programme.

					programmatic Support (EGPS) is unlikely to be able to fund activities to the extent done under the previous Multi-Donor Trust Fund.	
UNCAC Coalition	The Coalition is a CSO umbrella organisation promoting the implementation and monitoring of the UN Convention against Corruption (UNCAC).	The Danida funding will double the annual revenue and is thus crucial for the Coalition to be able to function effectively	Medium: The Coalition is an important partner as it will be able to maintain an CSO/citizens interest in UNCAC	The Coalition can provide pressure on governments to step up implementation of commitments	Strength: The Coalition has a strong CSO backing with more than 100+ CSO members Weaknesses: The Coalition has recently established its hub in Vienna and still needs to develop all the operating procedures Opportunities: The Coalition has signed funding agreements with both Norad and Danida. Other funders may follow from this signal of support. Threats: Closing space for civil society groups in UNCAC. There is no space for civil society and a highly repressive environment in the United Arab Emirates, where the 2019 COSP will take place.	The Coalition will be encouraged and supported to undertake further fundraising
TI	TI is a global anti-corruption movement with chapters in more than 100 countries. The vision is a world in which government, business, civil society and the daily lives of people are free of corruption.	The Danida support is app. 3 pct. of TI's annual funding. It is important core funding that allows TI to be flexible and respond to needs as they arise	High: TI is one of the most influential CSOs in the anti-corruption field. It is a member of some of the other CSOs in the programme and a GACC partner.	TI plays an important role in putting forward approaches and solutions that can be used to fight and reduce corruption.	Strength: TI is an experienced organisation and strong brand with ownership in both the South and the North and is as such in a good position to work on transnational aspects of corruption Weaknesses: The secretariat has gone through a difficult period with a high turn-over of staff and institutional insecurity Opportunities: The interest in transnational aspects of corruption where TI has expertise. -The increasing availability of data, either through building up databases as in the implementation of Advocacy and Legal Advice Centres (ALACs), or through leaks and whistleblowers Threats: Questions on	TI as a movement will survive without donor funding. But core support to TI-S is instrumental for the movement to respond to global issues and provide knowledge sharing across the movement. Danida will encourage other donors to provide core support to TI-S.

					ownership of information and data, power imbalance between large corporations and states on the one hand, and the public and civil society on the other hand	
PWYP	PWYP supports civil society to demand accountability along the entire extractive value chain.	The Danida support is 6 pct. of PWYP's annual funding. It is important core funding that allows PWYP to be flexible and respond to needs as they arise	Medium: PWYP should be able to influence the discussions on the extraction and use of big data	PWYP as the close partner of EITI is able to monitor the implementation of commitments from both governments and the private sector	Strength: The Coalition has strong CSO backing with more than 700 CSO members and a dedicated secretariat in London. The new global strategy 2020-2025 has been developed in a highly participatory manner. Weaknesses: The PWYP secretariat is small and need to draw on external expertise (e.g. in rolling out the data extraction tool) that does not always deliver Opportunities: PWYP has a formal seat in EITI's multi-stakeholder coalition at international level and in many countries Threats: The transparency, citizen participation and accountability agenda may change drastically in the coming five years in ways that is not easily predictable	Danida will encourage other donors to provide core support to PWYP.
MACN	MACN wants to improve the transparency of regulation in the maritime supply chain, and to improve integrity and accountability of stakeholders in the maritime sector.	MACN is funded by corporate membership fees. MACN would not be able to scale up activities at this point without Danida (this particular project is only funded by Danida) funding but they would continue engaging in Nigeria.	Medium: The partnership with MACN will be used actively in strategic dialogue meetings between state and non-state actors held by MFA.	The network is an example of an innovative business initiative that has successfully addressed corruption in the maritime sector through private sector collective action as well as in partnership with industry players, governments and civil society. The network can be a source of inspiration for other collective action initiatives.	Strength: The collective action initiatives is well integrated into the other activities of the MACN (mostly corporate governance activities supported by membership fees). MACN has a strong local partner in Nigeria. Weaknesses: MACN is dependent on the commitment of their members. Members are sometimes pessimistic because of the continued extortion in ports. Opportunities: There is potential for collaboration with the Danish embassy in Nigeria to strengthen the dialogue with the	MACN is able to continue their engagement even when/if Danida funding ends.

