

The Many Faces of Corruption

The Many Faces of Corruption

**Tracking Vulnerabilities
at the Sector Level**

EDITED BY

**J. Edgardo Campos
Sanjay Pradhan**



THE WORLD BANK
Washington, D.C.

© 2007 The International Bank for Reconstruction and Development / The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org
E-mail: feedback@worldbank.org

All rights reserved

1 2 3 4 5 10 09 08 07

This volume is a product of the staff of the International Bank for Reconstruction and Development / The World Bank. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of The World Bank or the governments they represent.

The World Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgement on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

Rights and Permissions

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The International Bank for Reconstruction and Development / The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.

For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center Inc., 222 Rosewood Drive, Danvers, MA 01923, USA; telephone: 978-750-8400; fax: 978-750-4470; Internet: www.copyright.com.

All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2422; e-mail: pubrights@worldbank.org.

ISBN-10: 0-8213-6725-0
ISBN-13: 978-0-8213-6725-4
eISBN-10: 0-8213-6726-9
eISBN-13: 978-0-8213-6726-1
DOI: 10.1596/978-0-8213-6725-4

Library of Congress Cataloging-in-Publication Data

The many faces of corruption : tracking vulnerabilities at the sector level / edited by J. Edgardo Campos, Sanjay Pradhan.

p. cm.

Includes bibliographical references and index.

ISBN-13: 978-0-8213-6725-4

ISBN-10: 0-8213-6725-0

ISBN-10: 0-8213-6726-9 (electronic)

1. Corruption. 2. Economic development—Moral and ethical aspects. 3. Developing countries—Economic policy—Moral and ethical aspects. I. Campos, J. Edgardo. II. Pradhan, Sanjay.

HD75.M265 2007

364.1'323—dc22

2006034749

Cover design: Patricia Hord Graphik Design.

Dollar figures are current U.S. dollars unless otherwise specified.

Contents

| | |
|---|--------------|
| Foreword | xi |
| Preface | xv |
| Contributors | xvii |
| Acknowledgments | xxvii |
| Abbreviations | xxix |
| Introduction Tackling a Social Pandemic | 1 |
| J. Edgardo Campos and Vinay Bhargava | |
| Part I Combating Corruption: Sectoral Explorations | 27 |
| 1 Corruption and Pharmaceuticals: Strengthening Good Governance to Improve Access | 29 |
| Jillian Clare Cohen, Monique F. Mrazek, and Loraine Hawkins | |
| 2 Maximizing the Performance of Education Systems: The Case of Teacher Absenteeism | 63 |
| Harry Anthony Patrinos and Ruth Kagia | |
| 3 Crime and Justice in the Garden of Eden: Improving Governance and Reducing Corruption in the Forestry Sector | 89 |
| Nalin Kishor and Richard Damania | |
| 4 Corruption in the Electricity Sector: A Pervasive Scourge | 115 |
| Mohinder Gulati and M. Y. Rao | |
| 5 Making Inroads on Corruption in the Transport Sector through Control and Prevention | 159 |
| William D. O. Paterson and Pinki Chaudhuri | |

| | | |
|--|--|------------|
| 6 | Corruption in the Petroleum Sector | 191 |
| | Charles McPherson and Stephen MacSearraigh | |
| 7 | Tackling Corruption in the Water and Sanitation Sector in Africa: Starting the Dialogue | 221 |
| | Janelle Plummer and Piers Cross | |
| Part II Corruption and the Public Financial Management System | | 265 |
| 8 | Exploring Corruption in Public Financial Management | 267 |
| | William Dorotinsky and Shilpa Pradhan | |
| <i>The Expenditure Side</i> | | |
| 9 | Corruption in Public Procurement: A Perennial Challenge | 295 |
| | Glenn T. Ware, Shaun Moss, J. Edgardo Campos, and Gregory P. Noone | |
| <i>The Revenue Side</i> | | |
| 10 | Combating Corruption in Revenue Administration: An Overview | 335 |
| | Tuan Minh Le | |
| 10 | Combating Corruption in Revenue Administration: The Case of VAT Refunds in Bolivia | 339 |
| | Juan Carlos Zuleta, Alberto Leyton, and Enrique Fanta Ivanovic | |
| 11 | The Challenge of Combating Corruption in Customs Administrations | 367 |
| | Carlos Ferreira, Michael Engelschalk, and William Mayville | |
| Part III Where Goes the Money? | | 387 |
| 12 | Money Laundering and Corruption | 389 |
| | Michael Levi, Maria Dakolias, and Theodore S. Greenberg | |
| Part IV The Challenges Ahead | | 427 |
| Conclusion Where to Next? | | 429 |
| | J. Edgardo Campos, Sanjay Pradhan, and Francesca Recanatini | |
| Boxes | | |
| 1.1 | Global Action Tackling Corruption in Pharmaceutical Systems | 31 |
| 1.2 | Mekong Region Tackles Fakes to Reduce Rates of Antimalarial Resistance | 36 |
| 1.3 | Different GMP Requirements Can Have Unintended Implications: India | 37 |
| 1.4 | Leading Drug Makers Embrace RFID Technology to Secure Supply | 38 |
| 1.5 | Approaches for Meeting Drug Registration Challenges | 40 |

| | |
|--|-----|
| 1.6 Political Leadership and Public Engagement Essential to Tackling Counterfeit Drugs: Nigeria’s Experience | 41 |
| 1.7 Azerbaijan’s Experience in Reducing Counterfeit Drugs | 42 |
| 1.8 Failure to Fully Specify Product in the Drug List Has Led to Underdosing | 43 |
| 1.9 Assessing the Vulnerability to Corruption in Pricing: The Balkans | 45 |
| 1.10 Drug Leakage and Theft in Uganda: Strategies for Prevention | 49 |
| 1.11 Prescribing Guidelines and Conflicts of Interest | 52 |
| 2.1 Reasons for Teacher Absenteeism | 71 |
| 2.2 Code of Ethics for Teachers | 79 |
| 2.3 Potential of an EMIS Program | 80 |
| 2.4 Detecting and Reducing Absenteeism | 81 |
| 2.5 Raising Demand for Quality Services | 83 |
| 2.6 Local Monitoring of Education Can Help Reduce Teacher Absenteeism | 83 |
| 3.1 Examples of Corruption in the Forest Sector | 90 |
| 3.2 Earnings from Legal and Illegal Logging: A Decomposition and Analysis for Indonesia | 92 |
| 3.3 Potential Solutions to End Resource Windfalls, Rent Seizing, and Institutional Erosion | 95 |
| 3.4 Alchemy through International Trade: Transforming Illegal to Legal in the Forest Sector | 96 |
| 3.5 The Kimberley Process Certification Scheme for Conflict Diamonds | 101 |
| 3.6 Strengthening Detection and Suppression in Cambodia: Achievements and Pitfalls | 103 |
| 3.7 Involving Local Communities in Forest Protection in the Philippines | 104 |
| 3.8 Improving Transparency in Forest Administration in Ecuador | 105 |
| 3.9 Legislative and Administrative Reforms in Bolivia | 106 |
| 3.10 Experience with Regional FLEG Processes | 108 |
| 4.1 Cost of Corruption: Eliminating Losses Could Also Eliminate Supply Gap | 118 |
| 4.2 The Poor Bear the Brunt of Corruption | 120 |
| 4.3 Cost of Poor Investment Decisions and Less than Transparent Procurement | 125 |
| 4.4 Who Wants Accountability? | 128 |
| 4.5 Outsourcing without Monitoring Is No Solution | 129 |
| 4.6 Community Participation and Good Governance | 129 |

