



**THE ANTI-CORRUPTION
CATALYST:
REALISING THE MDGs
BY 2015**

The Millennium Development Goals (MDGs) build on previous international development promises and represent an unprecedented, comprehensive framework for combating poverty, reaching universal education and achieving gender equality, among other aims. As this report highlights, however, there is clear evidence that corruption has proven to be a major obstacle for countries and regions to reach the MDGs by 2015 as pledged. The costs of corruption can be explicit, implicit and hidden. Decision-makers must recognise these problems and find solutions that integrate the MDG and anti-corruption agendas. This report provides practical examples and quantitative data to show how strengthening transparency, accountability and integrity does have a 'MDG payoff'. Such measures need to be systematically built into development initiatives and form part of any five-year action plan put forth on the MDGs.

www.transparency.org

Acknowledgements: This report was produced by the Policy and Research Department of the Transparency International Secretariat in Berlin. The lead author was Craig Fagan. The statistical analysis was conducted by Frédéric Lesné and Felix Weth, in coordination with Juanita Riaño. The Transparency International chapters in Bangladesh, Colombia, Georgia, Ghana, Liberia, Mexico and Perú contributed to the report.

Cover photos: © Flickr/Álvaro Rivas, © Flickr/World Bank Photo Collection, © Flickr/eric.persha

Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of September 2010. Nevertheless, Transparency International cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

ISBN: 978-3-935711-57-9

©2010 Transparency International. All rights reserved.

Printed on 100% recycled paper.

CONTENTS

1. INTRODUCTION.....	1
2. THE COSTS OF CORRUPTION: THE IMPACTS ON EDUCATION, HEALTH AND WATER.....	2
3. MAKING THE CHANGE: TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY IN MDG POLICIES	5
4. FINDING A WAY FORWARD: AREAS FOR ACTION.....	8
ANNEX A. QUANTITATIVE ANALYSIS: SELECTED GOVERNANCE AND MDG INDICATORS	10
ANNEX B. QUANTITATIVE ANALYSIS: SELECTED GOVERNANCE AND EDUCATION INDICATORS IN AFRICA	15

1. INTRODUCTION

It is time to take stock of progress. Ten years ago, 189 world leaders convened in New York and agreed to an ambitious set of development goals to be met by 2015. Known as the Millennium Development Goals (MDGs), the goals are designed as a broad framework to achieve human development priorities: poverty eradication, primary education, gender equality, maternal and child health, the reduction of HIV/AIDS and other diseases, clean water and sanitation, and environmental sustainability. With five years to go, official progress reports show that many of the goals are off-track to being achieved. Globally and regionally, advances have been particularly slow on education (MDG2), maternal mortality (MDG5) and the environment (MDG7).¹

Breakdowns in governance and the corruption that accompanies them have been important reasons for sluggish progress on the goals. Yet until now, MDG strategies have not effectively addressed these problems as part of the solutions.

There is ample evidence of the value of designing MDG action plans that adequately integrate governance and anti-corruption mechanisms. New analysis by Transparency International demonstrates a strong and positive correlation between increased transparency, accountability and integrity and better MDG outcomes on education, health and water in more than 48 countries. In practice, country-level work shows how anti-corruption approaches have an MDG payoff: examples are drawn from Bangladesh, Colombia, Georgia, Ghana, Liberia and Mexico.

If the MDGs are to be achieved by 2015, world leaders and national policy-makers must finally link development and governance policies as part of the same plan. Marrying the two supports not only the success of the MDGs, but also the fulfilment of past global commitments. These include government pledges made to fight corruption, achieve aid effectiveness and improve development financing, as part of the UN Convention against Corruption (2003), Paris Declaration on Aid Effectiveness (2005), Accra Agenda for Action (2008) and the Doha Declaration on Financing for Development (2008).

To meet their global obligations, countries must support MDG action plans that incorporate transparency, accountability and integrity measures. These same principles must also characterise government-wide policies and actions to send the right message from the top. This shift must occur in order to have real and sustainable progress beyond 2015. Let's make certain the next five years make up for the last 10.

FIGURE 1: MDG Regional Progress Table for Goals 2, 5 and 7

Note: The progress chart captures compliance and progress on MDG targets by region. The words in each box indicate the present degree of compliance with the target. The colours show progress towards the target. Figure reproduced from: UN, 'Millennium Development Goals: 2010 Progress Chart' (New York: UN, 2010).

Goals and Targets	Africa		Asia				Oceania	Latin America & Caribbean	Commonwealth of Independent States	
	Northern	Sub-Saharan	Eastern	South-Eastern	Southern	Western			Europe	Asia
Goal 2 / Achieve universal primary education										
Universal primary schooling	high enrolment	moderate enrolment	high enrolment	high enrolment	moderate enrolment	moderate enrolment	—	high enrolment	high enrolment	high enrolment
Goal 5 / Improve maternal health										
Reduce maternal mortality by three quarters*	moderate mortality	very high mortality	low mortality	high mortality	high mortality	moderate mortality	high mortality	moderate mortality	low mortality	low mortality
Goal 7 / Ensure environmental sustainability										
Halve proportion without improved drinking water	high coverage	low coverage	moderate coverage	moderate coverage	moderate coverage	high coverage	low coverage	high coverage	high coverage	moderate coverage

The progress chart operates on two levels. The words in each box indicate the present degree of compliance with the target. The colours show progress towards the target according to the legend below:

- Already met the target or very close to meeting the target.
- Progress sufficient to reach the target if prevailing trends persist.
- Progress insufficient to reach the target if prevailing trends persist.
- No progress or deterioration.
- Missing or insufficient data.

* The available data for maternal mortality do not allow a trend analysis. Progress in the chart has been assessed by the responsible agencies on the basis of proxy indicators.

2. THE COSTS OF CORRUPTION: THE IMPACTS ON EDUCATION, HEALTH AND WATER

Corruption – whether petty, grand or political – exacts a high cost on development. Abuses in one sector do not spare the others from collateral damage. The bribe asked by a schoolmaster to enrol a family’s daughter in the ‘free’ elementary school means a girl’s education and opportunities may be irreversibly blocked. When newly elected parliamentarians whose campaigns were supported by pharmaceutical companies pass policies that increase the local cost of needed drugs, sick people face a lack of treatment, which may lead to lost days of work and wages, and a cycle of poverty. Corruption can also manifest in more subtle, ‘quiet’ forms² that undermine public trust in government and the services it provides.

‘You can’t divorce corruption from the achievement of the MDGs. Every effort we make, we see it as a contribution to changing people’s situation.’

- James Thompson, founder and board member of the Center for Transparency and Accountability in Liberia (CENTAL).

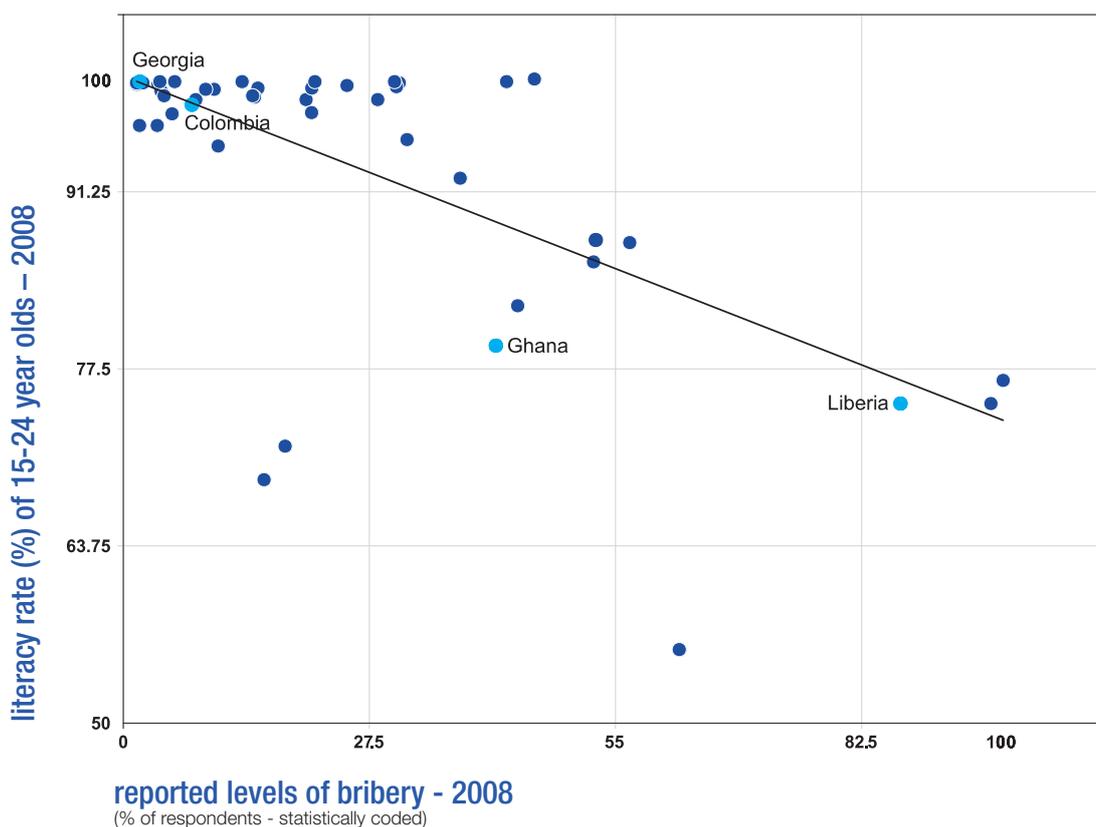
CORRUPTION IN EDUCATION: BLOCKING ACCESS AND UNDERMINING QUALITY

Research from across 50 countries shows there is a clear, positive correlation between increased corruption and the reduced quality and quantity of education in a country.³ Statistical analysis by Transparency International for this report finds a similar conclusion. Data from 42 countries suggest that the increased practice of paying bribes is associated with a lower literacy rate among 15 to 24 year olds, which is one of the indicators used for tracking progress on education (MDG2). This correlation holds independently of a country’s per capita income.⁴

