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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

April 11, 2007

Paul Wolfowitz, President
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Dear President Wolfowitz:

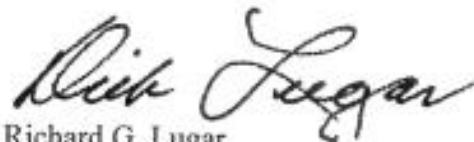
Congratulations on the World Bank board's unanimous approval of a new governance and anti-corruption strategy. You have made significant progress in the fight against corruption. Your efforts will help ensure that development bank funds reach the projects and programs designed to alleviate poverty.

As you know, the Senate Foreign Relations Committee held six oversight hearings focused on the multilateral development banks. I introduced legislation which became law in late 2005 to promote anti-corruption reforms and transparency at the development banks.

I would be grateful if you could please provide me with a written description of anti-corruption reforms and transparency measures that the World Bank has implemented since November 2005. This information will be shared with my Senate colleagues.

I appreciate your perseverance in promoting good governance. Should your staff have any questions about my request, please direct them to Nilmini Rubin or Keith Luse at (202) 224-6797.

Sincerely,



Richard G. Lugar
United States Senator

RGL/nrk



The World Bank

May 14, 2007

PAUL WOLFOWITZ
President

The Honorable Richard G. Lugar
306 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator Lugar,

This letter responds to your April 11, 2007 inquiry about anti-corruption reforms and transparency measures that the World Bank Group has implemented since November 2005. Thank you for your support of the Bank's work in this area, and for your congratulations on the Board's recent approval of the new Governance and Anti-corruption Strategy. On behalf of the institution, I appreciate your recognition.

The endorsement of the Strategy by both the Board on March 20, 2007, and the Development Committee at the Spring Meetings in April, 2007, has provided us with a strong foundation to scale up our work in this area. We are currently working out the implementation details, and I am optimistic that the strategy will make a difference in the fight against corruption as we work with our partners to reduce poverty.

Since November 2005, the Bank has also made significant progress in a number of areas. In August 2006, the Board endorsed two important mechanisms. The first is a Voluntary Disclosure Program that seeks private sector involvement in stemming corruption in Bank projects. It gives firms involved in Bank-financed contracts the opportunity to voluntarily disclose information about prior misconduct and adopt a compliance program in return for avoiding public debarment.

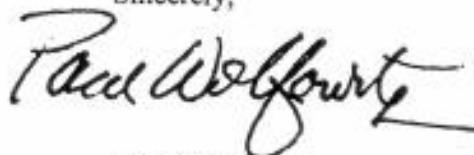
The second is a new sanctions regime intended to ensure uniform compliance of highest ethical standards in all aspects of Bank-financed projects across the world. It includes the adoption of new Anti-corruption Guidelines for projects, expansion in the definition of what constitutes corruption, and the appointment of a new, expanded, Sanctions Board.

We are also actively coordinating with other Multilateral Development Banks to harmonize policies and actions to prevent and combat fraud and corruption in operations, and reached a very important agreement in this area at the Annual Meetings in Singapore in September 2006. We welcomed your support for that agreement.

In March 2005, a revised Disclosure Policy was issued that reaffirms and strengthens the Bank's own transparency. The Bank's policy and strategy papers and a variety of operational documents are also available publicly. Further, under financial disclosure regulations, all staff at a senior level (i.e. grade GH and above) and staff designated by the President for business reasons are required to disclose income and assets.

More details on these and related measures are included in the attached report. If you need additional information, please feel free to contact Ms. Marlise Streitmatter at (202) 458-2344.

Sincerely,

A handwritten signature in black ink that reads "Paul Wolfowitz". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Paul Wolfowitz

Attachment: World Bank Group Initiatives to Strengthen Governance, Transparency and Anti-Corruption

cc: Mr. Eli Whitney Debevoise, Executive Director for the United States, World Bank Group

WORLD BANK GROUP INITIATIVES TO STRENGTHEN GOVERNANCE, TRANSPARENCY & ANTI-CORRUPTION

THE WORLD BANK, APRIL 2007

This report outlines key governance, anti-corruption, and transparency measures undertaken at the World Bank since November 2005. The report includes an overview of the measures undertaken to improve transparency and curb corruption in Bank financed projects and also provides a brief overview of the Bank's efforts to help countries improve their governance systems.

A. GOVERNANCE, TRANSPARENCY & ANTI-CORRUPTION IN BANK PROJECTS

1) **Department of Institutional Integrity Investigations:** The Department of Institutional Integrity (INT), established in 2001 as the independent investigative arm of the Bank, investigates allegations of fraud and corruption in Bank-financed projects, as well as allegations of possible staff misconduct. It refers its findings to decision makers such as Regional Operations, the President, and the Bank's Sanctions Board (for external cases); and the Human Resources Services Vice President (for staff misconduct cases) for further action. When INT uncovers information that may indicate that a member country's laws have been broken, the Department also refers its findings to the authorities of relevant member countries¹.

Since November 2005, INT has investigated and closed 144 external investigations into fraud and corruption in Bank financed projects. Following these investigations, the Bank debarred 14 firms and individuals over the period - including Lahmeyer International - due to fraud and corruption, rendering them ineligible to participate in Bank-financed projects. Since 1999, the World Bank has debarred 338 firms and individuals, with all sanctions published on the Bank's website and publicly announced—a major deterrent to wrongdoing.

The largest single source of allegations received by INT in relating to fraud and corruption in Bank-financed projects is World Bank staff and consultants, at 32 per cent of all allegations. The nature of allegations related to lending activities include procurement, fraud, collusion, kickbacks and bribes, the misuse of project assets, and misrepresentation of qualifications in bid submissions.