| | |
|--|-----|
| 4.7 OPCOM Power Exchange: Improving Governance of Public Utilities in Romania | 132 |
| 5.1 Case Study Examples of the Mechanics of Collusion in Road Civil Works | 170 |
| 5.2 Private Sector Integrity Pacts | 186 |
| 6.1 <i>L’Affaire Elf</i> | 200 |
| 6.2 Corruption in Pertamina | 202 |
| 6.3 The Giffen Case | 203 |
| 6.4 Extractive Industries Transparency Initiative | 212 |
| 7.1 Utility Officials Extort Bribes from Small Water Providers in Nairobi | 235 |
| 7.2 Institutional Reforms Improve Utility Performance in Nairobi | 245 |
| 7.3 Intensive Efforts to Curb Corruption in Village Infrastructure Development: Lessons from Indonesia | 249 |
| 8.1 Corruption Patterns | 273 |
| 8.2 An Effective PAC: The Canadian Example | 284 |
| 8.3 Key Factors for SAIs and Examples | 284 |
| 9.1 Prequalification: What Could Go Wrong? | 312 |
| 9.2 Dirty Tricks at Public Bid Openings | 313 |
| 9.3 Monitoring Bid Evaluation: Early Warning Indicators | 316 |
| 9.4 Tracking Contract Administration: Yellow Flags | 317 |
| 9.5 Three Examples of the Potential Benefits of a Well-Functioning E-Procurement System | 320 |
| 9.6 Using an Integrity Pact in Public Procurement of Garbage Collection Services in Argentina | 323 |
| 10.1 The ARGOSUR Case | 354 |
| 11.1 The Difficulty of Detecting Corruption Networks at Remote Customs Offices | 369 |
| 11.2 Bribery in the Case of Cargo Escorting | 384 |
| 12.1 Transparency International Rankings | 390 |
| 12.2 Applying Peer Pressure | 397 |
| 12.3 The Pinochet Case | 398 |
| 12.4 The Abacha Case | 400 |
| 12.5 Anticorruption Reform in Hungary | 410 |
| 12.6 UN Oil-for-Food Program in Iraq | 412 |

Figures

| | |
|---|-----|
| 2.1 The Value Chain and Corruption Vulnerabilities in the Education Sector | 68 |
| 2.2 Teacher Absenteeism Rates in Selected Countries | 70 |
| 3.1 Deforestation versus Control of Corruption | 91 |
| 4.1 A General Framework for the Implementation Process | 137 |
| 4.2 A General Framework for Controlling Corruption in the Electricity Sector | 139 |
| 5.1 State Capture versus Administrative Corruption in the Road Sector | 162 |
| 7.1 Corruption, Water Reform, Gross National Income per Capita, and Access to Water | 224 |
| 7.2 The Spectrum of Utility and Nonutility Water Providers | 228 |
| 8.1 Perception of Corruption and Quality of PFM | 269 |
| 8.2 The Budget Cycle | 270 |
| 8.3 Analyzing PFM along the Four Dimensions, Selected Countries | 278 |
| 8.4 External Stakeholder Participation and Perception of Corruption | 281 |
| 8.5 Assessing PFM Performance in Ghana | 287 |
| 9.1 Common Kickback Scheme | 304 |
| 10.1 The NIP | 347 |
| 10.2 Tax Collections by Type of Taxes | 350 |
| 10.3 Corruption Risk Map of VAT Refunds Procedure before the Reform | 352 |
| 10.4 Gold Sticks Operation | 355 |
| 10.5 The Corruption Chain in VAT Refunds | 356 |
| 10.6 Corruption Risk Map of VAT Refund Procedure after the Reform | 357 |
| 10.7 Exports and VAT Refunds | 360 |
| 10.8 Exports and VAT | 360 |
| 10.9 VAT Refunds as a Percentage of VAT Collections | 361 |
| 11.1 Customs Performance in Selected Russian Regions, 2004 | 383 |
| 12.1 Money-Laundering Cycle | 394 |
| 12.2 Not a Simple “Laundromat”: Money Laundering in a Broader Framework | 408 |

Tables

| | |
|---|----|
| 1.1 Key Decision Points and Related Processes in the Drug Sector that May Be Vulnerable to Corruption | 35 |
| 1.2 Selected Strategies to Mitigate Corruption in Pharmaceutical Systems | 58 |
| 2.1 Estimated Direct Costs of Teacher Absenteeism, Selected Countries | 70 |

| | | |
|------|---|-----|
| 2.2 | Some Correlates of Teacher Absenteeism in Bangladesh, Ecuador, India, Indonesia, Papua New Guinea, Peru, and Zambia | 76 |
| 3.1 | Campaign Contributions in the United States, by Sector, 2000 | 97 |
| 3.2 | Supply Value Chain and Corruption Vulnerabilities | 99 |
| 4.1 | A Comparison of the Human Development Index (HDI) and the Corruption Perception Index (CPI) | 121 |
| 4.2 | Vulnerability to Corruption: Government Policies | 123 |
| 4.3 | Vulnerability to Corruption: Different Stages of Project Development | 124 |
| 4.4 | Vulnerability to Corruption: Customer-Interfacing Activities | 126 |
| 4.5 | Vulnerability to Corruption: Theft of Electricity | 127 |
| 4.6 | Five Key Elements of an Anticorruption Strategy | 138 |
| 5.1 | Types of Corrupt Activity Prevalent in the Transport Sector | 163 |
| 5.2 | Remedial Framework and Menu of Response Options | 173 |
| 5.3 | Elements of a Remedial Anticorruption Strategy | 177 |
| 6.1 | Petroleum-Rich Developing Countries | 193 |
| 6.2 | Oil and Perceptions of Corruption, 2006 | 194 |
| 6.3 | Petroleum Sector Corruption: Summary Table | 214 |
| 7.1 | Value Chain Framework: Corrupt Interactions in the Water Sector | 230 |
| 7.2 | Key Public Actors Involved in the WSS Sector | 232 |
| 7.3 | Tackling Hotspots in Public-to-Public Corruption | 242 |
| 7.4 | Tackling Hotspots in Public-to-Private Corruption | 244 |
| 7.5 | Tackling Hotspots in Public-to-Consumer/Civil Society Corruption | 250 |
| 7.6 | Next Steps | 254 |
| 8.1 | PFM System Weaknesses and Patterns of Administrative Corruption | 274 |
| 8.2 | PFM Roles and Anticorruption | 277 |
| 9.1 | Discretion and Corruption in Bid Rigging | 307 |
| 10.1 | Typology of Tax Evasion and Corruption | 341 |
| 10.2 | Factors Affecting the Behavior of Stakeholders and Patrimonial Networks in Corruption | 342 |
| 10.3 | Risks and Remedies in Principal Processes in Tax Administration | 344 |
| 10.4 | Risks and Remedies in the VAT Refund Process after the Reform | 358 |
| 11.1 | A Customs Risk Map | 374 |
| 11.2 | Measures Addressing Motive and Opportunities for Corruption in Customs Agencies | 375 |