Corruption can affect education systems in different, destructive ways. In many countries, for example, schools are supposed to be free and open to all students. Yet findings from Transparency International’s seven-country study in Africa – **Ghana, Madagascar, Morocco, Niger, Senegal, Sierra Leone and Uganda** – show that 44 per cent of parents surveyed have had to pay illegal fees to send their children to school.⁵

FIGURE 2: Bribery and Literacy Rates

Note: Levels of reported bribery are based on the TI’s *Global Corruption Barometer* (www.transparency.org/policy_research/surveys_indices/gcb). Country averages were taken from surveys of users of public services that were collected as part of the Barometer. All other data is from the UN. Countries named on the graph are those featured in section 3 of this report.



In **Bangladesh** the problem of informal payments has meant that even scholarship programmes have become distorted. For example, one initiative that aims to send daughters of poor families to school has been ineffective and costly. According to a study by TI Bangladesh, 25 per cent of families enrolling in the programme have reported paying a bribe. Moreover, when the family went to collect the money, half the respondents said that part of it was missing due to corruption.⁶

In **Peru** the problem of ‘soft’ or ‘quiet’ corruption in education has been a key concern of citizens as signalled by a six-region study by the TI chapter, Proética. The failure of teachers to provide classes as scheduled and irregularities in school administrative processes were two of the most frequent complaints recorded.⁷

CORRUPTION IN HEALTH CARE: PREVENTING TREATMENT AND CONTRIBUTING TO DEATH

Corruption in health care affects the availability of government funding for the sector, the quality of medicines and the delivery of services.

Siphoning off funding from health budgets is an all too common story from Azerbaijan to Uganda. In **Liberia**, where the current government has been an active anti-

corruption enforcer, audits by the country’s General Auditing Commission reported severe irregularities committed by employees of the Ministry of Health & Social Welfare. Investigators discovered a discrepancy that totalled almost US \$4 million in unaccounted-for funds, or roughly 20 per cent of the total ministry’s budget.⁸

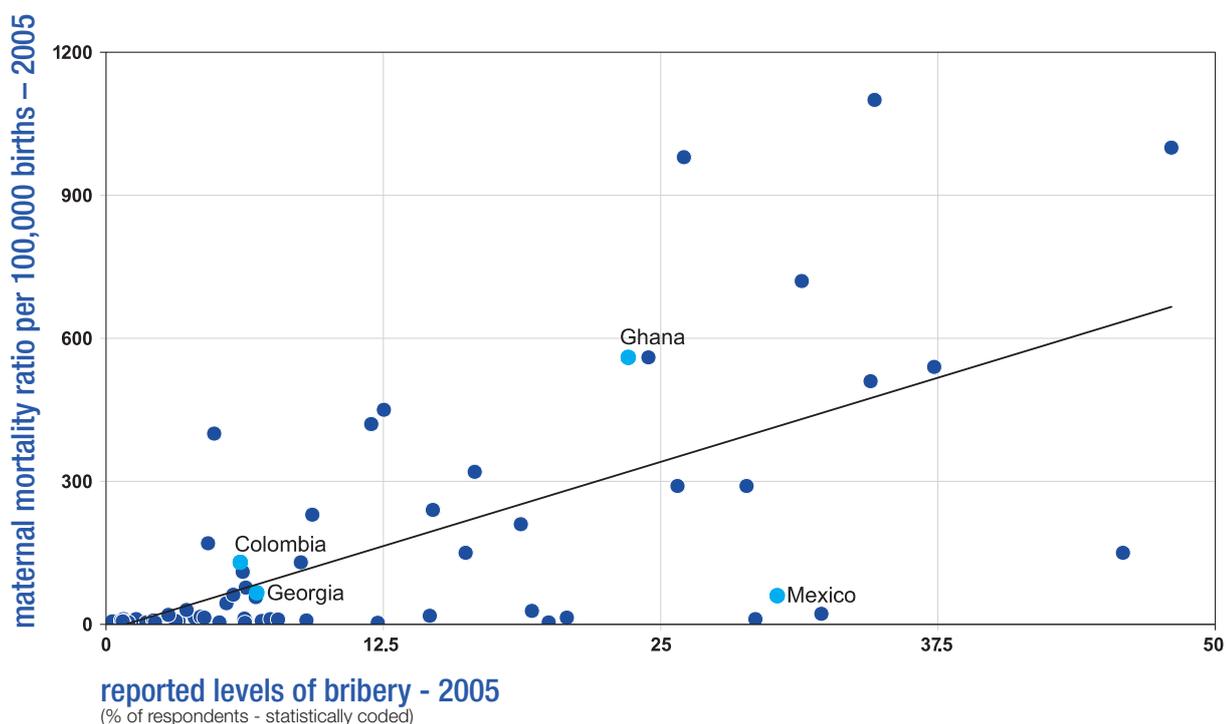
Kickbacks and other opaque deals in a country’s pharmaceutical industry can compromise even well-designed national health programmes. Altered medicines and substandard purchases exact a high toll in terms of lost resources and lives. In **China** the broad prevalence of fake drugs is estimated to result in 200,000 to 300,000 deaths annually.⁹

As in the education sector, bribery and informal payments too often afflict a country’s health system. In education, the costs of corruption are revealed over time – in terms of student drop-out rates, lower literacy levels and limited jobs. But in the health sector, effects of corruption are immediate: death. A recent study by Amnesty International on maternal health in **Burkina Faso** reported that corruption among medical personnel is one of the main causes of death for thousands of women during pregnancy.¹⁰ Poor women are turned away from hospitals, unable to make the illegal payments allegedly demanded by hospital staff to administer care.

This anecdotal evidence from Burkina Faso is supported by findings by Transparency International that the prevalence of bribery in a country is positively correlated to death rates for women giving birth.¹¹ This unfortunate relationship is significant even if per capita income and the share of total spending on health in a country are taken into account. The findings, based on data for 64 countries, suggest that an increase in reported bribery is associated with an increase in maternal mortality, regardless of how wealthy a country is or how much it invests in health.

FIGURE 3: Bribery and Maternal Mortality

Note: Levels of reported bribery are based on the TI’s *Global Corruption Barometer* (www.transparency.org/policy_research/surveys_indices/gcb). Country averages were taken from surveys of users of public services that were collected as part of the Barometer. All other data is from the UN. Countries named on the graph are those featured in section 3 of this report.



CORRUPTION IN WATER: OUT-OF-REACH SERVICES AND LOST RESOURCES

In developing countries, corruption is estimated to raise the price of connecting a household to a water network by as much as 30 to 45 per cent.¹² Poor people living in slums not connected to the water grid frequently pay far more for water than connected customers. Residents of Manila that are off the grid pay more for water than people living in London, New York or Rome.