					Government Threats: -Elections and the loss of government commitment. -There is limited uptake of the accountability tool.	
GACC	GACC is a partnership bringing together investigative journalism spearheaded by OCCRP and advocacy driven by TI. This collaboration allows sharing of data and knowledge to inform advocacy with actionable data generated through cross-border investigations. The partnership connects key TI chapters with experienced networks of investigative reporters across the world.	MFA has supported GACC with DKK 75,000 in 2017. The DKK 7 million grant for 2019-2022 will make Danida one of the key contributors to GACC.	Medium: the expansion of the GACC project in Africa may provide new joint advocacy opportunities for other programme partners in the region.	The GACC is an innovative initiative. Their investigations and policy related recommendations may influence the international discourse of anti-corruption in line with the outcome of the Panama papers.	Strength: Knowledge base on key issues (money laundering, bribery, asset recovery) and strong brand with international recognition as leading investigative journalists and anti-corruption advocates Weaknesses: Lack of flexible funding inhibits ability to quickly respond to breaking cases and issues. No dedicated project director to facilitate and expedite communications and ensure strategic direction as the project grows Opportunities Growing interest in as well as coverage by global media of cross-border corruption Threats: -GACC may have difficulties diversifying its funding base if it is seen primarily as a US Government initiative. -Closing space for civil society, heightened threats for journalists, and increasing legal threats as a result of an authoritarian tilt among governments globally	Increasing recognition of the security and development risks posed by kleptocracy, money laundering and natural resource exploitation make governments increasingly interested in actionable evidence and the work of GACC.

Annex 3: Results Framework

Programme		Anti-Corruption Programme 2019 - 2022	
Programme Objective		To enhance the effectiveness of anti-corruption efforts through strengthened cooperation, advocacy, monitoring and research in key organisations and networks at national and international level	
Impact Indicator		Governments and businesses live up to their key commitments in relation to UNCAC, SDG 16, EITI and other relevant anti-corruption pledges (IACC)	
Baseline	Year	2019	-Level of compliance with Article 15 (Bribery of national public officials) of UNCAC (equivalent to SDG 16.5) - Baseline to be established by UNODC in 2019 -Quality of resource governance- Baseline (2017) see https://resourcegovernanceindex.org/ -Key commitments from High-Level statement and country statements from IACC 2018 in Copenhagen have been implemented (key commitments will be identified by TI-S). One key commitment concerns beneficial ownership disclosure where only 6 of the 20 G20 countries have central registers of beneficial ownership of companies and only the UK register is publicly available.
Target	Year	2022	-90 % Level of compliance with Article 15 (Bribery of national public officials) of UNCAC- Will be measured by UNODC -Quality of resource governance- 10% improvement overall- see https://resourcegovernanceindex.org/ -By 2020, 25% of TP's key advocacy goals around implementation of the IACC High Level Segment commitments; and by 2022, 50% of the key advocacy goals around implementation of the commitments have been reached/met- (commitments will be identified by TI and monitored by TI pledge tracker mechanism) -At least half of the G20 countries have central registers of beneficial ownership of companies (at least half of these are publicly available) - Will be monitored by TI's monitoring mechanism

Engagement 1 (UNODC) Outcome 1		States' legal and policy frameworks address corruption risks in line with UNCAC	
Outcome indicator 1.1		Number and type of adopted revised or new laws and regulations in line with UNCAC, on which Economic Crime Branch (CEB) provided formal or informal written or verbal advice (on the basis of the Implementation Review Mechanism)	
Baseline	Year	2018	Over the last years on average 8 per year
Target	Year	2022	At least 6 adopted revised or new laws and regulations in line with UNCAC, on which CEB provided formal or informal written or verbal advice (with the financial support by Danida. Other donors will support the process, but the total donor support is not known at this point and hence the cumulated number of policies etc is not known)
Outcome indicator 1.2		Number and type of adopted revised or new policies in line with UNCAC, on which CEB provided formal or informal written or verbal advice (on the basis of the Implementation Review Mechanism)	
Baseline	Year	2018	Over the last years on average 6 per year
Target	Year	2022	At least 7 adopted revised or new policies in line with UNCAC, on which CEB provided formal or informal written or verbal advice on the basis of the Implementation Review Mechanism (with the financial support by Danida. Other donors will support the process, but the total donor support is not known at this point and hence the cumulated number of policies etc is not known)

Engagement 1 (UNODC) Outcome 2		States' institutional frameworks address corruption risks in line with UNCAC	
Outcome indicator 2.1		Number of institutions established or strengthened (e.g. development of corruption risk strategies, codes of conduct) through CEB assistance (on the basis of the Implementation	

		Review Mechanism)	
Baseline	Year	2018	Over the last years on average 5 per year
Target	Year	2022	At least 2 institutions established or strengthened through CEB assistance (with the financial support by Danida. Other donors will support the process, but the total donor support is not known at this point and hence the cumulated number of institutions etc is not known)