Foreword

This project comes to fruition at an important time for the World Bank as it scales up its efforts to help countries improve governance and combat corruption. With a heightened focus on mainstreaming governance and anticorruption into its core operations, the Bank expects to engage more extensively in reforms at the sector level. This innovative volume combines analytic rigor and practical operational insights in an important and useful way. It is a “must read” for all development practitioners.

Empirical research on governance and anticorruption has made major strides in the past 10 years, providing increasing empirical evidence that corruption discourages private investment, retards growth, and inhibits poverty reduction efforts. Today, policy makers can use diagnostic instruments to make judgments about priorities for reforms across corruption-prone areas and broadly assess the potential impact over time of reform measures. But the challenge of drilling down to the operational level remains. What and where are the risk points in a given sector? When are they most likely to occur? Which ones, if addressed, might have the greatest impact on a sector’s performance? For policy makers, data and information on these queries are what is missing to formulate specific, operationally tractable reforms.

This volume is the product of a successful collaborative effort among many units of the World Bank and reflects the depth of expertise and knowledge that the Bank can harness to contribute to a better understanding of complex phenomena. It includes 12 chapters plus an overview and a conclusion. The first of its three parts is on sectors. It includes seven chapters on health, education, forestry, roads, electricity, oil and gas, and water and sanitation. The second part is on public financial management, which cuts across all sectors and is critical to the operations of any sector. It includes four chapters on budget formulation and execution, procurement, tax administration, and customs administration. The third part of the book is on anti-money-laundering.

The book offers a heuristic framework for analysis to guide the integration of anticorruption measures into program development and project design. It explores prototype road maps of corruption vulnerabilities and corresponding “early warning” signals, looking at corruption from the perspective of a project manager and highlighting corruption risks that might arise at various points in the program or project cycle.

At the sector level, the road map takes on the character of a value chain. A sector produces certain outputs through a sequence of well-defined activities. In the energy sector, for example, the delivery of electricity moves from generation to transmission to wholesale distribution and finally to retail distribution. Corruption can occur anywhere along this chain. In generation, it can emerge in the contracting of power purchase agreements with private providers. In transmission, it can occur through the monopoly power of the state-owned transmission plant or in the capture of the regulatory process. In distribution, it can occur through outright theft. Given the multiple vulnerabilities along the chain, countries will likely differ in terms of the nature of corruption in the delivery of electricity. Hence anticorruption strategies will have to be tailored to fit country contexts.

This value chain approach is promising in terms of identifying specific areas where reforms may have the greatest impact on preventing and reducing corruption. Where along the chain is the weakest link? What measures can be implemented to strengthen this link? What indicators can be used to monitor and assess progress? These are critical questions that policy makers often confront in designing anticorruption strategies. Each chapter in this volume begins to address these issues and suggests possible directions for future study.

Sector performance depends crucially on a number of functions. Perhaps the most critical of these is the management of public finances. For this reason, the volume explores vulnerabilities on both the expenditure and revenue sides of public finance. Because of the complexities involved, budget management is often plagued with inefficiencies and haunted by many opportunities for corruption. In key sectors, the serious problems often start here, with diversion of budgetary allocations toward activities that have greater potential for kickbacks, bribery, fraud, or theft. But revenue management can also be—and often is—problematic. Many country-focused corruption surveys, such as the World Bank’s investment climate surveys, identify tax administration and customs administration agencies as among the most corrupt. Weak tax collection has serious implications for sector performance and corruption. When revenue agencies fail to meet their collections targets, budgets have to be cut mid-year. This typically leads to a shortage of funds needed to pay contractors for projects that have been started, which in turn results in queuing, which both theory and experience suggest gives rise to corruption.

In the context of public financial management, the road map takes the form of a process flow, a heuristic device that helps guide the reader through the flow of money or goods. In procurement, for instance, the process begins with project selection and ends with contract award, with multiple steps in between. In customs, importation starts with the declaration of goods; then moves on to the assessment of origin, value,

and classification of goods; to the physical inspection, examination, and release of cargo; and in most cases, to the conduct of postaudit clearances. In both cases, there is a standard step-by-step process, and each step can create opportunities for corruption. The design of anticorruption strategies must therefore consider where risks are highest along the flow and how they might be minimized.

Where there is big money, there must be channels for it to move through. The proceeds of grand corruption, where single transactions involve millions of dollars, must be laundered to be of use. The last chapter in this volume explores the murky world of money laundering and the immense challenges authorities in both the developing and developed worlds face in combating it. It is an appropriate way to end, for grand corruption cannot be addressed effectively unless laundering channels are shut down.

This volume could not have been completed without the cooperation and assistance of numerous individuals throughout the World Bank. Each chapter was coauthored by staff from the relevant sector, with support from their networks or departments, including Infrastructure, Environmentally and Socially Sustainable Development, Human Development, Agriculture and Rural Development, Finance, External Relations, Operations Policy and Country Services, the World Bank Institute, and Poverty Reduction and Economic Management. The volume is a testimony to the ability of the Bank to draw on its deep repository of global experiences and to assemble a team of experts to work collaboratively across its organizational divide.

This effort represents an initial foray into the deeper crevices of corruption. More work will be required to develop better informed, targeted reform measures at the operational level. The Poverty Reduction and Economic Management Network is delighted to have participated in and coordinated the initial leg of this long and challenging journey. I commend both the team and the initiators of this project.