Globally it is estimated that 20 to 70 per cent of lost resources in the water sector could be saved if transparency was widespread and corruption was eliminated.¹³ In **India** local water and sanitation experts in the state of Kerala have calculated that public projects in the sector lose between 20 and 30 per cent of their resources to corruption.¹⁴ In **Kenya** corruption in the water sector is characterised by bribery, unaccounted for water fees and procurement processes that are not transparent. According to survey work by TI Kenya, 87 per cent of respondents in Nairobi had witnessed the payment of bribes in order to connect to the city's water network.¹⁵

Wide-scale corruption in the sector means that achieving the global MDG target of improved access to water will cost an estimated US \$48 billion more than has been planned.¹⁶ Calculations suggest that for every investment of US \$1 million to connect households to piped water at

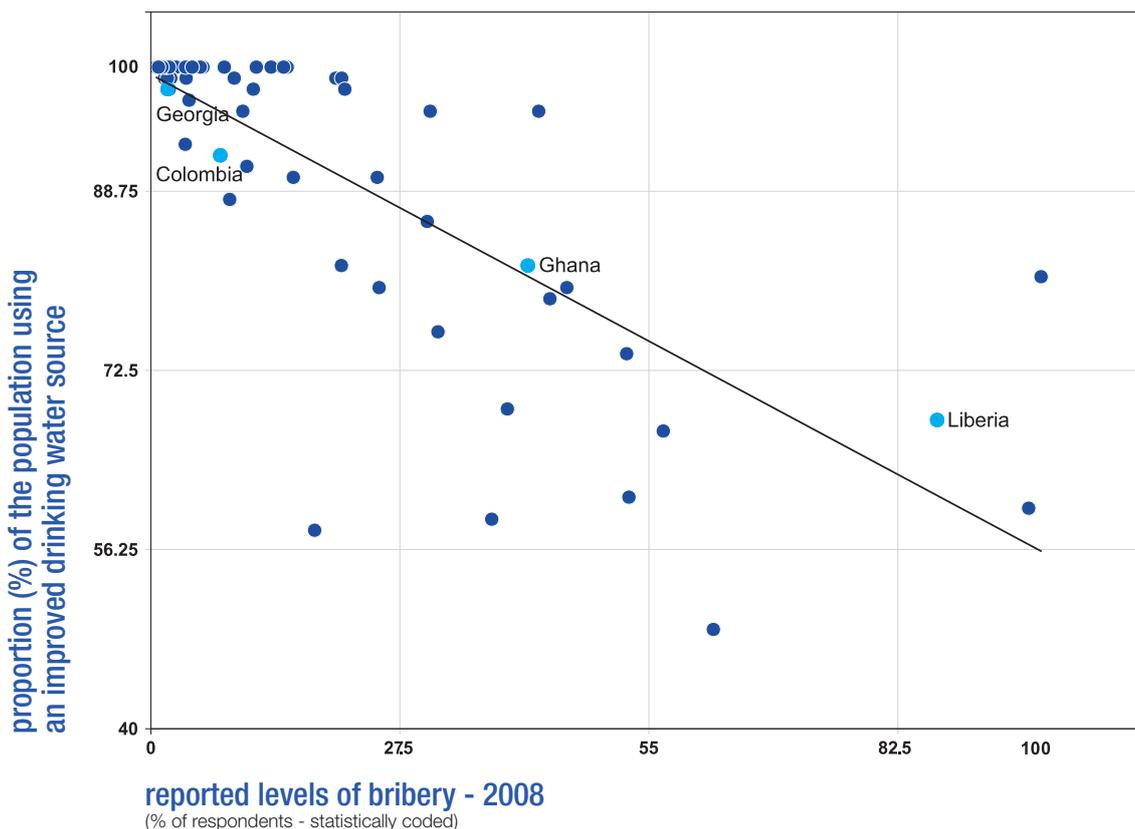
an estimated cost of US \$400 per connection, corruption means that roughly 30 per cent of families do not gain access. This projected cost does not include the incalculable spillover effects that the lack of clean water creates for education, health, poverty and gender equality outcomes.¹⁷

Analysis by Transparency International finds that a population's access to safe drinking water is negatively correlated with the level of bribery practiced in the country. This result, based on data for 51 countries, is independent of the level of national per capita income and the money invested by the government in public infrastructure for water and other services.¹⁸ The findings show that the statistical effect of bribery is equivalent to that of per capita income: a lower prevalence of bribery has the same correlation to increased access to clean water as does a higher per capita income.

When corruption plagues education, health or access to water, it is the poor who suffer the most. Poor families, when compared to other income groups, are especially burdened by demands for petty bribes. Corruption is turned into a regressive tax on needy households that sabotages attempts to eradicate poverty as part of meeting the MDGs. The TI chapter in **Mexico** has estimated that poor families spend almost one-fifth of their income on petty bribes. The typical Mexican family spends 8 per cent. In **India** surveys conducted by the TI chapter similarly have reported that poor people have paid more than US \$200 million in bribes annually to access 11 'free' services, including the police, hospitals, schools and employment benefits. There is even ample evidence of Indian families paying bribes when they try to get entitlement cards to certify their income is below the national poverty line.¹⁹

FIGURE 4: Bribery and Access to Water

Note: Levels of reported bribery are based on the TI's *Global Corruption Barometer* (www.transparency.org/policy_research/surveys_indices/gcb). Country averages were taken from surveys of users of public services that were collected as part of the Barometer. All other data is from the UN. Countries named on the graph are those featured in section 3 of this report.



3. MAKING THE CHANGE: TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY IN MDG POLICIES

While statistical and empirical evidence reveals corruption's high price on development, other findings show that preventing the problem has a clear 'MDG payoff'. Data analysis and country examples provide the proof that transparency, accountability and integrity produce positive changes that promote MDG achievement.

Just as higher bribery is as statistically relevant as lower per capita income in its correlation to specific MDG outcomes, additional analysis by Transparency International suggests that better governance is an equally important indicator when trying to understand a country's performance on these same goals. The findings hold true even when controlling for national income and a set of other indicators, including government spending, and peace and stability in the country (see Annex A and Table A.1).

Transparency International's analysis is based on a linear regression of publicly available data from more than 48 countries. It focuses on official MDGs indicators (i.e. the dependent variable) and indicators that are typically used to measure good governance and anti-corruption (i.e. the independent variables). The MDG indicators were selected for goals where progress toward meeting the 2015 targets has been reported by the UN as being slow globally or regionally: primary education (MDG2), maternal health (MDG5) and access to safe drinking water (MDG7). The indicators are from 2005 and 2008, and have been chosen based on the most recently available data and coverage of countries.

We have tested the correlation between these MDG targets and indicators for transparency, accountability and integrity. Proxy measures have been taken for each of these three concepts, and for the same base year. The overall findings are in Figure 5.

The results reveal that a higher degree of **transparency**, using public access to information as a proxy,²⁰ is associated with better educational outcomes as measured by the literacy rates of youths (15 to 24 year olds) in a country. The findings suggest that higher levels of access to information — such as on a school's budget, resource inflows provided to schools and appointment procedures for teachers and school administrators — is positively and significantly correlated with higher literacy rates.

In terms of **integrity**, the analysis indicates that good performance on anti-corruption initiatives and the rule of law correlates with a decrease in the average rate of maternal mortality in a country.²¹ The relationship holds true when taking into account per capita income and total government spending on health. This finding suggests that where the rule of law and anti-corruption legislation are stronger, maternal mortality tends to be lower, independent of a country's wealth and the level of government resources dedicated to the health sector.

When it comes to **accountability**, the findings indicate that greater government accountability correlates positively with a higher percentage of the population having access to clean drinking water.²² Measures to increase accountability could include citizen monitoring, participatory budgeting and parliamentary oversight. The correlation between access to water and accountability is equally significant even when government investment on public infrastructure is taken into account.

Transparency International has conducted additional analysis into accountability that looks at community-level data on education, school management and school performance (dependent variables). The data, from 2008, is drawn from more than 300 schools in six African countries (Ghana, Madagascar, Morocco, Senegal, Sierra Leone and Uganda).²³ The findings reveal that schools that are accountable to parents, school management committees and other government bodies are likely to be schools that are better run. Accountability is assessed by how households, head teachers and parent-teacher associations have responded to a series of related questions (see Annex B). When the school's management is considered in more detail, the findings suggest there is also a positive relationship between accountability and a school's performance.²⁴

These statistical findings provide the rationale for policy-makers to adopt an anti-corruption approach to MDG strategies. Related policies and projects must better integrate transparency, accountability and integrity measures in order to advance progress on all of the goals. Moreover, the analytical results signal the need to create an overarching environment where access to information is provided, anti-corruption legislation and other laws are applied, and mechanisms to make government actions more accountable are established.

How this happens in practice can take many forms. From across all the regions, TI chapters have worked to incorporate transparency, accountability and integrity measures into MDG-related policies and programmes.

FIGURE 5: Summary of Analytical Findings on the MDGs

Note: Table based on statistical results found in Annex A.