Engagement 2 (EITI) Outcome 1		Improved transparency in governance of the extractives sector	
Outcome indicators		More countries adopt the EITI Standard and more countries implementing the Standard make progress to deepen and widen the disclosure of extractive industry information	
Baseline	Year	2018	(1) There are 51 countries implementing the EITI Standard by 31 December 2018. (2) 85% of implementing countries that have been validated against the 2016 Standard have achieved at least meaningful progress.
Target	Year	2019	(1) There are 51 countries implementing the EITI Standard by 31 December 2019. (2) 87% of implementing countries that have been validated against the 2016 Standard have achieved at least meaningful progress.
	Year	2020	(1) There are 52 countries implementing the EITI Standard by 31 December 2020. (2) 87% of implementing countries that have been validated against the 2016 Standard have achieved at least meaningful progress.
	Year	2021	(1) There are 53 countries implementing the EITI Standard by 31 December 2021. (2) 87% of implementing countries that have been validated against the 2016 Standard have achieved at least meaningful progress.
	Year	2022	(1) There are 53 countries implementing the EITI Standard by 31 December 2022. (2) 88% of implementing countries that have been validated against the 2016 Standard have achieved at least meaningful progress.

Engagement 3 (UNCAC Coalition) Outcome 1		CSOs contribute to national UNCAC 2nd Cycle review process with support of the Coalition	
Outcome indicator 1.1		Number of ODA countries where CSOs contribute to and participate in the national UNCAC review process and a qualitative description of the form of CSO engagement and participation in the review process.	
Baseline	Year	0	2018
Target	Year	40	2022

Engagement 3 (UNCAC Coalition) Outcome 2		ODA country governments enable a transparent and inclusive UNCAC review process on the national level	
Outcome indicator		The percentage of governments voluntarily releasing key documents during review process: a) self-assessment checklist, b) full country report, as well as a qualitative description of the inclusiveness and transparency of the national review process in ODA countries, based on reports by CSOs (where information is available)	
Baseline	Year	Out of 11 countries that published the IRM Executive Summary during the second Cycle of reviews, 4 (36%)	2018

		published the full report, 0 (0%) the self-assessment checklist	
Target	Year	50% release full report; 30% the self-assessment	2022

Engagement 3 (UNCAC Coalition) Outcome 3	Civil society groups use the UNCAC to advocate for change in anti-corruption practice in ODA countries		
Outcome indicator	Number of cases where CSO recommendations are adopted by governments in law, practice or statements (based on reports by CSOs, media reports, implementation review reports or assessments of third parties), as well as the relevance and expected impact of these reforms.		
Baseline	Year	0	2018
Target	Year	8	2022

Engagement 3 (UNCAC Coalition) Outcome 4	Civil society successfully advocates for improvements related to UNCAC process and policy issues		
Outcome indicator	Number of Coalition recommendations adopted by UNCAC bodies (Conference of States Parties – COSP) and other global or regional institutions, as well as their expected impact.		
Baseline	Year	0	2018
Target	Year	2	2021

Engagement 4 (TI) Outcome 1	Improved implementation of anti-corruption commitments		
Outcome indicator 1.1	Number of targets and standards committed to at the IACC in Copenhagen implemented		
Baseline	Year	2019	The national/organisational statements and the joint commitments from the IACC conference
Target	2022	50% increase	By 2020, 25% of TP's key advocacy goals around implementation of the IACC High Level Segment commitments; and by 2022, 50% of the key advocacy goals around implementation of the commitments have been reached/met

Engagement 4 (TI) Outcome 2	Increased number of countries committing to addressing international enablers of grand corruption		
Outcome indicator 2.1	Number of countries implementing measures to curb professional enablers' role in money laundering, including lawyers, accountants real estate agents and other professionals.		
Baseline	2018	3	TP's research and advocacy has contributed to increased pressure at the national level resulting in improvements in the legal framework of at least three countries by the end of 2018. - The UK closed loopholes related to trust and corporate services providers and real estate agents and committed to collect and disclose beneficial ownership information of property ownership. - Switzerland proposed legislation to include professional enablers among professionals with anti-money laundering obligation. - South Africa adopted new legislation requiring professional enablers to identify the beneficial owner of clients.
Target	2022	8	8 countries give significant steps to implement measures to curb enablers role in laundering money, including by committing to or adopting: · Anti-money laundering legislation that covers professional enablers; · Stronger customer due diligence practices by professional enablers that include identifying the beneficial owners of legal entities · Stronger rules of suspicious transaction reports by professional enablers are implemented.

			Supervision and enforcement of anti-money laundering rules are strengthened
--	--	--	---

Engagement 4 (TI) Outcome 3		Transparency International products contribute to stronger anti-corruption policy frameworks	
Outcome indicator 3.1		Number of anti-corruption policy frameworks and processes that Transparency International products contribute to strengthening	
Baseline	2018	20	In 2018, the Research team contributed to inform 20 policy and law making processes through research support provided by the Helpdesk to the TI movement and bilateral and multilateral development agencies.
Target	2022	25	Increased uptake and awareness of TI-S research products by global anti-corruption community and media as evidenced by the number of Helpdesk briefs and other research products developed to inform the design of anti-corruption policies, legislation and programmes. Helpdesk services inform policy and legislation processes (in 25 cases), project and programme design (in 35 cases) and help raise awareness on corruption issues

Engagement 4 (TI) Outcome 4		Strengthened local anti-corruption voices to influence decision-makers at the public and private sectors' levels	
Outcome indicator 4.1		Local voices and especially of female anti-corruption activists influencing policy and practice	
Baseline	2018	N/A	TI will begin to monitor this including the strand on female anti-corruption activists.
Target	2022	65% of TI Chapters	By 2022, 65% of TI chapters provide cases (disaggregated by gender and female activists) demonstrating impact of their advocacy on the public and private sector levels.