Danny Leipziger
Vice President
Poverty Reduction and Economic Management Network
The World Bank

Preface

Governance and anticorruption are now high priorities in the development agenda. Empirical research over the past decade has shown convincingly that poor governance, typically manifested by different forms of corruption, is a major deterrent to investment and economic growth and has had a disproportionate impact on the poor. In-depth case studies have given form and life to these quantitative findings and have brought home the reality that corruption is indeed harmful to the individual, family, community, and society as a whole. Globally, public awareness of the detrimental impact and severity of the problem has increased markedly, as the media, policy institutes, and nongovernmental organizations worldwide have raised concerns to unprecedented levels.

Despite mounting evidence and increased awareness, governments and the development community more broadly are still struggling to find ways to more effectively translate this understanding into concrete actions and improved outcomes. Much is still unknown and subject to debate. After a decade of experience, we know that tackling corruption is politically complex but that progress can be made when appropriate reforms can be sustained. Reforms at the sector level present an important opportunity in this regard. At the sector level, users of public services meet service providers; this nexus potentially creates potent and persistent pressures for reform. The challenge for reformers is to capture this energy and usefully direct it to address the underlying drivers of corruption in the public and private sectors, domestically and globally.

The Many Faces of Corruption offers an operationally useful framework to help reformers analyze corruption and target reforms at the sector level. Through exploratory applications to several sectors, it shows that combating corruption is fundamentally about improving governance, that operationally useful indicators can be used to track corruption and monitor progress, that the private sector (particularly multinational corporations) and developed-country governments must share

equal responsibility with developing-country governments in curbing corruption, and that corruption can be broken down into component parts for which tractable remedial measures can be formulated.

A central theme in this volume is the fundamental role of transparency in the fight against corruption. The aid community has only recently begun aggressively supporting reforms that enhance transparency. *The Many Faces of Corruption* will encourage donors to scale up their assistance and spur policy makers to explore innovative ways to increase transparency in both the public and private sectors. In adopting a value chain approach to sector analysis, this volume opens up many possibilities for enhancing transparency, from international agreements to policy formulation, budget allocations, regulation, procurement, and project implementation.

The Many Faces of Corruption represents only one small step in the long road toward better governance worldwide. The challenge for us today is to continue developing better ways of tackling corruption, building on the growing understanding of the problem and on lessons of experience with reform. With its focus on sectors, this volume charts a potentially promising path for both researchers and practitioners toward meeting this important challenge.

Randi Ryterman
Sector Manager
Public Sector Governance
Poverty Reduction and Economic Management Network
The World Bank

Contributors

J. Edgardo Campos is Governance Adviser for Bangladesh at the World Bank. Before this appointment, he was Lead Public Sector Specialist and Coordinator of the Bank's Governance and Anticorruption Thematic Group. Mr. Campos rejoined the Bank in 2002 after a four-year leave of absence. While on leave, he worked at the Asian Development Bank as a senior economist, providing advice and guidance on governance-related activities and programs. He also spent two years as Senior Strategy Adviser for public sector reforms at the Department of Budget and Management, Government of the Philippines. Before going on leave, Mr. Campos was with the World Bank Institute and the Policy Research Department of the Bank, where he worked on political economy, institutional reform, and governance issues. Before joining the Bank, he was an Assistant Professor of Public Policy and Management at the Wharton School of the University of Pennsylvania. He has coauthored three books and numerous papers on issues pertaining to political economy, governance, and corruption. In 1997, the Governance Committee of the International Political Science Association awarded him and his coauthor the Charles Levine Prize for the best book on comparative politics. He received his M.S. in agricultural and applied economics at the University of Minnesota and his Ph.D. in the social sciences at the California Institute of Technology.

Sanjay Pradhan is Director of the Public Sector Governance Group at the World Bank. He is responsible for leading the Bank's work on improving public sector governance and combating corruption in all member countries. Mr. Pradhan served as the World Bank's Sector Manager, Public Sector and Poverty Reduction, for the South Asia Region. Before that, he was responsible for managing the Bank's unit supporting governance and public sector reform in 26 countries across Central and Eastern Europe and the former Soviet Union. Mr. Pradhan was a principal author of the *World Development Report 1997: The State in a Changing World*. He has authored numerous publications, including articles, books, and policy papers. He received his

B.A. (magna cum laude, Phi Beta Kappa) and Ph.D. in business economics from Harvard University, where he was the recipient of the Prize Fellowship.

Vinay Bhargava is the Director of Operations and International Affairs in the External Affairs Department at the World Bank. His areas of expertise are anticorruption, global issues management, and international development and multilateral institutions. He has more than 25 years' experience designing and implementing development projects and programs in South and East Asia, Western Africa, Eastern Europe, and the Middle East. He received a Ph.D. in agricultural economics from the University of Illinois.

Pinki Chaudhuri is a Senior Infrastructure Specialist consultant with operational experience in the municipal finance, water, and transport sectors at the World Bank. She has worked on institutional and regulatory aspects of infrastructure projects, including several large public-private partnership projects. Ms. Chaudhuri contributed to the World Bank Institute's capacity development knowledge work, including the flagship study, *Capacity Development in Africa* (2005). She has also led economic, sector, and analytical work on infrastructure regulation. Before working for the Bank, she worked as a corporate attorney at Baker and McKenzie. She holds an LL.M. in international finance and a Ph.D. in utility regulation from George Washington University.

Jillian Clare Cohen is an assistant professor at the Leslie Dan Faculty of Pharmacy at the University of Toronto. She is an advisory board member of the Centre for International Health and director of the Comparative Program on Health and Society at the University of Toronto. Her research and teaching focus on drug access issues for the poor, the comparative politics of international pharmaceutical policy, and ethics and corruption in pharmaceutical systems. Before joining the University of Toronto, Ms. Cohen worked on pharmaceutical policy for the United Nations Children's Fund, the World Bank, and the World Health Organization. She has also been a consultant for a myriad of governments, international organizations, and aid agencies on topics such as pharmaceuticals, regulation, corruption, and drug access. She is the author of numerous academic and journal articles on pharmaceutical policy and is a coeditor of *The Power of Pills: Social, Ethical and Legal Issues in Drug Development, Marketing and Pricing Policies* (Pluto Press). She received her B.A. and M.A. in political science from McGill University and her Ph.D. in politics from New York University.

Piers Cross is Principal Regional Team Leader of the World Bank's Water and Sanitation Program in Africa. He has more than 25 years' experience in water and sanitation development. During his 16 years with the Bank, he has served in Africa, South Asia, and as Manager of the Water and Sanitation Program in Washington. In his current position in Nairobi, he supervises a large team of water and sanitation personnel, based in 14 African countries, that assists governments in developing sustained access to water and sanitation services by the poor. An anthropologist by

training, he is the author and instigator of many publications on water and sanitation service provision, including an investigation into corruption in South Asia water agencies in 2002. He has also worked on tackling corruption and improving financial efficiency in Africa. He recently helped found the Water Integrity Network (WIN). In recognition of his work, the Water Academy made him a life member in 2003. He holds an M.Sc. in social anthropology from the University of the Witwatersrand (South Africa) and has worked for several years with the London School of Hygiene and Tropical Medicine.