MDG	MDG INDICATOR	ANTI-CORRUPTION INDICATOR	COUNTRY SAMPLE	FINDINGS
GOAL 2: Achieve universal primary education	2.3 Literacy rate of 15 to 24 year olds, women and men	Access to information (TRANSPARENCY)	53	A high level of transparency correlates to a higher literacy rate for a country's youth
GOAL 5: Improve maternal health	5.1 Maternal mortality ratio	Anti-corruption initiatives and the rule of law (INTEGRITY)	48	Lower maternal mortality is associated with a country's good performance in anti-corruption and the rule of law
GOAL 7: Ensure environmental sustainability	7.8 Proportion of population using an improved drinking water source	Accountability of institutions (ACCOUNTABILITY)	63	Better government accountability is positively correlated with greater access to water

TRANSPARENCY: USING ACCESS TO INFORMATION TO IMPROVE PROGRAMME DELIVERY

In **Georgia** the TI chapter has promoted transparency in donor and government funding that is targeted at one of the country's most disadvantaged groups: internally displaced persons (IDPs). Donors play an important role in helping Georgia to meet the MDGs; the country, while mostly on track, has yet to reach any of the goals. Following the 2008 conflict with Russia, the government launched with donor backing a hasty but broad programme for IDPs, including the provision of shelter. TI Georgia began monitoring the transparency of the programme and contributing to a high-level Steering Committee on IDP issues. Through this forum and other working groups, TI Georgia has secured a number of formal donor and government commitments to transparency, accountability and adherence to standards in housing construction and beneficiary selection processes. The chapter has also worked with the government to publicise IDP benefit programmes and publish online all construction contracts for IDP housing projects.

Transparencia Mexicana, the TI chapter in **Mexico**, has worked with the government to strengthen the transparency and integrity of its internal operations and social programming. While Mexico is a middle-income country that has reached almost all the MDGs, its progress reveals gaps among states and social groups.²⁵ Transparencia Mexicana has collaborated with the UN Development Programme to create a platform (www.programassociales.org.mx) that serves as an oversight structure for monitoring Mexico's social policies aimed at reducing poverty among the country's most vulnerable groups. The new online platform provides information to the public on 730 programmes, including enrolment qualifications, geographic coverage, the number of beneficiaries, the budget and funding.

ACCOUNTABILITY: ESTABLISHING COMMUNITY MONITORING OF BASIC SERVICES

In **Bangladesh** the TI chapter has tried to promote the country's full achievement of the MDGs by increasing accountability and tackling corruption in basic service delivery. The chapter has worked at the local level to create Committees of Concerned Citizens. These committees bring together 5,000 members from the chapter's youth and other volunteer programmes to monitor breakdowns in community services such as education and health. Using youth volunteers, outreach to patients in one hospital found that people were being short changed upon paying the official entry fee by at least 10 per cent. The committee campaigned against the problem and consulted hospital officials. As a result the entry fee was fixed slightly higher and the difference went into a fund for poor patients. After about six months, it was found that nearly 1,100 people had benefited from the fund and the new fee was correctly being charged. Increasingly, committees are working with communities to develop a system of pacts called an 'integrity pledge'. These pledges are a set of principles that local leaders agree to respect when delivering public services to citizens. It requires three signatories: 1) the local authority (public representatives), 2) service recipients (citizens) and 3) Committees of Concerned Citizens (civil society). To date there have been 18 integrity pledges, half of which have been with primary schools.

While **Colombia** has made good advances on most of the MDGs, progress is stalled on poverty reduction (MDG1), gender equality (MDG3) and better health outcomes (MDGs 4, 5 and 6).²⁶ The TI chapter, *Transparencia por Colombia*, has focused on some of these areas by partnering with the government and donors to launch a Social Control Fund (*Fondo de Control Social*). The fund supports 15 citizen monitoring efforts that target the delivery of key basic services: education, health, water and sanitation. Such citizen oversight has saved the government an estimated US \$5.4 million from corruption and has directly benefited nearly 10,000 Colombians. In Cartagena the chapter has worked with a local women's group through the fund to improve health services that are not covered under the subsidised state health-care system. Through this initiative the health-care provider, Cartagena's health department and users of the service have been brought together to revise current regulations to ensure citizens are not blocked from their constitutional right to health care.²⁷

INTEGRITY: BUILDING KNOWLEDGE AND CAPACITIES FOR SUSTAINABLE CHANGE

The Ghana Integrity Initiative (GII), the TI chapter in **Ghana**, has been working to promote local-level integrity in access to water, one of the sector targets that the country is off-track to meet as part of achieving the MDGs.²⁸ The focus of GII's work has been to strengthen the oversight mechanisms that local citizens have through community water committees in three rural areas outside the capital. Prior to the chapter's work, community participation in the committees had been very low and no committee meetings were organised. The chapter has worked to develop the capacity of the water committees. It has also assisted disadvantaged groups to become engaged in local decisions to ensure the quality and affordability of water delivery. For example, committees have been helped to develop better monitoring mechanisms and strengthen internal controls (such as book-keeping and reporting). At the same time, the chapter has set up mechanisms to elect community members to serve as 'monitoring and evaluation teams' of the overall process.

Creating a common understanding of how services should be delivered with integrity is the approach that the Center for Transparency and Accountability in Liberia (CENTAL) has used. A contact group for Transparency International, CENTAL is collaborating with communities across four of **Liberia's** 15 counties. According to the most recent national MDG Progress Report, the country is off-track to eradicate poverty (MDG1) and behind on the other goals.²⁹ CENTAL has reached out to poor and marginalised citizens through the creation of Poverty Watch Councils and Integrity Clubs (iClubs).³⁰ Poverty Watch Councils (whose five members are elected) and iClubs (whose members, drawn from the community and schools, are volunteers) have been trained to monitor problems of corruption in impoverished communities. The majority of community concerns relate to how to improve the integrity of public procurement and the substandard infrastructure of basic services: water, health and utilities.

4. FINDING A WAY FORWARD: AREAS FOR ACTION

To better link development and anti-corruption initiatives, Transparency International calls to action all stakeholders (leaders, parliamentarians, civil servants, the private sector, civil society and citizens) to adopt a new approach to the MDGs. This shift in strategy must advance actions and policies to promote transparency, accountability and integrity as part of realising the goals.

The empirical results and anecdotal evidence profiled in this report offer an undisputable message when it comes to the MDGs: transparency, accountability and integrity must be integrated into action plans if the goals are to be met by and sustained beyond 2015. Treating these issues as separate from strategies devised to reach universal education or reduce maternal mortality will no longer do.

TRANSPARENCY

A first step in promoting transparency is regularly publishing information on how governance and anti-corruption efforts are being implemented to achieve progress on the MDGs. One channel for this could be the use of national MDG reports. These are to be produced by donors and partner countries to show advances on each of the goals. Another channel could be the use of country assistance strategies, national development plans and other frameworks, which would include sections on how relevant anti-corruption work is being funded, implemented and advanced.

A second step is instituting transparency initiatives. These can take the form of national-level access to information laws to create an overarching legal framework for increased transparency. Transparency efforts can also include information campaigns to inform citizens of what their public rights are. Increased transparency can be promoted as well through collective country-made pledges for greater access to information, such as on natural resource revenues (e.g. the Extractive Industries Transparency Initiative) or aid flows (e.g. International Aid Transparency Initiative).

All these mechanisms allow for greater oversight by parliamentarians, citizens and the media on how domestic and donor-provided resources are used. They also provide for the possibility to track the results of policies, budgets, procurement processes and projects (on anti-corruption as well as development efforts). Such increased transparency helps to respond to country promises set out through other agreements, including the International Declaration on Human Rights (1948, Article 19), the UN Convention against Corruption (2003) and the Accra Agenda for Action (2008).

“We take information to the people at the doorstep of the hospital where they’re coming and inform them that these are their basic rights, these are the range of services that are available in this hospital... And that starts the process of people...ask[ing] themselves and also the service providers, “Well, I know that this is free, why are you asking [for money]?” ’

- Iftekhhar Zaman, executive director of TI Bangladesh and board member of Transparency International.

ACCOUNTABILITY

Accountability of MDG progress at the national level can be promoted by providing for measures that facilitate the increased involvement of community members, including women and other vulnerable groups. As the cases of TI chapters have shown, this can and should be supported by civil society organisations. These efforts prove most effective when national and local officials are open to this engagement. Initiatives also have been most successful when they are integrated into broader policies or programmes on the MDGs, rather than created as stand-alone initiatives.

Increased accountability can happen through greater political oversight of MDG policies and decisions. This can occur by using activities such as participatory monitoring and budgeting that can be linked up to government decisions and actions. The use of integrity pledges, as has been done in Bangladesh and other countries, offers a viable mechanism for strengthening political accountability. These can be established for projects, sectors or communities.

Finally, accountability also means finding tools, such as shadow reports and scorecards, to hold governments to account for their previous commitments at the global, national and local levels. Globally, there are many outstanding pledges that governments have made — including on the MDGs, corruption, aid and development financing. These public pledges provide a vehicle for political officials, parliamentarians, businesses, civil society, citizens and the media to monitor and publicly demand responses for failed compliance and missed targets.

INTEGRITY

The work of TI chapters shows some examples of how integrity can be promoted by mobilising and building the capacity of different groups and actors to shift the rules of the game. The integrity of MDG programming can also be supported by national-level policies that provide the right context for access to information, the rule of law and accountable practices across government. The UN Convention against Corruption (UNCAC) offers a policy framework for addressing both of these dimensions of change.