Engagement 5 (GACC) Outcome 1		Advocacy groups and the wider public have greater access to actionable information as a result of increased investigative reporting in order to apply pressure for reform and hold leadership accountable	
Outcome indicator 1.1		At least one instance of use of information by targeted civil society actors as an outcome of most of the investigations conducted.	
Baseline	Year	2018	6 investigations per year
Target	Year	2022	Cumulative 16 instances (4/year) of use of information by targeted civil society actors over 4 years.

Engagement 5 (GACC) Outcome 2		Strengthen and inform the quality of advocacy on the African continent and beyond	
Outcome indicator 2.1		Annual number of positive anti-corruption policy, institutional, legislative or enforcement changes with a verifiable contribution by TI's advocacy, in connection with published GACC investigations in the Africa region.	
Baseline	Year	2018	2 changes in stated public policy by governments or inter-governmental bodies or enforcement actions
Target	Year	2022	4 changes annually to a cumulative change total of 16 changes in stated public policy by governments or inter-governmental bodies or enforcement actions

Engagement 6 (PWYP) Outcome 1		PWYP coalitions and Secretariat are better able to identify, campaign for and build partnerships to use data to influence extractive sector governance	
Outcome indicator		Governance reforms are taking place based on the evidence provided by PWYP members using extractive data (fiscal and other data).	
Baseline	Year	2018	Lessons learnt from the PWYP pilot project "Data Extractors" in 18 countries.
Target	Year	2022	Number of data projects in which PWYP have been involved that have led to

			governance or legal reforms.
--	--	--	------------------------------

Engagement 6 (PWYP) Outcome 2		PWYP coalitions and Secretariat are more effective in engaging and influencing in “invited” and “created” spaces of extractive sector governance	
Outcome indicator 1.1		The EITI Civil Society Constituency have elected qualified representatives to sit on the EITI International Board. PWYP is represented in the governing bodies of relevant foras such as the Steering Committee of the Open Government Partnership (OGP). PWYP actively participate in the International Anti-Corruption Conference (IACC).	
Baseline	Year	2018	Existing EITI Board – including 10 civil society representatives - have been in place for 3 years and have secured policy gains on beneficial ownership and contract transparency. Two seats on the OGP steering committee are occupied by PWYP members – who have secured a number of commitments to promote openness in natural resource governance. A dozen of PWYP members from around the world attended IACC in Copenhagen.
Target	Year	2022	2019 EITI elections lead to a new set of 10 civil society representatives on the EITI Board, who bring a range of relevant expertise in natural resource governance and serve for a 3 year mandate (2019-2022). 2019 OGP Steering Committee elections lead to 2 new PWYP representatives sitting on the Committee. PWYP actively participate in the IACC in South Korea to share lessons in anti-corruption in the extractive sector– final Joint Statement of IACC makes a reference to importance of revenue disclosure.

Engagement 6 (PWYP) Outcome 3		PWYP coalitions and Secretariat are able to counter shrinking civic space, including through strategic partnerships.	
Outcome indicator 2.1		Proportion of PWYP members in high risk countries and the PWYP Secretariat feel better equipped to respond to civic space issues	
Baseline	Year	2018	Two regional, generic protection strategies (one in Eurasia and one in Africa).
Target	Year	2022	Sophisticated strategies in place in 4 high risk countries to counteract the risks related to closing civic space for PWYP members.

Engagement 7 (MACN) Outcome 1		Strengthen the culture of integrity and good practices for tackling bribes, facilitation payments and other forms of corruption in the Nigerian port sector³³ and neighbouring countries	
Outcome indicator 1.1		Increased awareness, adoption and implementation of new Standard Operating Procedures (SOPs) and grievance mechanism among government officials and the private sector, and increased integrity awareness of stakeholders in the maritime sector in neighbouring countries.	
Baseline	Year	2019	<ul style="list-style-type: none"> • 37 pct. of the responding stakeholders are aware of the grievance mechanisms. • None of the stakeholders report to have used the grievance mechanisms. • 58 pct. of the responding stakeholders are aware of the new port call and vessel clearance procedures and guidelines (SOPs). • 50 pct. of the responding stakeholders have made use of the new port call and vessel clearance procedures and guidelines (SOPs).
Target	Year	2022	<ul style="list-style-type: none"> • Reach minimum 200 government officials and private sector stakeholders per year through communication campaign • 90 pct. of the responding stakeholders are aware of the grievance mechanisms and the new port call and vessel clearance procedures and guidelines (SOPs). • 75 pct. of reporting stakeholders report to have made use of the new port call and vessel clearance procedures and guidelines (SOPs).