Maria Dakolias is Lead Counsel in the World Bank's Legal Vice Presidency. She has worked on rule of law and good governance for 14 years, managing complex projects, advising on substantive issues, and developing policy for the Bank. She managed and developed the Legal Vice Presidency's rule of law program and built its core team. While working for the British government, she led an independent evaluation of the successes and challenges associated with rule of law and good governance reforms since 1997. Ms. Dakolias has published widely on rule of law and corruption issues. Currently, she is advancing the measurement of impacts of law and justice work and the economic and social benefits that such work brings to countries. She holds a B.A. in philosophy from Haverford College, a J.D. from George Mason University School of Law, and an LL.M from the University of Amsterdam. She was a Fellow on Justice at Harvard's Kennedy School of Government and completed the joint Harvard/Stanford Executive M.B.A. Program.

Richard Damania is a Senior Economist in the Environment and Social Unit in the South Asia Region. He has published more than 50 peer-reviewed articles spanning development economics, environmental economics, institutional economics, and macroeconometrics. His publications cross disciplinary boundaries, with papers in prestigious scientific journals, such as *Science* and the *Proceedings of the Royal Society*. Before joining the Bank, Mr. Damania was a Reader at the University of Adelaide. While working in Australia, he advised numerous international organizations, including the Organisation for Economic Co-operation and Development (OECD), the Food and Agriculture Organization, and United Nations Educational, Scientific, and Cultural Organization, as well as Australian government agencies, including the Treasury and the Departments of Justice, Industry, Environment, Fisheries, and Natural Resources. He holds a Ph.D. from the University of Glasgow.

William Dorotinsky is the Lead Public Expenditure Specialist at the World Bank and the chair of the Bank's Public Finance Thematic Group. Before joining the Bank, he spent 12 years in the U.S. Office of Management and Budget (OMB), addressing general budget management, health care reform and financing issues, and financial and performance management reforms, including implementation of the Government Performance and Results Act. While at OMB, Mr. Dorotinsky was seconded to the District of Columbia during its fiscal crisis, serving as the Deputy Chief Financial Officer. He also spent several years with the U.S. Treasury Office of Technical Assistance as a Public Finance Adviser to the governments of Argentina, Croatia, and

Hungary. He received his B.A. in economics and political science and Master of Public Policy in international trade from the University of Michigan.

Michael Engelschalk headed the World Bank's Tax Policy and Tax Administration Thematic Group from 1999 to 2004. He participated in the preparation and supervision of a large number of World Bank technical assistance operations in the areas of tax and customs reform. Currently on leave from the Bank, he advises the German government on public sector reform programs for transition economies. Before joining the Bank, he was in charge of the cooperation program with nonmember countries in the OECD Centre for Tax Policy and Administration. He organized and participated in training and technical assistance programs to build tax policy and administration capacity in developing countries and transition economies. Mr. Engelschalk began his career as an assistant professor of public and international tax law. He has published extensively on international taxation, fiscal federalism, and tax administration reform. He earned his Ph.D. degree in international tax law from the University of Munich.

Enrique Fanta Ivanovic is a consultant in the Poverty Reduction and Economic Management Department for Latin America at the World Bank. He has done operational work on institution building, tax administration, and public expenditure management in many Latin American countries and advisory work for the Europe and Central Asia Region. He headed Chilean Customs and was Auditing Director of the Internal Revenue Service. He has a degree in industrial civil engineering from the University of Chile.

Carlos Ferreira has provided consulting services on the strategic development of revenue administration since retiring from the World Bank in December 2005. While at the Bank, he coordinated the design and implementation of institutional development projects to reform and modernize the public collection of revenue, primarily under tax, customs, and social security administrations for the Europe and Central Asia Region. He joined the World Bank in 1979, after extensive experience in the public and private sectors in Brazil. Mr. Ferreira holds a bachelor's degree in electronic engineering from the Catholic University of Rio de Janeiro and graduate degrees in computer science and computer engineering from Stanford University. He also holds a graduate degree in management sciences from the Stanford Graduate School of Business, where he was a Sloan Fellow.

Theodore S. Greenberg is a Senior Financial Sector Specialist in the Financial Market Integrity Unit of the World Bank, where he helps design and implement the Bank's global technical assistance and assessment program to combat money laundering and terrorist financing. Mr. Greenberg joined the World Bank in 2003 as Senior Counsel in the Legal Vice Presidency, where he handled anti-money-laundering and terrorist-financing issues. He represents the Bank at the Eurasian Group on Combating Money Laundering and Financing of Terrorism and previously represented the Bank at the international-standards-setting Financial Action Task Force (FATF) and at the Eastern and Southern Africa Anti-Money Laundering Group. Before joining the Bank,

he spent 29 years at the U.S. Department of Justice, where he served as Chief of the Money Laundering Section, Acting and Deputy Chief of the Fraud Section, Special Attorney in the Organized Crime Section, Assistant U.S. Attorney, Deputy Chief of the Fraud and Corruption Unit, and Senior Litigation Counsel.

Mohinder Gulati is a Lead Energy Specialist in the Energy and Mining Sector Unit in the East Asia and Pacific Region at the World Bank. He has managed a variety of energy projects at the Bank, promoting sector reforms and restructuring, privatization, regional electricity markets, energy efficiency, financial intermediaries, improvement in sector governance and utility management, and financing of large energy projects. Before joining the Bank, Mr. Gulati worked in the Indian financial sector, in infrastructure financing, investment banking, microfinance, and human resource management. He holds master's degrees in business management, personnel management and industrial relations, and physics from Delhi University.

Loraine Hawkins is the Human Development Coordinator for the World Bank in the Philippines. Before assuming this position, she was Lead Health Specialist in the East Asia and Pacific Human Development Sector Unit of the World Bank and spent six years with the Bank in Eastern Europe and Central Asia. Her work outside the Bank has included secondments to the U.K. Department of Health and the U.K. Treasury to work on financing reform and management of health and social services expenditure. Ms. Hawkins also spent 12 years in the New Zealand civil service, as an economist in the Treasury, as manager of a Health and Disability Services Reform Taskforce, and as manager of the Strategic Policy Directorate in the Ministry of Health. Outside of the public sector, she has worked as a strategic planner for a large service provider for people with learning disabilities. She is a graduate in economics and public policy from the Woodrow Wilson School of Public and International Affairs, Princeton University, and from Otago University (New Zealand).

Ruth Kagia is the Education Sector Director at the World Bank. She previously worked in operations in the Africa and East Asia Regions of the Bank. Before joining the Bank, she spent almost 20 years in the public sector, working on education policy, research, and management in Africa. Ms. Kagia has a long-standing interest in the role of education in socioeconomic transformation and has undertaken a longitudinal study that tracks students from home to school and into the workplace. She is a graduate of Harvard University.