The UNCAC, ratified by 145 countries, provides the foundation needed to make citizen action most effective and sound governance possible. The UNCAC has articles that advance pro-MDG policies, including on transparent public procurement processes (Article 9), the openness of government (Article 10) and civil society participation (Article 13). Moreover, the convention presents a legal response to the demand and supply side of corruption characterising a particular sector, service or government.

All governments have a role in realising the UNCAC. Those that have ratified it must now implement and monitor the convention. For countries that need to pass new laws or reform old ones to comply, other parties, such as donors, could support this process by using their development assistance to a country to provide needed funding for the convention's implementation. To best align this work, the implementation of the UNCAC or related anti-corruption promises could be brought within the national development strategy or the MDG action plan of a country.

Promoting integrity as part of the MDGs also means understanding where the weaknesses are and estimating what resources are needed to address them. MDG costing exercises and assessments, conducted by the UN and other multilateral organisations, could include such an analysis. This could be done by looking at the required governance and anti-corruption investments by sector, including those to implement the UNCAC. Past and current efforts to analyse the legal gaps for a country's implementation of the UNCAC provide a good starting point for this work.

ANNEX A. QUANTITATIVE ANALYSIS: SELECTED GOVERNANCE AND MDG INDICATORS

Within the framework of the preparation of this report, TI tested for relationships between governance concepts and country performance on the MDGs as measured by selected MDG indicators. A simple linear regression analysis of publicly available data was undertaken of targets for achieving universal primary education (MDG2), improving maternal health (MDG5) and access to safe drinking water (MDG7). These three MDGs were selected given slower than projected progress in reaching them by 2015, as signalled by the UN in its most recent report (July 2010). They were also chosen given the previous work (quantitative and qualitative) that Transparency International has done on corruption in the areas of education, health and water.

The unit of analysis is countries, and data has been analysed for the most recent year for which sufficient coverage is available. The models whose results have the best fit ($R^2 > 0.5$) are listed in tables A.2 – A.6.

DEPENDENT VARIABLES

For each of the three goals separate analyses were undertaken, using as the dependent variable the respective MDG indicator with the best data availability in terms of timeliness and coverage. These indicators were:

- For MDG2: the literacy rate of 15 to 24 year olds (MDG indicator 2.3)
- For MDG5: the maternal mortality ratio (MDG indicator 5.1)
- For MDG7: the proportion of the population using an improved drinking water source (MDG indicator 7.8)

INDEPENDENT VARIABLES

A number of governance indicators were tested for their relationship to each of the selected MDG indicators. These comprised indicators from:

- TI's *Global Corruption Barometer* data (www.transparency.org/policy_research/surveys_indices/gcb), which has been used as a proxy to measure the level of corruption in a country (country averages were taken)
- The Global Integrity Index (www.globalintegrity.org/data/downloads.cfm) and its indicators for the rule of law, access to information and accountability
- The World Bank's World Governance Indicators (info.worldbank.org/governance/wgi/index.asp) as proxy governance concepts of transparency and accountability

CONTROLS

In the analysis conducted, we controlled for gross national income (GNI) per capita. Often cited as a proxy for a country's overall development, per capita income was expected to explain a major part of variation in MDG indicators across countries (the complete data set is at: mdgs.un.org).

Where available the models also have controlled for the share of government spending on the specific sector as a percentage of gross domestic product (health), or as a proxy the overall level of government investment in its infrastructure (access to safe drinking water). This has been measured by using the share of gross capital formation as a percentage of gross domestic product (GDP).

Unfortunately, there was limited country data for public spending on education. This did not allow for a sufficiently large and robust sample to test for a correlation between indicators for governance and corruption and a country's literacy rate, while at the same time controlling for sector spending.

To ensure that political stability was not the main factor that explained the variance in both MDG and governance indicators, the World Governance Indicator for 'Political Stability and Absence of Violence' was included as a control in the models.

DATA AND SOURCES

Table A.1 presents a list of the indicators used in the final analysis, as well as the respective sources. For each of the four statistical regressions conducted, the number of observations was restricted by limited country data coverage. Although the analysis included observations from more than 150 countries, the models with the best fit and most robust significance values were those that included indicators from TI's *Global Corruption Barometer* (GCB). This restricted the number of observations to 69 for 2005 and in 2009.¹ Limited country data for some of the controls and dependent variables (such as access to safe drinking water and literacy rate) further restricted the number of observations.

Some models tested were eventually dropped due to too few observations. Also, the generally reduced number of observations in the models selected required that controls be selected that covered countries within the samples used.

TABLE A.1: Indicators and data sources

INDICATOR	RELATED CONCEPT	SOURCE	VARIABLE NAME
DEPENDENT VARIABLES			
Maternal mortality ratio per 100,000 live births in 2005	Maternal health	UN Millennium Development Goals (MDG) Indicators ²	MaternalMt05
Literacy rate of 15 to 24 year olds (%) in 2007/2008	Quality of primary education	UN MDG Indicators	Literacy0708
Proportion of the population using improved drinking water sources in 2005	Access to safe drinking water	UN MDG Indicators	Water05
Proportion of the population using improved drinking water sources in 2008	Access to safe drinking water	UN MDG Indicators	Water08
INDEPENDENT VARIABLES			
TI Global Corruption Barometer 2005, question 5 (bribe paid in this year; yes=1, no=0)	Bribery practiced	TI Global Corruption Barometer 2005 ³	Bribery05
TI Global Corruption Barometer 2009, question 5 (bribe paid in this year; yes=1, no=0)	Bribery practiced	TI Global Corruption Barometer 2009 ⁴	Bribery09
Global Integrity Index, anti-corruption and rule of law indicator; combined data from 2004/2006 ⁵	Anti-corruption and rule of law institutions	Global Integrity ⁶	AC_RoL0406
Global Integrity Index, government accountability indicator; combined data from 2007/2008	Accountability	Global Integrity	Account0708
Global Integrity Index, public access to information; combined data from 2007/2008	Transparency	Global Integrity	AccessInf0708
CONTROL VARIABLES			
Gross national per capita income in 2005 (logged) ⁷	Per capita income	World Bank, World Development Indicators ⁸	GNIpc05In
Gross national per capita income in 2008 (logged)	Per capita income	World Bank, World Development Indicators	GNIpc08In
Gross capital formation in 2005	Investment in public infrastructure	World Bank, World Development Indicators	PubInvest05
Gross capital formation in 2008	Investment in public infrastructure	World Bank, World Development Indicators	PubInvest08
Public health expenditure in 2005	Public spending on health	World Bank, World Development Indicators	HealthExp05
Political stability and absence of violence in 2008	Political stability	World Bank, World Governance Indicators ⁹	PolStab08

REGRESSION RESULTS

In order to have a sufficient number of observations for an OLS (ordinary least squares) regression analysis, multiple models with varying independent variables and controls were tested for each dependent variable. Still, all models presented below explain more than 50 per cent of the variance in the dependent variable ($R^2 > 0.5$).

TABLE A.2: Summary of the empirical findings at the country level

Note: The table below presents a descriptive overview of the key results found for each of the goals.

GOAL OR TARGET	INDICATOR ANALYSED	MAJOR FINDINGS
GOAL 2: Achieving universal primary education	2.3 Literacy rate of 15 to 24 year olds, women and men	Both a low level of practiced bribery and a high level of transparency correlates to a higher literacy rate for a country's youth.
GOAL 5: Improving maternal health	5.1 Maternal mortality ratio	Widespread bribery is associated with higher maternal mortality. Lower maternal mortality is associated with a country's good performance in anti-corruption and the rule of law.
GOAL 7, Target 7c: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	7.8 Proportion of population using an improved drinking water source	The level of bribery practiced in a country is associated with access to safe drinking water nearly as much as the country's level of national income. Better government accountability is positively correlated with greater access to water.

1. ACCOUNTABILITY AND ACCESS TO SAFE DRINKING WATER IN 2008

Model 1 suggests a significant positive relationship between government accountability and access to safe drinking water, controlling for per capita income. Model 2 also controls for government investment in public infrastructure, using as a proxy the gross capital formation as a percentage of GDP.

TABLE A.3: OLS results: accountability and access to safe drinking water in 2008

	MODEL 1		MODEL 2	
	Water08	beta	Water08	beta
GNlpc08ln	7.28 (1.08) ^{***}	0.62	7.51 (1.12) ^{***}	0.61
PubInvest08			0.69 (0.20) ^{***}	0.31
Account0708	0.23 (0.09) ^{***}	0.24	0.19 (0.09) ^{**}	0.20
Constant	15.01* (8.42)		-1.29 (10.07) ^{***}	
No. of obs.	63		52	
R ²	0.55		0.63	

* significant at 0.1 level; ** significant at 0.05 level; *** significant at 0.01 level

Standard errors in brackets; beta = standardised coefficients

¹ The data for the Global Corruption Barometer 2009 was collected in 2008 and therefore was used to indicate the level of practiced bribery in 2008. The countries included in the survey differed slightly between 2005 and 2009. The 2005 survey included more countries from Latin America while the 2009 survey included more from Africa and the Middle East. Neither GCB covers some countries traditionally ranked low in corruption indexes (such as TI's Corruption Perceptions Index).

