



Risk Assessment as a Corruption Prevention Tool

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Main issues

- Be clear about objectives
- Avoid “overformalistic” assessments
- Be specific!

Corruption Risk Assessment: what do we mean?

- Aim:
 - To identify factors that cause - or make more likely to occur - corruption/related poor conduct within a specific context (institution/sector/process)
 - Note: distinguish between
 - Assessment of vulnerability of institution to corruption (e.g. passport authority)
 - Assessment of capacity to prevent/tackle corruption elsewhere (e.g. courts)
- Where is it appropriate to conduct one:
 - To identify problems in a specific sector/institution
 - Identify risks in a particular group
 - Self-assessment or external assessment – advantages to both
 - The bigger the unit, the less viable risk assessment becomes!
- To identify risks, need to identify problems

Risk assessments – 2 extremes

1. Assess compliance with international standards
 - Formal institutional/legal assessment
 - No attention paid to actual problems of conduct (e.g. how much corruption there actually is)
 - GRECO 3rd Round Evaluation: Albania vs Sweden

2. “Identify local problems, find local reasons”
 - International standards/’good practices’ ignored
 - ‘Let the assessment take you where it takes you’

Risk assessment: ideal methodology

- Extreme variants both have problems
 - Compliance assessments tend towards formal frameworks, assuming that same solutions are appropriate everywhere
 - GRECO 3rd Round Evaluation on Albania vs Sweden
 - Local focus: OK, but international standards/good practices are also useful for inspiration
- Middle way is better:
 - **Identify problems that are occurring**
 - **Identify factors that facilitate these problems/make them more likely in local context**
 - **Draw on international experience/good practice** where relevant and appropriate

Specific risk assessment objectives: 1

Identify problems that are occurring:

- Not just corruption!
 - Difficulty of definition
 - Corruption goes hand-in-hand with other types of conduct that are probably easier to observe
 - Same conduct might be corrupt or not (e.g. leaking information)
 - May not be the biggest problem!
- Poor conduct that undermines the performance of an institution's public service function
 - Corruption (bribery, trading in influence, nepotism)
 - Other 'self-interested behaviour' (e.g. rudeness, arbitrary treatment, obstructionism)
 - Conduct that is result of external pressures (e.g. political)

Describe problems precisely

- e.g. Corruption
 - What kind of corruption?
 - Incidence, depth (how many officials, what levels), breadth (how important are the decisions affected)
 - Who is initiating/what is the dynamic?
 - E.g. Doctors demanding bribes as a condition for service VS. Powerful investors corrupting procurement officials with irresistible offers
 - Is corruption opportunistic or embedded in culture of institution
 - See workshop/training materials in references

Specific objectives: 2

Identify factors that cause or may make more likely poor conduct

- **E.g. Klitgaard formula:**
 - Corruption = Monopoly + Discretion – Accountability
 - Problematic!
- **Broader institutional focus needed:**
 - Reflecting broader concept of poor conduct
 - Independence/autonomy (vs discretion!)
 - Working environment
 - Institutional culture
 - CoE Methodology Guide Questionnaire provides examples (see references)
 - **Key/background factors underpinning good conduct, rather than 'mechanisms to prevent corruption'**

Methods

- Existing materials and research
- Law and regulations
- Direct observation
- “Proxies”
- Surveys: perception, experience
- Interviews
- Most often:
 - Reliance on existing materials and/or surveys, laws/regulations plus targeted interviews
 - Beware tendency to mix assessment of risks with assessment of conduct

Proxies

- Highly important component of corruption/anti-corruption research
 - ‘Risks’ (e.g. in legislation) often tend to be assumed to result in problems (e.g. corruption) – be careful
- Proxy = a variable assumed to be correlated/related with corruption or other poor conduct
 - E.g. waiting times, no. of officials who must be visited to get a permit, customs/tax revenue,
 - See Klitgaard formula
- Be careful with proxies!
 - Correlation should not be assumed automatically

Finding the appropriate focus

- Focus will vary by institution/sector:
 - E.g.:
 - Ministry of Transport: corruption in highway procurement; focus on procurement and links to political parties?
 - Passport authority: petty bribery/facilitation payments; focus on procedures and supervision?
 - Business licensing: petty bribery for licenses; focus on licensing regulations (corruption proofing?), supervision
 - Education: more attention to framework for underpinning professionalism (e.g. Albania)
 - Judiciary: professionalism, independence vs accountability....!
- Identify areas of focus with preliminary study

Sources

- EU/CoE Project Against Corruption in Albania, *Risk Assessment Methodology guide*
 - http://www.coe.int/t/dghl/cooperation/economiccrime/corruption/projects/Albania/Technical%20Papers/PACA_TP%202%202011-Risk%20Assessment%20Methodology.pdf
- EU/CoE Eastern Partnership Project on Good Governance and Fight Against Corruption,
 - *Risk Assessment: Typologies of Underlying Causes of Corruption:*
<http://www.coe.int/t/DGHL/cooperation/economiccrime/corruption/Projects/EaP-CoE%20Facility/Technical%20Paper/2524-ECCU-EaP-2%202013-RA-Typology%2013%2007%2022%20final.pdf>
 - Presentation/materials for Workshop/Training on Corruption Risk Assessments:
 - <http://www.coe.int/t/DGHL/cooperation/economiccrime/corruption/Projects/EaP-CoE%20Facility/WS-Sxb-19.06.12/SXB%20PRESENTATION%2019-6-12.pdf>
 - <http://www.coe.int/t/DGHL/cooperation/economiccrime/corruption/Projects/EaP-CoE%20Facility/WS-Sxb-19.06.12/Training%20material%20-%20RA%20workshop,%20SXB%2019.06.12.pdf>
- Group of States Against Corruption (GRECO) Third Round Evaluation Reports:
 - http://www.coe.int/t/dghl/monitoring/greco/evaluations/round3/ReportsRound3_en.asp
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