Nalin Kishor is the Coordinator for the World Bank's Forest Law Enforcement and Governance Program in the Sustainable Development Vice Presidency. His research interests focus on the economics of forestry and natural resources, as well as trade, growth and income distribution, incentive compatible systems, and institutional reforms. He is a coauthor of a book on sustainable development, *The Quality of Growth*, published by Oxford University Press in 2001. He holds a Ph.D. in economics from the University of Maryland–College Park, with a specialization in natural resources and environmental economics.

Tuan Minh Le is Senior Public Finance Economist and Coordinator of Tax Policy and Administration at the World Bank. Before joining the Bank, he was with the Public Finance Group at the Harvard Institute for International Development, Harvard University, where he worked on tax policy design, tax administration reforms, revenue forecasting, and appraisal of development expenditures in Asia, Eastern Europe and Central Asia, Africa, and the Middle East. He has lectured for the Tax Analysis and Revenue Forecasting Program and the Program on Investment Appraisal and Management at Harvard University. He was Assistant Professor of Economics at Suffolk University in 2001–02. He holds a Ph.D. in public policy from the Kennedy School of Government, Harvard University.

Michael Levi is Professor of Criminology at Cardiff University and an expert on white-collar and organized crime, corruption, and money laundering. He has served as a member of the Cabinet Office Steering Group on proceeds of crime, as a scientific expert on Organized Crime to the Council of Europe, and as a parliamentary specialist adviser to a review of policing and antisocial behavior in Wales. He recently conducted metareviews of economic crime in Europe for the Council of Europe and of the nature, extent, and cost of fraud in the U.K. Home Office and the Association of Chief Police Officers. He has also examined fraud sentencing for the U.K. Government Fraud Review. He holds B.A. and M.A. degrees from Oxford University, a Dip. Crim. from Cambridge University, and a Ph.D. from Southampton Universities.

Alberto Leyton is a Senior Public Sector Specialist in the Poverty Reduction and Economic Management Department for Latin America at the World Bank. In this capacity, he has led tax administration, financial management, anticorruption, and institutional reform projects in numerous countries in Latin America. Before joining the Bank, Mr. Leyton held management positions at the Ministry of the Presidency and Ministry of Finance of Bolivia, leading a comprehensive public sector modernization program that included in-depth reform of the revenue administration service. He holds degrees in sociology, statistics, and mathematics from the Universidad Mayor de San Andres, Bolivia.

Stephen MacSearraigh is a Director of Mina Corp, a private trade and finance company that pursues early-stage investment opportunities in postcrisis markets with offices in London, Kabul, Moscow, Khartoum, Rumbek, Bishkek, and Geneva. Mr. MacSearraigh has more than 15 years' experience in oil market intelligence and the geopolitics of oil. He was a Managing Director for Content and Partnerships of OIL-space (London), Director of Research of Energy Intelligence Group (Washington), and Editor for Energy Compass (London). He attended the School of Communication Arts in London (U.K.) from 1987–88 and holds a B.S. in microbiology and biochemistry from the University of Cape Town, South Africa.

William Mayville provides consulting services in the areas of human capital development, strategic planning, and change management for revenue administrations. He has worked for the World Bank as a short- and long-term consultant since 1984.

Since 1990, he has worked on tax and customs reforms in Central and South America, Europe and Central Asia, the Middle East, and South Asia. Before joining the Bank, Mr. Mayville worked for management consulting firms and in higher education, as Research Associate, Adjunct Professor, and Administrator. He holds an M.A. in English literature from the American University and a Ph.D. in higher education administration and sociology from George Washington University.

Charles McPherson has recently joined the International Monetary Fund's Fiscal Affairs Department. His contribution to this book was made while he was Senior Adviser on Oil and Gas at the World Bank. His work at the Bank focused on petroleum sector reform and sector lending activities in Angola, Argentina, Nigeria, the Russian Federation, and elsewhere. Before joining the Bank, Mr. McPherson spent 15 years at two international oil companies, holding a variety of senior positions in international negotiations and government agreements. He received his B.A. in economics and political science from McGill University, M.Sc. in international economics from the London School of Economics and Political Science, and Ph.D. in economics from the University of Chicago.

Shaun Moss is the Regional Procurement Manager for the East Asia and Pacific Region of the World Bank and a procurement specialist with more than 20 years' experience in both the public and private sectors. He spent six years working in the Europe and Central Asia Region, where he led the Bank's work on public procurement reform in several countries, including the Russian Federation and Turkey. Before joining the Bank in 1999, Mr. Moss was a director of a leading U.K. consulting firm specializing in procurement. He holds a bachelor's degree in modern languages from Reading University, a postgraduate diploma in management from Kingston University, and a master's degree in marketing management from the University of Westminster.

Monique F. Mrazek is a Health Economist in the Latin America and the Caribbean Region of the World Bank. Since joining the Bank Group in 2003, she has worked in the Europe and Central Asia Region and at the International Finance Corporation. Ms. Mrazek has been involved in both public and private sector lending, as well as advisory work in the health care and pharmaceutical sectors. Before joining the Bank Group, she worked for the World Health Organization/European Observatory on Health Care Systems and the London School of Economics and Political Science. Ms. Mrazek has authored a number of peer-reviewed articles and book chapters on pharmaceutical policy. She is the coeditor of *Regulating Pharmaceuticals in Europe: Striving for Efficiency, Equity and Quality*, published by the Open University Press in 2004. She holds an M.Sc. in health economics from the University of York and a Ph.D. from the London School of Economics and Political Science.

Gregory P. Noone is a member of the Public International Law and Policy Group (PILPG), a nonprofit organization that provides free legal assistance to developing states and substate entities involved in conflicts. He also teaches international law and

politics at West Virginia University and is an Adjunct Professor of Law at Roger Williams University School of Law and Case Western Reserve University School of Law. He has trained members of the Iraqi National Congress, the postgenocide government in Rwanda, the post-Taliban government in Afghanistan, civil society members in Sudan, and senior members of the Russian government. Mr. Noone appears regularly as a commentator on international and national television and radio. He received a B.A. in political science from Villanova University, an M.A. in international affairs from the Catholic University of America, and a J.D. from Suffolk University Law School.

William D. O. Paterson is Lead Infrastructure Specialist in the Transport Sector of the World Bank's East Asia and Pacific Region. He has extensive operational experience, primarily in the road sector but also in other transport subsectors and the water sector. Mr. Paterson has managed and led project operations, sector dialogue, disaster risk management, and analytical work in infrastructure in all Bank regions. In recent years, he has focused on the institutional aspects of infrastructure service delivery, including capacity development, governance, and business process modernization of public sector entities. He holds a Ph.D. in highway engineering from University of Canterbury (New Zealand).