² Data available at: unstats.un.org/unsd/mdg/Data.aspx

³ Data available at: www.transparency.org/policy_research/surveys_indices/gcb/2005

⁴ Data available at: www.transparency.org/policy_research/surveys_indices/gcb/2009

⁵ In order to increase country coverage, values from 2004 were taken when no points were available for 2006.

⁶ Data available at: www.globalintegrity.org/data/downloads.cfm

⁷ In order to normalise the distribution of income per capita, the natural logarithm was taken.

⁸ Data available at: data.worldbank.org/data-catalog

⁹ Data available at: info.worldbank.org/governance/wgi/index.asp

2. BRIBERY AND ACCESS TO SAFE DRINKING WATER IN 2008

Model 1 suggests a significant linear effect of bribery practiced in a country on access to safe drinking water, controlling for per capita income. This effect is robust even when the share of public investment in infrastructure is included as a control (Model 2).¹⁰

TABLE A.4: OLS results: bribery and access to safe drinking water in 2008

	MODEL 1		MODEL 2	
	Water08	beta	Water08	beta
GNlpc08ln	4.21 (0.90)***	0.49	4.08 (0.82)***	0.49
PubInvest08			0.42 (0.14)***	0.22
Bribery08	-24.13 (5.95)***	-0.42	-24.63 (5.10)***	-0.47
Constant	10.38 (7.60)		49.75 (9.15)***	
No. of obs.	59		51	
R ²	0.70		0.77	

* significant at 0.1 level; ** significant at 0.05 level;
*** significant at 0.01 level

Standard errors in brackets; beta = standardised coefficients

BRIBERY AND ACCESS TO SAFE DRINKING WATER IN 2005

Using 2005 data, Model 1 suggests that the negative effect of bribery on access to safe drinking water presented in table A.5 is robust over time. The same holds true when controlling for the share of public investment in infrastructure (as measured by gross capital formation as a share of GDP, see Model 2).

TABLE A.5: OLS results: bribery and access to safe drinking water in 2005

	MODEL 1		MODEL 2	
	Water05	beta	Water05	beta
GNlpc05ln	4.22 (0.96)***	0.49	4.46 (0.96)***	0.54
PubInvest05			0.31 (0.24)	0.11
Bribery05	-40.99 (12.68) ***	-0.36	-32.71 (12.88) ***	-0.30
Constant	-21.94 (18.93)		50.45 (11.83)	
No. of obs.	62		61	
R ²	0.63		0.62	

* significant at 0.1 level; ** significant at 0.05 level;
*** significant at 0.01 level

Standard errors in brackets; beta = standardised coefficients

BRIBERY, ACCESS TO INFORMATION AND THE LITERACY RATE OF 15 TO 24 YEAR OLDS (%) IN 2007/2008

Model 1 suggests a significant positive relationship between access to information and the literacy rate of 15 to 24 year olds, controlling for per capita income and political stability. Model 2 suggests a significant negative relationship between bribery and literacy rate, using the same controls.

TABLE A.6: OLS results: bribery, access to information and the literacy rate of 15 to 24 year olds (%) in 2007/2008

	MODEL 1		MODEL 2	
	Literacy 0708	beta	Literacy 0708	beta
GNlpc08ln	5.40 (1.10)***	0.57	3.87 (1.44)***	0.46
PolStab08	0.63 (1.59)	0.04	1.04 (1.60)	0.08
AccessInf0708	0.01 (0.05)**	0.24		
Bribery08			-13.3 (6.38)**	-0.32
Constant	43.59 (8.54)***		38.52 (9.16)***	
No. of obs.	53		42	
R ²	0.53		0.56	

* significant at 0.1 level; ** significant at 0.05 level;
*** significant at 0.01 level

Standard errors in brackets; beta = standardised coefficients

BRIBERY, ANTI-CORRUPTION AND RULE OF LAW, AND THE MATERNAL MORTALITY RATIO PER 100,000 LIVE BIRTHS IN 2005

Model 1 suggests a significant relationship between widespread bribery and an increased maternal mortality ratio per 100,000 live births, controlling for per capita income and public expenditure on the health sector. Model 2 suggests a significant relationship between good performance in anti-corruption and rule of law, and reduced maternal mortality, using the same controls.

TABLE A.7: OLS results: bribery, anti-corruption and rule of law, and the maternal mortality ratio per 100,000 live births in 2005

	MODEL 1		MODEL 2	
	Maternal Mt05	beta	Maternal Mt05	beta
GNlpc05ln	-57.50 (24.98)**	-0.38	-205.32 *** (44.79)	-0.77
HealthExp05	-13.04 (14.83)	-0.12	63.58 (36.21)*	0.28
AC_RoL0406			-4.42 (2.09)** ¹¹	-0.26
Bribery05	641.27 (237.16) ***	0.33		
Constant	619.16 (192.99) *** ¹²		1922.22 (242.96) ***	
No. of obs.	64		48	
R ²	0.55		0.55	

* significant at 0.1 level; ** significant at 0.05 level;
*** significant at 0.01 level

Standard errors in brackets; beta = standardised coefficients

¹⁰ The high standardised (beta) coefficients suggest that an increase of one standard deviation in bribery has a negative effect on access to water that is almost as high as the positive effect of an increase of one standard deviation in per capita income.

¹¹ The significance level decreases to close to marginally significant ($P < |t| = 0.127$), if tested with robust standard errors.

¹² The significance level decreases to marginally significant ($P < |t| = 0.107$), if tested with robust standard errors.

ANNEX B. QUANTITATIVE ANALYSIS: SELECTED GOVERNANCE AND EDUCATION INDICATORS IN AFRICA

The regression analysis conducted at the country level (annex A) provides evidence that good performance in the goal of universal primary education (MDG 2) is significantly correlated to good governance performance. In order to test these results further, Transparency International undertook a new and comprehensive analysis of sub-national-level data that previously had been collected by the organisation as part of its *Africa Education Watch* programme.¹ This data is drawn from more than 300 schools in Ghana, Madagascar, Morocco, Senegal, Sierra Leone and Uganda. The data was collected between March and May 2008.

The analysis set out to test the relationship that exists among indicators of transparency and accountability for schools, the perceived quality of the overall management of schools, and the perceived quality of the education provided.

METHODOLOGY

The study aimed to test the assumption that levels of transparency and accountability in a school affected the quality of the education provided. The school's management and performance were viewed as the channels for these effects to be seen on a school's educational quality.

A two-step approach was used to test this hypothesis. First, a simple linear regression analysis was conducted to capture the relationship of transparency and accountability to the perceived effectiveness of a school's management, as assessed by relevant stakeholders: household representatives, head teachers and heads of parent-teacher associations. Second, a simple linear regression analysis was then used to test the relationship of the school's management, transparency and accountability to the perceived quality of education provided (again as assessed by all stakeholders).

The quality of education is based on a school's performance, which is measured by: 1) how it is perceived by the three groups of interviewees, and 2) the school's drop-out rate during the final year of the schooling cycle. A well-performing school is understood to have received a satisfactory score as assessed by respondents, and a drop-out rate of less than 10 per cent for the final year of the basic education cycle.

In both analyses, a range of factors were controlled for at the school or community level, including:

- the level of school resources
- the class size
- the teacher-student ratio
- the average income, size and level of education of a student's family
- the differences in schooling between rural and urban areas
- the perceived political will of the national government to support primary education

To control for country-specific factors, a dummy variable for each country was included.

Even when this range of factors (which are generally regarded as influencing educational quality) is taken into account, the indicators for transparency and accountability prove to have the most significant correlation with educational quality.

DATA COLLECTION AND INDICATOR CONSTRUCTION

All variables used in the analysis were based on data collected within the framework of Transparency International's *Africa Education Watch* programme. In this large-scale survey, structured interviews were conducted with relevant stakeholders for each of the more than 300 schools assessed in all six countries. For each school, households (an average of 20), the head teacher (school director) and the heads of the parent-teacher association were interviewed. For each of these three stakeholders, a different questionnaire was used.

To assist the current analysis, relevant questions have been drawn from these three questionnaires.² From these questions, indicators have been constructed that have been used as dependent, independent and control variables in the study. For the household responses, an average was taken as a representative sample for each school.

If more than one question from one questionnaire was used to compose an indicator, the unweighted average of the responses was taken. If a composite indicator was composed of questions from more than one questionnaire, the unweighted average of the questionnaires was taken. Table B.1 provides an overview of the indicators and their components.