³³ The Nigerian ports sector includes the following organizations: Nigerian Ports Authority, Nigerian Customs Service, National Environmental Standards and Regulation Agency (Establishment Act or NESREA Act), Nigerian Drug Law Enforcement Agency (NDLEA), Nigeria Immigration Services, State Security Service, Port Health Services, the Nigerian Maritime Administration and Safety Agency (NIMASA), Standards Organization of Nigeria (SON), and National Agency for Food, Drug, Administration, and Control (NAFDAC), as well as private sector stakeholders, including (but not limited to) terminal operators (concessioners) and other port users.

			<ul style="list-style-type: none"> • 35 pct. of reporting stakeholders report to have used the grievance mechanisms. • Minimum 8 ports and terminals participating in the Port Integrity Rating Index
--	--	--	---

Engagement 7 (MACN) Outcome 2		Promote public-private sector and inter-industry dialogue on tackling corruption in ports globally	
Outcome indicator		Cross learnings between the public and private sector, and inter-industry on tackling bribes, facilitation payments and other forms of corruption in ports globally enabled.	
Baseline	Year	2019	No dialogue forum exists
Target	Year	2022	Expand the dialogue forum to involve stakeholders from Nigeria and four additional countries

Engagement 7 (MACN) Outcome 3		Build a Global Port Integrity Index to raise awareness among governments, donors and the private sector about integrity challenges in ports	
Outcome indicator		Index developed and disseminated	
Baseline	Year	2019	There is no index or way of benchmarking ports
Target	Year	2022	Disseminate index to minimum 200 key stakeholders through communication campaign measured by number of page views and downloads on online Data Visualization Portal; social media statistics (e.g. number of Tweets, Impressions, Retweets, Likes & Link clicks) and participants list from convenings

Engagement 8 (U4) Long-term outcome: U4 partners, governments and other stakeholders' anti-corruption competence, policies, strategies, dialogue and interventions better take into account the insights and approaches most likely to reduce corruption	
Intermediate outcome 1: Policymakers and practitioners that have read U4 publications have a better understanding of anti-corruption issues and approaches	
Indicator 1.1: Knowledge on anti-corruption practice and policy is produced and promoted	
Indicator 1.2: The U4 website is operational, regularly updated and promoted	
Intermediate outcome 2: Innovative anti-corruption approaches are generated, tested and/or evaluated	
Indicator 2.1: The innovation lab U4 TRIAL is operating and externally validated	
Indicator 2.2: Research and other activities that generate, evaluate and/or recommend innovative approaches are published and communicated	
Intermediate outcome 3: Policymakers and practitioners that have taken an online course or attended an in-country workshop have a better understanding of anti-corruption issues and approaches	
Indicator 3.1: In-country workshops are held	
Indicator 3.2: Online training courses are run	
Intermediate outcome 4: Ideas and insights on corruption and how to reduce corruption are exchanged, analysed and further developed amongst experts and novices	
Indicator 4.1: Anti-corruption events are facilitated by U4	
Indicator 4.2: U4 staff participate in and contribute to non-U4 anti-corruption events	
Indicator 4.3: Links between people and institutions are forged and maintained	

Annex 4: Budgetary details

	2019	2020	2021	2022	Total
1. UNODC					23,000,000
IRM	3,935,400	3,935,400	3,935,400	3,323,000	15,129,200
TA	2,623,600	2,623,600	2,623,600	-	7,870,800
2.EITI	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
3. UNCAC Coalition					6,000,000
Outcome 1	640,000	730,000	730,000	530,000	2,630,000
Outcome 2	180,000	240,000	240,000	230,000	890,000
Outcome 3	100,000	150,000	150,000	140,000	540,000
Outcome 4	570,000	390,000	600,000	380,000	1,940,000
4. TI					20,000,000
Outcome 1	1,395,680	1,394,900	1,400,100	1,394,500	5,585,180
Outcome 2	1,395,680	1,400,100	1,399,100	1,399,900	5,594,780
Outcome 3	1,212,250	1,227,300	1,217,200	1,211,700	4,868,450
Outcome 4	996,390	977,700	983,600	993,900	3,951,590
5. GACC					7,000,000
Outcome 1	1,318,127	1,318,127	1,318,127	1,318,127	5,272,508
Outcome 2	431,873	431,873	431,873	431,873	1,727,492
6.PWYP	1,750,000	1,750,000	1,750,000	1,750,000	7,000,000
7.MACN					13,000,000
Outcome 1	2,033,203	1,530,010	1,530,010	646,187	5,739,410
Outcome 2		284,981	379,974	379,974	1,044,929
Outcome 3	266,728	266,728	266,729	266,728	1,066,913
Outcome 4		1,166,218	1,166,218	1,166,218	3,498,654
Direct costs	166,892	225,221	231,066	176,571	799,750
7 pct. Adm.	177,450	239,469	245,684	187,741	850,344
8.U4				2,000,000	2,000,000
9.Follow IACC					3,000,000
10. Unallocated funds					7,500,000
11. Com, Reviews, Studies					3,500,000
Total DKK					100,000,000