Harry Anthony Patrinos is Lead Education Economist and the Economics of Education Cluster Leader at the World Bank. He has managed education lending operations and analytical work programs in Argentina, Colombia, and Mexico, as well as a regional research project on the socioeconomic status of Latin America's indigenous peoples, *Indigenous Peoples, Poverty and Human Development in Latin America* (Palgrave Macmillan 2006). He has published more than 40 journal articles and is one of the main authors of *Lifelong Learning in the Global Knowledge Economy* (World Bank 2003). Mr. Patrinos coauthored *Policy Analysis of Child Labor: A Comparative Study* (St. Martin's Press 1999), *Decentralization of Education: Demand-Side Financing* (World Bank 1997), and *Indigenous People and Poverty in Latin America: An Empirical Analysis* (World Bank/Ashgate 1994). He received a Ph.D. in economic development from the Institute of Development Studies, University of Sussex.

Janelle Plummer is a governance consultant working with the World Bank with operational experience in the water sector in Asia and Africa. An Associate Professional Officer with the U.K. Department for International Development (DFID) and later a Senior Specialist with the Water and Sanitation Program, her work has focused primarily on local governance, poverty reduction, and basic service delivery. She is author of numerous policy and capacity-building publications focused on development-oriented interactions among local government, the private sector, and civil society, and has authored papers on demand-side accountability, making anti-corruption strategies pro-poor, and establishing anticorruption approaches in post-tsunami reconstruction. She is a founding member of the Water Integrity Network. Janelle holds undergraduate degrees from the University of New South Wales and a

postgraduate degree majoring in law and development from the School of Oriental and African Studies (SOAS) at the University of London.

Shilpa Pradhan is a consultant with the World Bank Group specializing in public financial management and governance. Her operational and analytical work experience at the Bank includes contributions to public finance and public administration reforms in East Asia, South Asia, and Africa. Before joining the Bank, Ms. Pradhan was an Associate Director at the U.S. Chamber of Commerce, managing a bilateral U.S.-Singapore business development program. She also spent several years as a consultant in the private sector, working primarily in the technology and financial sectors in India, Australia, and the United States. She holds an M.B.A. from the Queensland University of Technology and an M.A. in social sciences from the University of Chicago.

M. Y. Rao has served as a member of the Indian Administrative Service, at various times as Director of Industries, Chairman of the Paradeep Port Trust, Vice Chancellor of Berhampur University, Chairman of the Orissa State Electricity Board, and Chairman and Managing Director of the Grid Corporation of Orissa Ltd. (Gridco). He has extensive experience in the electrical power sector. Since 1997, he has been a nonexecutive director of Gridco and the Orissa Power Transmission Corporation and an adviser to PricewaterhouseCoopers. He has also represented Gridco on the boards of the privatized distribution companies. In addition to his close and continued involvement in electricity reforms in Orissa, he has advised governments, electricity regulatory commissions, and utilities in Andhra Pradesh, Rajasthan, Karnataka, Assam, and Uttar Pradesh on reform matters. He was also a member of a World Bank mission that advised the government of Bangladesh on power reforms. He has a Master's degree from Kerala University.

Francesca Recanatini is Senior Economist with the Global Program Team at the World Bank Institute, where she coordinates the Governance and Anti-Corruption Diagnostic Capacity-Building Initiative in Latin America and Africa. She also serves as a technical advisor in selected governance and public sector operational projects and learning activities for policy makers and practitioners. Ms. Recanatini joined the World Bank in 1998, working in the Research Department and the Eastern Europe and Central Asia Region before joining the World Bank Institute. Before joining the Bank, she worked at the Center of Institutional Reforms and the Informal Sector, where she worked on economic restructuring and legal reforms in Central Asia. She received her Ph.D. in economics from the University of Maryland–College Park.

Glenn T. Ware is Chief Investigative Counselor with the World Bank's Department of Institutional Integrity, where he supervises fraud and corruption investigations. Before joining the Bank, he served as Managing Director of Diligence, a global risk management and consulting firm. Mr. Ware has published many scholarly articles on anticorruption and global governance. He holds a law degree from Harvard Law School.

Juan Carlos Zuleta provides consulting services on institutional development of strategic public agencies. He coordinated the design and implementation of a comprehensive organizational restructuring of the National Tax Service, customs, and the national road service in Bolivia. Before joining the Institutional Reform Project, Mr. Zuleta worked as Public Sector Management Specialist at the office of the World Bank in La Paz. A former Fulbright scholar, he holds an M.S. in agricultural and applied economics from the University of Minnesota and is pursuing a Ph.D. in economics from the New School for Social Research.

Acknowledgments

This volume could not have been written without the tireless efforts and generous support of numerous individuals. We were blessed with a highly motivated, hard-working band of coauthors who willingly took on the task of blazing a new trail through relatively uncharted territory. To Vinay Bhargava, Pinki Chaudhuri, Jillian Clare Cohen, Piers Cross, Maria Dakolias, Richard Damania, William Dorotinsky, Michael Engelschalk, Enrique Fanta Ivanovic, Carlos Ferreira, Theodore S. Greenberg, Mohinder Gulati, Loraine Hawkins, Ruth Kagia, Nalin Kishor, Tuan Minh Le, Michael Levi, Alberto Leyton, Stephen MacSearraigh, William Mayville, Charles McPherson, Shaun Moss, Monique F. Mrazek, Gregory P. Noone, Willam D. O. Paterson, Harry Anthony Patrinos, Janelle Plummer, Shilpa Pradhan, M. Y. Rao, Francesca Recanatini, Glenn T. Ware, and Juan Carlos Zuleta, it has been a great pleasure to have worked with you through all the many reviews, frustrations, joys, and long days and weekends spent in bringing this manuscript to print.

