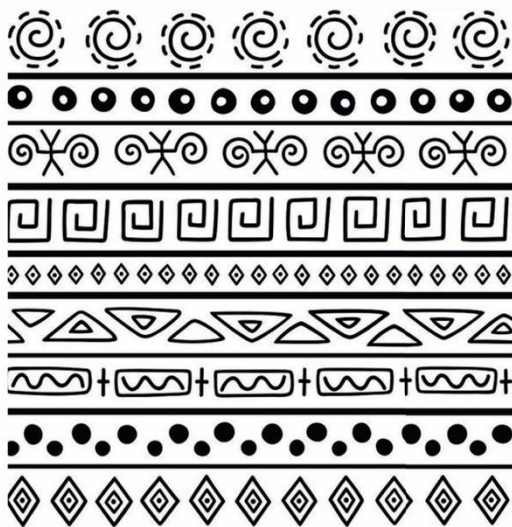


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# CleanAID

Reforçar a Transparência e prevenir  
a Corrupção na Ajuda Humanitária  
e Cooperação para o Desenvolvimento

## O papel das ONGs

18 de setembro 2019 | ISCTE

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ISCTE-INSTITUTO UNIVERSITÁRIO DE LISBOA

## CONFERENCE | CleanAID: Supporting Portuguese NGOs assessing corruption risks in Development and Humanitarian Aid

18 September 2019, ISCTE, Lisbon

The Global Financial Integrity (GFI) report “*Illicit Financial Flows to and from Developing Countries: 2005-2014*”, published in April 2017<sup>1</sup>, shows that illicit flows in and out of the developing world amounted to at least 13.8 percent of total trade (or \$2 trillion) in 2014, and that significant estimated propensities for illicit flows in the developing world have not declined appreciably over the 2005-2014 period.

On July 11, African Anti-Corruption Day, Transparency International and Afrobarometer launched the 10th edition of the Global Corruption Barometer for Africa (GCB Africa)<sup>2</sup>, the largest and most detailed public survey on bribery and other forms of corruption in Africa, noting that more than one in four people (equivalent to over 130 million people) who accessed public services, such as health care and education, paid a bribe in the previous year.

Other frequently quoted global estimates that US\$20 to US\$40 billion, corresponding to 20% to 40% of official development assistance, is stolen each year through high-level corruption from public budgets in developing countries and hidden overseas.

Corruption diverts public resources to private interests, and hinders democratic governance by destroying the rule of law, the integrity of institutions, and public trust in democratic leadership. It seems that the more aid is disbursed, the more apparent become the problems surrounding the channelling of those funds, including not just lack of capacity in the recipient countries, but also lack of political will to implement mechanisms ensuring accountability and anticorruption practices in many of them.

At the ECOSOC 2012 High Level Panel on ‘Accountability, Transparency and Sustainable Development: Turning Challenges into Opportunities’<sup>3</sup>, U.N. Secretary-General Ban Ki-moon denounced the costs of corruption in societies referring that “*Last year, corruption prevented 30 per cent of all development assistance from reaching its final destination*”.

Criminal investigations on the misuse of aid funds have become more frequent and internationalised, involving multi-agency, inter-agency and cross-border efforts and initiatives, but new perspectives and new approaches to the fight of serious and complex fraud and corruption are still required.

<sup>1</sup> <https://www.gfintegrity.org/report/illicit-financial-flows-to-and-from-developing-countries-2005-2014/>

<sup>2</sup> [https://www.transparency.org/gcb10/africa?/news/feature/global\\_corruption\\_barometer\\_gcb\\_africa\\_2019](https://www.transparency.org/gcb10/africa?/news/feature/global_corruption_barometer_gcb_africa_2019)

<sup>3</sup> <https://news.un.org/en/story/2012/07/415122-high-level-discussion-un-officials-highlight-costs-corruption-societies>

For this reason, in July 2015 a new Financing for Development Agenda was adopted - the Addis Ababa Action Agenda (AAAA) - committing all nations to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them.

As an integral part of the 2030 Agenda for Sustainable Development, adopted in September 2015, the AAAA complements the most significant anticorruption international instruments including the UNCAC - United Nations Convention against Corruption (2003), the OECD Anti-Bribery Convention (1999), the G20 Anti-Corruption Working Group and Action Plan (established since 2010), the Financial Action Task Force (established in 1989) and the Extractive Industries Transparency Initiative (launched in 2002).

In the EU context, in particular, the *New European Consensus on Development - Our World, Our Dignity, Our Future*<sup>4</sup> signed in June 2017 aligns the Union's development policy with the 2030 Agenda. In this shared vision and framework for action for development cooperation, the EU and its Member States commit to give particular attention to combat illicit financial flows and tax avoidance, and to promote trade and responsible investment, namely by implementing a holistic and cross-sector policy approach supported in the OECD Policy Coherence for Sustainable Development (PCSD)<sup>5</sup> which demands good governance policies pursued in partnership with all stakeholders and at all levels.

Even though the EU has a good institutional set-up for countering fraud and corruption in its own development and humanitarian aid operations, these are usually implemented through NGOs, contractors or other multilateral donors, often without a clear plan for anticorruption, due diligence, monitoring and evaluation.

Strengthening the focus on results, and enhancing the credibility and legitimacy of the EU Development Cooperation policy requires more proactive corruption risk management from other aid implementing agents, and to support the establishment of strong national systems for corruption control.

This is particularly critical when ODA remains the largest source of support for economic growth and well-being in developing countries, but recent years have shown a significant reduction in the amounts specifically allocated to poverty reduction or to address social inequalities.

According to the CONCORD AidWatch report 2018, in the EU - collectively responsible for over 50% of all ODA - there was a 4% reduction in ODA in 2017 compared to 2016, which is the lowest since 2012. The EU is currently far from fulfilling its collective commitment to allocate 0.7% of Gross National Income to ODA, and annually fewer and fewer resources are specifically devoted to development cooperation.

All over Europe, National Agencies, NGOs and activists working in Development and Humanitarian Aid face an unprecedented pressure and public scrutiny about the use of ODA funds, largely as a result of the financial crisis and the advance of Populisms. Never before the impact and efficiency of aid initiatives has been so strongly questioned, and it is therefore crucial to safeguard the core values of ODA, namely by improving its integrity, transparency and accountability.

In close cooperation with TI Norway, TI Portugal aims to empower Portuguese and EU development and humanitarian aid programmes by assisting those directly involved in the disbursement and management of aid funds. The outcome will be a greater awareness and understanding for NGOs and all those involved in bilateral cooperation initiatives in the issues of fraud and corruption associated with development and humanitarian aid.

*Transparência e Integridade (TI-PT) is the Portuguese Chapter of Transparency International global coalition against corruption. Established in September 2010 is an accredited Non-Governmental Development Organization, Civil Society Focal Point (CSFP) for the Community of Democracies, and a member of Tax Justice Network. TI-PT is the only NGO working in Portugal on research, information sharing and awareness-raising about the causes and consequences of corruption and poor governance. Advocating for public transparency and accountability on behalf of a more participatory and inclusive democracy, develops projects and practical tools to foster civic monitoring and engagement towards integrity.*

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<sup>4</sup> [https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future\\_en](https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future_en)

<sup>5</sup> <http://www.oecd.org/about/sge/policy-coherence-for-sustainable-development-2018-9789264301061-en.htm>