Annex 5: Risk Management Matrix

The partner organisations have elaborated comprehensive risk matrixes, which are attached to their Development Engagement Documents. Below is an extract, which focuses on *key* risk factors.

Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Civil society space and freedom of expression continue to shrink in many countries and investigative journalists are jailed and killed while exposing corruption at the highest levels	Likely	Major	<p>-Denmark will strongly advocate with like-minded development partners for space for civil society and journalists in all relevant international forums and at national level with governments in partner countries</p> <p>-Protection of activists/journalists is part of the engagement of several partners. The approach of many of the partners supported under the programme is increasingly to work in partnerships, to establish networks and to coordinate actions between CSOs as well as constantly raise awareness in society to create a safer environment for anti-corruption activists and whistleblowers to operate.</p>	Major but discussions with programme partners and others on how to protect individual activists under threat will be on-going	The space for civil society to expose corruption and human rights abuses more generally is rapidly shrinking and repercussions from governments towards civil society and media are becoming more severe.

Programmatic risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
<u>Engagement 1 and 3</u> : Questions are raised on the UN and	Likely	Minor	Denmark is actively engaged in on-going discussions on how to reform the	Minor. In the short run as UN reforms take time. But an increased implementation of UNCAC commitments	The UNCAC Peer review Mechanism continuously show that even when countries domesticate

UNCAC's ability to credibly and legitimately tackle corruption			UN system and make it more effective Support the UNCAC Coalition to ensure a more citizens oriented approach	by national governments as advocated for under this programme may gradually increase trust in the system	the convention they fail to implement and enforce the legislation and policies in practice. Civil society and citizens increasingly question the gap between commitments and implementation on the ground.
<u>Engagement 2:</u> Insufficient funding for EITI implementation	Unlikely	Medium	A major fundraising effort for EITI implementation through the EGPS or elsewhere will be necessary for sustained momentum	Minor	EITI will continue to make the case for the EITI in different and changing environments, especially resource nationalism, and to be opportunistic to link the EITI with wider political agendas
<u>Engagement 4:</u> TI does not attract enough <u>core</u> funding to be able to respond in a flexible and need-based manner	Unlikely	Medium	Denmark will approach other potential development partners to advocate for core funding to TI	Minor. The risk is significantly reduced if the new TI strategy (beyond 2020) is based on in-depth consultation with all stakeholders and as such is a document with broad ownership	TI is coming out of an organisational crisis and is aware of the need to ensure broad ownership and attract new donors
<u>Engagement 5:</u> GACC will experience a backlash from governments and organised crime as it successfully exposes the corrupt and their networks	Likely	Medium	Denmark will strongly advocate with like-minded development partners for space for civil society and journalists in all relevant international forums and at national level with governments in partner countries Denmark will support GACC in coming up with measures for improving the security of activists and data protection	Medium. But anti-corruption activists and investigative journalists make a difference in exposing the corrupt and changing norms and legislation (as witnessed with the panama papers). Dedicated journalists and activists are still playing a vital role in even the most hostile environments and it would therefore be counterproductive not to extend support.	Freedom of Expression and Press freedom are facing new threats in major democracies as well as in repressive states, where authorities are focusing their efforts on social media and other online platforms after subduing the independence of major print and broadcast outlets. In the short run the more successful activists and journalists are in exposing the corrupt and mobilizing citizens against corruption, the more severe the backlash will become.
<u>Engagement 6:</u> A lack of	Likely	Medium	Denmark will encourage the	Minor. The risk is significantly reduced if	The 'data revolution,' which refers to both

expertise and capacity among PWYP members to effectively access, analyse and use the data that has become available through new technology			PWYP secretariat to offer trainings of PWYP members in data usage and data literacy	building up internal competence in the use of new technology is prioritized by PWYP	quantities of data now available and technological innovation, has the potential to tackle corruption more effectively. However many CSOs do not currently have the skills to take full advantage of the data revolution.
<u>Engagement 7: (MACN)</u> Loss of stakeholder buy-in due to change in leadership in key stakeholders in selected countries	Likely	Medium	MACN recognizes that not only top-level support from stakeholders is needed. It is important to target multiple levels – such as port officials and immigration officers.	Medium. The risk is somewhat reduced if MACN, based on previous experience, will conduct a stakeholder mapping to find motivating factors and map power relations at multiple levels	Leadership changes can happen quickly in government authorities. This has been a material risk in previous projects implemented by MACN. Elections in Nigeria are planned in 2019

Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
High level investigations by civil society/investigative journalist may expose corruption cases that involve Danish authorities or companies	Minor	Minor	Potential cases will be referred to the appropriate authorities and MFA will not comment on concrete cases unless there is a final verdict	Minor. The reputational risk for the MFA is significantly reduced	In recent years there have been a number of cases involving Danish companies- most notably the money laundering case involving “Danske Bank”.
High level investigations by civil society/investigative journalist may expose corruption in Danish partner countries in the Global South	Likely	Minor	MFA will respond with zero tolerance to all cases involving Danish development assistance and will discuss major corruption cases in policy dialogue forums with the government	Minor. The reputational risk is significantly reduced if MFA takes swift action, acts transparently and follows the established channels.	In many of the partners countries, corruption is endemic and often involve high ranking government officials or politicians that Denmark may have formed a long-term partnership with.

Annex 6: Communication Plan

What? (the message)	When? (the timing)	How? (the mechanism)	Audience(s)	Responsible
Corruption has detrimental effects on realizing the SDGs	Throughout the programme period Linked to specific conferences and summits International Anti-Corruption Day	Partners seek alliances with actors and institutions globally (e.g. UNDP, Global Compact) and nationally and will also be encouraged to seek alliances with Danish partners (e.g. Verdens Bedste Nyheder, IFU, Danish NGOs and companies). Production of a series case studies showcasing results	Global citizens A Danish audience including young people	Primarily programme partners MFA (if linked to conferences and events co-hosted by the MFA) MFA
International drivers enable corruption at the national level	Throughout the programme period e.g. on social media Linked to specific conferences and summits International Anti-Corruption Day	Partners will seek alliances with actors and institutions globally (e.g. International Associations of Journalists) and will also be encouraged to seek alliances with Danish partners (Verdens Bedste Nyheder, Danish NGOs). Production of a series of case studies showcasing results	Global citizens A Danish audience including young people	Primarily programme partners MFA (if linked to conferences and events co-hosted by the MFA) MFA

Annex 7: Process Action Plan

10 October 2018	Concept Note discussed in Programme Committee
November/December 2018	Drafting of programme document and engagement documents
January 2019	Appraisal
March 2019	Submission to UPR
April 2019	Signing of engagement documents with partners and first disbursement
May 2020	Mid-term Review

Annex 8: Summary of recommendations from the desk appraisal

The final appraisal report³⁴ must include this table summarising the recommendations regarding the further preparation of the programme. Only major recommendations of the appraisal report requiring action from the Danish Mission must be specified in the left column below, and the table must be signed by the appraisal team leader/KFU representative and received by the Danish Mission no later than 14 days after the end of the appraisal process. "N.a." is indicated in case there are no recommendations regarding the issue concerned.

The right column is filled in by the Danish Mission, when the final programme document and development engagement documentation have been prepared, and the table must be forwarded to the Under-Secretary for Global Development and Cooperation and KFU as soon as possible, and no later than six weeks before the planned presentation of the programme to the External Grant Committee, i.e. two weeks before the request for inclusion of the programme on the External Grant Committee's agenda is forwarded to KFU.

Title of Programme:	Anti-Corruption Programme (ACP) 2019 – 2022
File number/F2 reference	2018-25927
Appraisal report date	28.02.2019
Council for Development Policy meeting date	26 March 2019
Summary of possible recommendations not followed (to be filled in by the Mission)	

³⁴ This table is only mandatory for programme support appropriations when KFU is involved in the appraisal, but may also be useful in smaller instances of programme support, when the appraisal is undertaken by external consultants.

Overall conclusion of the Desk Appraisal (DA)

Overall, the appraisal finds that the programme as a whole demonstrates good preparation and is clearly relevant. It is well articulated and presented, based on a good understanding of context, in line with Danish strategic interests, and aligned with international donor priorities. The programme also aligns with the requirements of Danida’s “Guidelines for Programmes and Projects, 2018”.


The desk appraisal finds some areas where the programme should be strengthened and specific recommendations have been put forward below. The overall conclusion of the appraisal is that the proposed programme is recommended for presentation to the Whole-of-Government Steering Committee, once the recommendations of this report have been taken into consideration.