TABLE B.1: Indicators and their components

INDICATOR	COMPONENT INDICATORS (QUESTIONS)	QUESTIONNAIRE AND NO.	VARIABLE NAME
DEPENDENT VARIABLES			
School management	How strongly do you agree or disagree with the following statement? The primary school is very well run.	HH54, HT73, PTA58 ³	schoolmanag
School performance	How strongly do you agree or disagree with the following statement? Overall the basic education provided to our child is satisfactory. How strongly do you agree or disagree with the following statement? Overall the basic education provided at this primary school is satisfactory. High drop-out rate in the last year, coded 1 if 21/(17b+20+21) is smaller than 0.9 ⁴	HH49 HT68, PTA53 HT17b, 20 and 21	schoolperf
INDEPENDENT VARIABLES			
Transparency	Are records of school management committee meetings publicly available? Are records of parents-teacher association meetings publicly available? Do you think that decisions of the school management committee are taken transparently (i.e. 'we know what was decided and why')? Do you think that decisions of the parent-teacher association are taken transparently (i.e. 'we know what was decided and why')? Does the school have written financial records? Can pupils' parents access financial records if they desire to do so? Do you know how much resources (cash and in-kind) your school is supposed to receive from central, regional and local government in this school year? Are you informed by the ministry or by the district/ regional education offices when resources or commodities (books, materials) are dispatched to your school? Is the school management committee well-informed on finance flows (if applicable)? It is easy to know exactly how much resources are allocated to this school? Is the parent-teacher association (PTA) well-informed on finance flows?	HH35.A HH35.B HH39.A HH39.B HT55, PTA43 HT56, PTA44 HT58, PTA46 HT59, PTA47 HT61, PTA49 HT71, PTA56 PTA12	transp

<p>Accountability</p>	<p>Have you encountered any of the following problems with [PRIMARY SCHOOL] during the school year 2006/2007? 15. Demands for illegal payments. [If complaint] How much effect did it have?</p> <p>Have you encountered any of the following problems with [PRIMARY SCHOOL] during the school year 2006/2007? 15. Demands for illegal payments. [If no complaint] Why not? 1 = I did not think it was my role to 2 = I knew they would not do what I needed 3 = I didn't have time 4 = I didn't know who to turn to 5 = Procedure was too complex 6 = I didn't have proof 7 = I was afraid of reprisals 8 = I knew the authorities were already aware 9 = Other (specify in the cell) 99 = Don't know Coded 0 if response was 2, 4, 5 or 7</p> <p>Are you satisfied with the job that the responsible (authority) is doing to ensure that the school's budget is spent correctly?</p> <p>Does the school have a school management committee?</p> <p>What is the appointment procedure of the school management committee? 1 = Election 2 = Nomination 3 = A mix of election and nomination 9 = Don't know Coded 1 if response was 1</p> <p>What is the decision-making process most often used by the school management committee? 1 = Voting by show of hands 2 = Voting by secret ballot 3 = By consensus 4 = The chairperson decides 5 = Other 9 = Don't know Coded 1 if 1 or 2</p> <p>Is there a way for you to complain to the school management committee?</p> <p>Have you encountered any of the following problems during the school year 2006/2007? 15. Demands for bribes or facilitation payments. If complaint, was your request/complaint successful?</p> <p>Have you encountered any of the following problems during the school year 2006/2007? 15. Demands for bribes or facilitation payments. If no request/complaint was made, why not? 1 = Requests are never successful 2 = Problem was not serious 3 = Procedure too complex 4 = Requests are too time consuming 5 = I did not know who to turn to 6 = Fear of reprisals 7 = Other 99 = Don't know Coded 0 if 2, 4, 5 or 7</p>	<p>HH18.15d</p> <p>HH18.15e</p> <p>HH20</p> <p>HH22A, HT40, PTA28</p> <p>HH31A, HT48, PTA36</p> <p>HH32A, HT49, PTA37</p> <p>HH38A</p> <p>HT27.15e, PTA 15.15e</p> <p>HT27.15f, PTA 15.15f</p>	<p>account</p>
-----------------------	---	--	----------------

	<p>To whom does your school submit financial reports? To interviewer: mark all that apply 1 = District education officer/délegué provincial/ CISCO 2 = District financial officer/comptable de la délégation provinciale 3 = School inspectorate 4 = Ministry of finance 5 = External auditors 6 = NGO 7 = No finance reports required 8 = Other 9 = Don't know Coded 1 if not 7 or 9</p> <p>Who is ultimately responsible for the following tasks: 6. Controlling the expenditures of the school. 1 = Head teacher 2 = School management committee 3 = Parent-teacher association 4 = District/regional administration 5 = National government 6 = Other 9 = Don't know Coded 1 if 2, 3, 4, or 5; coded 0 if 1 or 9</p> <p>Who is ultimately responsible for the following tasks? 10. Register complaints against teachers/administrators. 1 = Head teacher 2 = School management committee 3 = Parent-teacher association 4 = District/regional administration 5 = National government 6 = Other (specify) 9 = Don't know Coded 1 if 1, 2, 3, 4, or 5; coded 0 if 9</p> <p>Who is the main responsible (authority) for ensuring that the budget of the school is spent correctly? To interviewer: mark just one 1 = Head teacher/principal 2 = Parent-teacher association 3 = School management committee 4 = Local authorities 5 = District education office/CISCO 6 = Regional education office/DREN 7 = National education ministry 8 = NGO that finances the school 9 = Other 99 = Don't know Coded 0 if 99</p> <p>How many visits were made to this school by the following officials in the school year 2006/2007? 1. District educational officer 2. Regional education officer 3. Representative of national education inspectorate/ ministry of education 4. NGO 5. Representative from ministry of finance 6. Anti-corruption commission/national anti-corrup- tion authorities Coded 1 if more then 11 per year</p>	<p>HT37, PTA 25</p> <p>HT39.6, PTA 27.6</p> <p>HT39.10, PTA 27.10</p> <p>HT60, PTA48</p> <p>HT62.1-62.6</p>	
--	--	--	--

Household income (above average)	What has been the average monthly income of your household during the last 12 months? 1 = Less than US \$60 per month 2 = Between US \$60 and the median salary of the country 3 = More than the median salary of the country 9 = Don't know Coded 1 if 3	HH7	income_hh
Household income (scale)	Question about household income (above average) Coded 1 if 3; coded 0.5 if 2; coded 0 if 1	HH7	income_2_hh
Political will of the government	How strongly you agree or disagree with the following statement? Primary education is very important for our government.	HH46, HT65, PTA50	polwill
Pupil teacher ratio	12. How many pupils were enrolled (total) in primary in this school? / 14. How many teachers are employed for teaching primary at this school?	HT12, HT14	pupil_teacher

TABLE B.2: OLS results: governance concepts and school management

	Schoolmanag	beta
Transp	0.30 (0.08)***	0.28
Account	0.35 (0.11)***	0.21
SchoolRes	0.15 (0.04)***	0.21
Gender_HT	-0.05 (0.03)*	-0.1
Edu_HT	-0.03 (0.06)	0.05
Year_Position_HT	-0.00 (0.00)*	0.1
Training_HT	-0.02 (0.03)	-0.05
Schoolsize	0.00 (0.00)	0.03
Area	-0.04 (0.03)	-0.08
Ghana_dummy	0.04 (0.42)	0.06
Madagascar_dummy	-0.28 (0.07)***	-0.48
Morocco_dummy	0.24 (0.05)***	0.39
Senegal_dummy	(dropped)	
Sierra_Leone_dummy	0.05 (0.05)	0.07
Uganda_dummy	-0.13 (0.05)***	-0.21
Constant	0.05 (0.11)	
No. of obs.	321	
R ²	0.31	

* significant at 0.1 level; ** significant at 0.05 level; *** significant at 0.01 level
Standard errors in brackets; beta = standardised coefficients.

TABLE B.3: OLS results: governance concepts and school performance

	Schoolmanag	beta
Schoolmanag	0.21 (0.07)***	0.21
Transp	0.25 (0.09)***	0.19
Account	-0.045 (0.13)	-0.03
Class_size	0.05 (0.06)	0.07
Family_size	-0.06 (0.16)	-0.04
HH_education	0.04 (0.1)	0.03
HH_income	0.03 (0.07)	0.04
HH_income2	-0.08 (0.06)	-0.11
PolWill	0.16 (0.09)*	0.11
Area	0.03 (0.03)	0.08
Pupil_teacher_ratio	-0.00 (0.00)	-0.03
Ghana_dummy	0.15 (0.06)***	0.30
Madagascar_dummy	0.08 (0.06)	0.17
Morocco_dummy	Dropped	
Senegal_dummy	0.19 (0.05)***	0.42
Sierra_Leone_dummy	Dropped	
Uganda_dummy	0.01 (0.06)	0.02
Constant	0.04 (0.18)	
No. of obs.	261	
R ²	0.27	

* significant at 0.1 level; ** significant at 0.05 level; *** significant at 0.01 level
Standard errors in brackets; beta = standardised coefficients.