Many colleagues in the World Bank and the international development community gave precious time and effort to provide advice and guidance on various drafts. Much is owed to Randi Ryterman for her consistent encouragement and unequivocal support for this whole enterprise, to Erika Jorgensen for vetting various versions of many of the chapter drafts and her invaluable assistance on the seminar series, and to Juanita Olaya and Vito Tanzi for taking time off their schedules to participate in the roundtable discussions. Special thanks go to Charles Adwan, Anders Agerskov, James Anderson, Mario Arduz, Clive Armstrong, Felipe Barrera, Robert Beschel, Benjamin Billa, Parminder Brar, Allison Brigati, Camille Bryan, Steve Burgess, Patricio Castro, Nazmul Chaudhury, John Davidson, Luc de Wulf, Phyllis Dininio, Poul Engberg-Pedersen, Laura Esmail, Samina Esseje, Antonio Estache, Tazeen Fasih, Armin Fidler, Gita Gopal, Veronica Grigera, Jonathan Halpern, April Harding, John Howell, Imogene Jensen, Marc Juhel, Kapil Kapoor, Charles Kenny, Elizabeth M. King, Sahr Kpundeh, Sarwar Lateef, Heather Marie Layton, Knut Leipold, Katerina Leris, Maureen Lewis, William B. Magrath, Samuel Munzele

Maimbo, Saida Mamedova, Muthukumara Mani, Gerard McLinden, William McCartnen, Latifah Osman Merican, Rick Messick, Juan Manuel Moreno, Ronald Myers, Vicente Paqueo, Michael Pe, Robert Prouty, Juliet Pumpuni, Cesar Queiroz, G. P. Rao, Binyam Reja, Mike Richards, Halsey Rogers, Jamil Saghir, Harvey Salgo, Derek Schaffner, Julian Schweitzer, Richard Scobey, Andreas Seiter, Richard Stern, Helen Sutch, Bernard Tenenbaum, Seth Terkper, William Tupman, Joel Turkewitz, Wilhelm Van Egen, Jonathan Walters, Donald Wong, and to numerous network colleagues from Infrastructure, Environmentally and Socially Sustainable Development, Human Development, Agriculture and Rural Development, Financial Sector, Procurement and Financial Management, and Poverty Reduction and Economic Management for their valuable comments and inputs that undoubtedly shaped the final contours of this volume.

In most endeavors of this kind, there are always unsung heroes. This manuscript stands on the shoulders of Maks Kobonbaev, who took time off from his doctoral dissertation to serve as the “master sergeant” for this enterprise, and a strong supporting cast consisting of Nisha Narayanan, Colum Garrity, Rebecca Hife, and Max Jira Ponglumjeak, without whom many things would have fallen through the cracks. Special thanks go to Stephen McGroarty, Dana Vorisek, and Martha Gottron for making the process of editing and publishing this manuscript enjoyable and exciting.

We are especially grateful to Transparency International–Berlin, in particular, Huguette Labelle, David Nussbaum, Juanita Olaya, Angela Keller-Herzog, and Katie Taft, for their support in the preparation, launch, and dissemination of this volume.

Finally, we would like to extend our deep appreciation to the Dutch Government through the Bank-Netherlands Partnership Program (BNPP) for providing the financial support for this project, to our colleagues Kai Kaiser and Doris Voorbraak for their patience and efforts in managing the governance component of the BNPP, and, most especially, to our network head, Danny Leipziger, and our constant collaborator, Dani Kaufmann, for their continued support for our work on governance and, most especially, for the publication of this volume.

To everyone, muchos gracias, merci beaucoup, dank u zeer, grazie molto, vielen dank, большое спасибо, thank you very much.

*J. Edgardo Campos
Sanjay Pradhan*

Abbreviations

| | |
|---------|---|
| ADB | Asian Development Bank |
| AIDS | acquired immune deficiency syndrome |
| AML | anti-money laundering |
| AML/CFT | anti-money laundering/combating the financing of terrorism |
| Cal-ISO | The California Independent System Operator |
| CalPX | California Power Exchange |
| CCSS | Caja Costarricense de Seguro Social (Costa Rica) |
| CEFIR | Centre for Economic and Financial Research |
| COC | chain of custody |
| CPI | Corruption Perception Index (Transparency International) |
| CSO | civil society organization |
| CVA | corruption vulnerability assessment |
| DFID | U.K. Department for International Development |
| DENR | Department of Environment and Natural Resources (the Philippines) |
| EDL | essential drug list |
| EITI | Extractive Industries Transparency Initiative |
| EMEA | European Medicines Evaluation Agency |
| EMIS | Education Management Information System |
| EPC | electronic product code |
| EU | European Union |
| FAO | Food and Agriculture Organization |
| FATF | Financial Action Task Force |
| FCMR | Forest Crime Monitoring and Reporting Unit (Cambodia) |
| FDA | U.S. Food and Drug Administration |
| FIU | financial intelligence unit |
| FLEG | Forest Law Enforcement and Governance |
| FLEGT | Forest Law Enforcement, Governance and Trade Action Plan |
| GDP | gross domestic product |

| | |
|---------|--|
| GMP | good manufacturing practice |
| HIPCs | heavily indebted poor countries |
| HIV | human immunodeficiency virus |
| ICT | information and communications technologies |
| IFMIS | integrated financial management information system |
| IFPMA | International Federation of Pharmaceutical Manufacturers |
| IMF | International Monetary Fund |
| IOC | international oil company |
| IPP | independent power producer |
| IRP | Institutional Reform Project (Bolivia) |
| KDP | Kecamatan Development Program (Indonesia) |
| KPCS | Kimberley Process Certification Scheme |
| MDGs | Millennium Development Goals |
| MFPC | Multisectoral Forest Protection Committees (the Philippines) |
| MIS | management information system |
| MOU | memorandum of understanding |
| NAFDAC | National Agency for Food and Drug Administration and Control (Nigeria) |
| NCCTs | non-cooperative countries and territories |
| NGO | nongovernmental organization |
| NIP | National Integrity Plan (Bolivia) |
| NNPC | Nigerian National Petroleum Corporation |
| NOC | national oil company |
| NSWG | National Stakeholders Working Group |
| NTS | National Tax Service (Bolivia) |
| NWSC | Nairobi Water and Sewerage Company |
| OECD | Organisation for Economic Co-operation and Development |
| OPEC | Organization of the Petroleum Exporting Countries |
| PAC | parliamentary (or public) accounts committee |
| PBS | Palli Bidyut Samitis (independent electricity users' associations; Bangladesh) |
| PEFA | public expenditure and financial accountability |
| PEP | politically exposed persons |
| PFM | public financial management |
| PMO/PIU | project management office/project implementation unit |
| PPA | power purchase agreement |
| PSI | Pharmaceutical Security Institute |
| PWI | Procurement Watch Inc. |
| REB | Rural Electricity Board (Bangladesh) |
| RFID | radio frequency identification |
| SAFCO | Financial Management and Control Law (Bolivia) |
| SAI | supreme audit institution |
| SARA | semiautonomous revenue agencies |
| SEB | state electricity board |
| SFBC | Swiss Federal Banking Commission |

| | |
|-------|---|
| SGS | Société Générale de Surveillance |
| SNPC | Société Nationale des Pétroles du Congo (Republic of Congo) |
| STS | sworn tax statement |
| T&D | transmission and distribution |
| TI | Transparency International |
| UN | United Nations |
| UNCAC | United Nations Convention against Corruption |
| UNDP | United Nations Development Programme |
| USAID | U.S. Agency for International Development |
| VAT | value added tax |
| WCO | World Customs Organization |
| WHO | World Health Organization |
| WSS | water supply and sanitation |