Recommendations by the Desk Appraisal	Follow up by the Unit
The programme document	
<p>Recommendation 1: Context and justification</p> <p>It is <i>recommended</i> that the justification of the programme in relation to its contribution to the SDGs, stronger partnerships and the synergies between the partners is made more explicit.</p>	<p>The contribution to specific SDGs, partnerships and synergies has been made more explicit (page3, 4 and 15,16)</p>
<p>Recommendation 2: Theory of Change</p> <p>It is <i>recommended</i> that the ToC is redesigned to integrate the activities Danida needs to undertake to ensure the desired change instead of relying on these factors as assumptions. It also recommended that the respective DEs are included more explicitly in the redesigned ToC.</p>	<p>The ToC include Danida inputs/ways of working</p> <p>A reference to individual DE has been made (page 8)</p>
<p>Recommendation 3: Lessons learned</p> <p>It is recommended that the programme document presents a lessons learned section in order to reflect on past initiatives and as a way of applying these experiences in the programme design.</p>	<p>A specific “lessons learned” section has been added (page 4,5)</p>
<p>Recommendation 4: Choice of partners and modalities</p> <p>It is <i>recommended</i> to provide further justification as to why EITI is suggested as one of the main beneficiaries of the programme despite the fact that Denmark is not subscribing to the standards itself. Furthermore, it is recommended to provide more information as to the potential spending of the pool for IACC follow up activities.</p>	<p>There are a number of supporting countries such as Denmark, Sweden and Finland which contribute financially, technically and politically to EITI without implementing the EITI standard.</p> <p>Denmark does not have a large extractive industry and is therefore not an obvious candidate to implement the standard.</p> <p>More information on the modalities/outcome of the IACC pool funds has been provided. (page 11)</p>

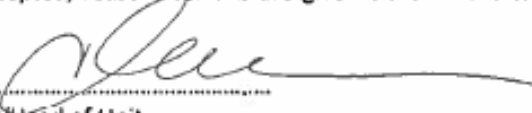

<p>Recommendation 5: Partner selection criteria and programme design</p> <p>It is <i>recommended</i> to specify the partner selection criteria further and to document the considerations for alternative partners that were not selected. Additionally, the document should provide justification of the programme design in relation to the OECD-DAC quality criteria.</p>	<p>The partner selection criteria have been made explicitly with reference to the OECD-DAC criteria rather than justifying why some partners have not been selected.</p> <p>(page 16, 17)</p>
<p>Recommendation 6: Human rights-based approach</p> <p>It is <i>recommended</i> to elaborate on the actual application of the human rights-based approach and cross cutting issues such as youth in the programme document.</p>	<p>More considerations on youth and HRBA have been added</p> <p>(page 12-14)</p>
<p>Recommendation 7: Management and communication</p> <p>it is <i>recommended</i> that Danida nominates a focal point or task manager from their side to ensure a coherent overview of the implementation and the communication efforts made throughout the programme. Danida should develop a coherent communication plan including milestones demonstrating how it intends to communicate the results of the programme and reflect the target group(s) more thoroughly in the programme document.</p>	<p>A unit in MFA will be the focal point for the programme.</p> <p>Communication will primarily be the responsibility of partners. MFA will however ensure that learning notes/case stories are developed throughout the programme cycle, which will be used in the day-to-day communication of the MFA.</p> <p>Specific MFA communication initiatives will only be taken in relation to strategic dialogue meetings hosted by MFA and partners.</p> <p>(page 18, 47)</p>
<p>Recommendation 8: Sustainability</p> <p>It is <i>recommended</i> that the document includes more explicit considerations on sustainability of the interventions and exit plans where relevant.</p>	<p>More considerations on sustainability have been added.</p> <p>(page 17)</p>
<p>Recommendation 9: Results framework</p> <p>It is <i>recommended</i> that the results framework is reviewed and that all DE documents include fixed and ambitious output indicators and that this is referenced when relevant in the programme document. The indicators, baselines and targets should also be updated to reflect the specific findings of the appraisal.</p>	<p>There are already comprehensive results frameworks with outputs, baselines and targets in the individual DED. For simplicity only the indicators, baseline and target of outcomes have been included in the programme document.</p> <p>The specific suggestions of the appraisal in relation to the results framework have been discussed with partners and integrated when relevant and feasible.</p> <p>(Results framework annex 3)</p>

<p>Recommendation 10: Risk management matrix</p> <p>It is <i>recommended</i> that risks and assumptions are regularly monitored as a core part of the programme and that this is highlighted in the Programme Document.</p>	<p>There are already comprehensive risk matrixes as part of the DEDs of all partners. Only the <i>key</i> risks have been included in the programme documents in order to stay focused on these.</p> <p>(annex 5)</p>
--	---

I hereby confirm that the above-mentioned issues have been addressed properly as part of the appraisal and that the appraisal team has provided the recommendations stated above.

Signed in ~~Copenhagen~~, on the 11 March 2019 
Appraisal Team leader/External Consultant

I hereby confirm that the Danish Mission has undertaken the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in Cph 11/3-19 on the 
Ambassador/Head of Unit
 **WESTE MELSON**