¹ For more information on Africa Education Watch, see:

www.transparency.org/news_room/in_focus/2010/african_education_watch#7

² The questionnaires can be downloaded at: www.transparency.org/content/download/50303/804911/E1+-+Household+questionnaire.doc (household questionnaire); www.transparency.org/content/download/50304/804915/E2+-+Prov+questionnaire+1.doc (head teacher questionnaire); and www.transparency.org/content/download/50308/804931/E5+-+Provider+Questionnaire+1bis.doc (parent-teacher association questionnaire).

³ HH= household questionnaire, HT= head teacher questionnaire, PTA= head of parent-teacher association questionnaire. The numbers indicate the question number on the respective questionnaire.

⁴ If more than 10 per cent of the students in their last year of studies dropped out before finishing primary, the dropout rate was considered high. For the specific questions, see the head teacher questionnaire at: www.transparency.org/content/download/50304/804915/E2+-+Prov+questionnaire+1.doc

END NOTES

¹ UN, *Keeping the Promise: A forward-looking review to promote an agreed action agenda to achieve the MDGS by 2015: Report of the Secretary General, A64/665.12* (New York: UN, February 2010); UN, *The Millennium Development Goals Report 2010* (New York: UN, June 2010).

² World Bank, *Silent and Lethal: How Quiet Corruption Undermines Africa's Development Efforts. Africa Development Indicators 2010* (Washington, DC: World Bank, 2010).

³ Francis L. Huang, 'Corruption and educational outcomes: Two steps forward, one step back', *International Journal of Education Policy & Leadership*, vol. 3, no. 9, 2008, journals.sfu.ca/ijep/index.php/ijep/article/viewFile/142/59

⁴ For bribery, the results of TI's *Global Corruption Barometer* were used (www.transparency.org/policy_research/surveys_indices/gcb). The MDG indicator is based on data collected by the UN (mdgs.un.org). The focus on the MDG targets for education, maternal mortality and water were selected based on the slow progress on these goals, globally and regionally. For the methodology used, see Annex A.

⁵ Transparency International, *Africa Education Watch: Good Governance Lessons for Primary Education* (Berlin: TI, 2010). www.transparency.org/news_room/in_focus/2010/african_education_watch#6

⁶ Transparency International Bangladesh, *National Household Survey 2007 on Corruption in Bangladesh* (Dhaka: TI Bangladesh, 2008), www.ti-bangladesh.org/research/HHSurvey07SubstSum180608.pdf

⁷ Proética, 'Campaña Educación sin Corrupción. Regiones: Ayacucho, Cusco, Huancavelica, Junín, Lambayeque, Loreto'. Online presentation, www.proetica.org.pe/Descargas/EXPOSICION_Presentacion%20IEP_KWEDUCACIONSinCORRUPCION.ppt#303,9,REFLEXIONES

⁸ The 2009/2010 health budget was US \$18.8 million, or 5.4 per cent of the government's total spending that year. See: 'Too Poor to Pay – Health-related NGOS Want Free Health Care', *The Informer*, 23 September 2009, allafrica.com/stories/200909230937.html. For information on the audit, see: Festus Poquie, 'Donor health Millions Squandered – Audit', *New Democrat*, 13 April 2010, allafrica.com/stories/201004131020.html

⁹ Julian Morris and Philip Stevens, *Counterfeit medicines in less developed countries: problems and solutions* (London: International Policy Network, 2006), counterfeiting.unicri.it/docs/Ctf%20medicines%20in%20less%20developed%20countries.pdf

¹⁰ George Fominyen, 'Corruption undermines Burkina Faso efforts on maternal mortality', www.trustLaw.org

¹¹ For bribery, the results of TI's *Global Corruption Barometer* were used (www.transparency.org/policy_research/surveys_indices/gcb). The MDG indicator is based on data collected by the UN (mdgs.un.org). The focus on the MDG targets for education, maternal mortality and water were selected based on the slow progress on these goals, globally and regionally. For the methodology used, see Annex A.

¹² TI, *Global Corruption Report 2008: Corruption in the Water Sector* (Cambridge: Cambridge University Press and TI, 2008), www.transparency.org/publications/gcr

¹³ Kathleen Shordt, Laurent Stravato and Cor Dietvorst, *About Corruption and Transparency in the Water and Sanitation Sector* (Delft: IRC, 2006).

¹⁴ Water Integrity Network, 'India: Corruption Prevention in a Community Management Sanitation Programme in Kerala', Case Information Sheet, No. 1/2008 (Berlin: WIN, 2008), www.waterintegritynetwork.net/content/download/5464/105958/file/CIS%20No%201%202008%20INDIA.pdf

¹⁵ Transparency International Kenya and Maji na Ufanisi, 'Water governance study: reforming the Kenya water sector', 23 June 2009, www.tkenya.org/viewnews.asp?id=1253

¹⁶ TI, *Global Corruption Report 2008: Corruption in the Water Sector* (Cambridge: Cambridge University Press and TI, 2008). www.transparency.org/publications/gcr

¹⁷ Charles Kenny, 'Corruption in Water – A Matter of Life and Death', in *Global Corruption Report 2008: Corruption in the Water Sector* (Cambridge: Cambridge University Press and TI, 2008). www.transparency.org/publications/gcr/gcr_2008

¹⁸ For bribery, the results of TI's *Global Corruption Barometer* were used (www.transparency.org/policy_research/surveys_indices/gcb). The MDG indicator is based on data collected by the UN (mdgs.un.org). Gross capital formation as a percentage of gross domestic product (GDP) is taken as proxy for public investment in the sector, as there are no comprehensive or standardised data available for all countries regarding the percentage of government spending on water. For the methodology used, see Annex A.

¹⁹ Transparency International India, *TII-CMS India Corruption Study 2007: With Focus on BPL Households* (Delhi: TI India and CMS, 2008), www.transparencyindia.org/ICS_national_report_2007.pdf

²⁰ Indicator from Global Integrity, www.globalintegrity.org/documents/IndicatorsCoding2009.xls. The indicator is based on responses by in-country experts to a series of questions, including whether there is an access to information law in the country and whether it is effective.

²¹ Based on the 'Anti-Corruption and Rule of Law' indicator from Global Integrity (www.globalintegrity.org). This is a composite indicator that looks at anti-corruption laws, anti-corruption agencies, the rule of law and law enforcement.

²² Based on the 'Government Accountability' indicator from Global Integrity (www.globalintegrity.org). This is a composite indicator that looks at the accountability of the executive, legislature, judiciary and budgetary processes.

²³ To measure the concepts of transparency and governance, composite indicators have been constructed from a set of relevant questions drawn from three different questionnaires answered by the school's head teacher (or director), the head of the parent-teacher association of the school, and households.

²⁴ The data sample to test this relationship included more than 260 schools.

²⁵ UN Economic Commission for Latin America and the Caribbean (ECLAC), *El progreso de América Latina y el Caribe hacia los Objetivos de Desarrollo del Milenio. Desafíos para lograrlos con igualdad* (Santiago de Chile: CEPAL, July 2010), www.eclac.cl/cgi-bin/getprod.asp?xml=/publicaciones/xml/1/39991/P39991.xml&xsl=/MDG/tpl/p9f.xsl&base=/MDG/tpl/top-bottom.xsl

²⁶ UN MDG Monitor, 'Colombia: Progress by Goal', www.mdgmonitor.org/country_progress.cfm?c=COL&cd=170

²⁷ For the full list of initiatives (in Spanish), see: www.transparenciacolombia.org.co/Portals/0/descargas/Fondo%20de%20Control%20Social/Iniciativas%20del%20Fondo%20de%20Control%20Ciudadanos%20al%20Cuidado%20de%20lo%20P%C3%BAblico.pdf

²⁸ UN MDG Monitor, 'Ghana: Progress by Goal', www.mdgmonitor.org/country_progress.cfm?c=GHA&cd=288; Frederick Asiamah, 'Nation needs 200 years to achieve water MDGs', *Public Agenda*, 19 April 2010, allafrica.com/stories/201004200377.html

²⁹ UN MDG Monitor, 'Liberia: Progress by Goal', www.mdgmonitor.org/country_progress.cfm?c=LIB&cd=430

³⁰ TI, 'Corruption and Local Government', TI Working Paper 05/2009 (Berlin: TI, 2009), www.transparency.org/publications/publications/working_papers/wp_05_2009_local_government_2009_10_26_pdf

Transparency International
International Secretariat
Alt-Moabit 96
10559 Berlin
Germany

Phone: +49 - 30 - 34 38 200
Fax: +49 - 30 - 34 70 39 12

ti@transparency.org
www.transparency.org