The Integrity Department also completed 157 internal cases involving staff misconduct since November 2005. Of these, it substantiated allegations in 48 of the cases. Equally important, after investigating the allegations, INT cleared the staff members of any wrongdoing in 33 internal cases. The remaining allegations were either unsubstantiated, meaning the evidence was inconclusive, or referred to others in the institution for resolution. As a result of the substantiated allegations, the staff members were either terminated and/or barred from rehire, disciplined, or the staff members brought themselves into compliance with their legal obligations as a result of INT's intervention. It

¹ A copy of the Integrity Report of the World Bank Group, Fiscal Years 2005 – 2006 can be downloaded at www.worldbank.org/integrity.

is important to note that the number of serious allegations involving Bank staff members represents less than 1 per cent of the institution's total workforce.

The Bank is now working to achieve a more effective balance of reactive and proactive/preventive approaches. The Integrity Department has been requested in the Bank's recently approved Governance and Anti-Corruption Framework to provide more risk-mitigation advice, guidance, and recommendations concerning future lending operations.

An Independent Review, headed by Paul Voleker, former Chairman of the U.S. Federal Reserve, is also currently reviewing and evaluating several aspects of INT's work - including its mandate, authorities, policies, procedures, practices, independence, reporting lines, and oversight mechanisms. The President and the Bank's Board have asked the panel to provide a final report in July 2007.

INT maintains an independently staffed 24/7 international hotline (1-800-831-0463) to receive allegations of possible corruption, and reports also can be made to the INT team online, either through email: investigations_hotline@worldbank.org; or through the Department's website: www.worldbank.org/integrity.

2) Voluntary Disclosure Program: On August 1, 2006, the Board of Executive Directors of the World Bank approved a new anticorruption tool, the Voluntary Disclosure Program (VDP), which allows entities, which have engaged in past fraud and corruption in Bank-funded projects, to avoid administrative sanctions if they disclose all prior wrongdoing and satisfy standardized, non-negotiable terms and conditions. The VDP gives firms, other entities, or individuals who have entered into, been a party to, or were involved in the procurement and selection process for contracts related to projects financed or supported by the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), International Finance Corporation (IFC), or Multilateral Investment Guarantee Agency (MIGA) the opportunity to:

- Cease corrupt practices;
- Voluntarily disclose information about Misconduct that is sanctionable by the Bank (e.g., fraud, corruption, collusion, coercion) by conducting an internal investigation at the VDP Participant's cost;
- Adopt a robust "best practice" corporate governance Compliance Program, which is monitored for 3 years by a Compliance Monitor;
- Receive World Bank guidance throughout the VDP process;
- Avoid public reprimand for disclosed past Misconduct; and
- Obtain confidentiality for their identity in exchange for full and proactive cooperation.

If, however, a Participant does not disclose all Misconduct voluntarily, completely, and truthfully, continues to engage in Misconduct, or violates other material terms of the VDP Terms and Conditions, that Participant faces a mandatory 10-year public debarment in accordance with regular World Bank sanctions procedures. The purpose of the VDP is to scale up the World Bank's fight against corruption in partnership with the private sector and civil society organizations².

² For more information, please visit www.worldbank.org/vdp



3) **Detailed Implementation Reviews (DIR):** The DIR is a proactive diagnostic tool that is designed to review Bank-financed projects by focusing on identifying irregularities or irregularity indicators of fraud, collusion, and corruption in the procurement and disbursement process, contract management, and implementation stage of projects. Over the course of the last 18 months, INT has delivered two DIRs covering select projects in Kenya and Vietnam and is working toward completing DIRs in Laos and India. These four DIRs follow on three DIRs conducted over the period 2001-2004. All DIRs completed to date have resulted in positive dialogue between the World Bank and member governments about ways to improve project design and implementation.

The DIRs undertaken to date confirmed that goods, works and services under Bank-financed projects were delivered, but identified indicators of fraud and collusion at various points throughout the implementation cycles in all of the selected projects, and indicated that quality was generally substandard. These indicators included lax or inconsistent adherence to procurement guidelines, nontransparent bid evaluation meetings, unusual similarities in bids, poor implementation of works, and evidence that procurement processes were not genuinely competitive.

Building on these experiences, the Bank and the countries involved identified some possible remedial measures to lessen the incidence of fraud and collusion in Bank-financed projects. Several risk mitigation strategies were implemented, including tighter procedures for national competitive bidding, revised procurement thresholds, and rationalization of the bid evaluation committee membership and responsibility for procurement decisions.

4) **Risk Review Process:** In March 2007, new internal guidelines were issued requiring all investment operations to undergo a risk review by management. When high corruption risks (as well as other significant project risks, including environmental risks) are identified, such projects must be subjected to high level corporate reviews which include not only regional staff and management but central operational policy units and various oversight departments. The risk reviews flag various items and require mitigation measures where weaknesses are detected in the areas of beneficiary selection procedures, funds transfer/control risks (including all procurement and financial management aspects), delivery risks, institutional capacity problems, performance monitoring and review systems, soundness of results measurement, and the potential for failure/reputational risks.

5) **Sanctions Reform and Anti-corruption Guidelines:** On August 1, 2006, the Board approved a new sanctions regime that involves: adoption of new actionable definitions of corruption under the terms of 'collusive', 'fraudulent', 'coercive' and 'corrupt' practices, and expansion of sanctions beyond procurement transactions alone; adoption of "obstructive practices" as a sanctionable offense; and expansion of the sanctions regime to cover IFC and MIGA operations.

The sanctions regime includes new Anti-corruption Guidelines on Preventing and Combating Fraud and Corruption in IBRD and IDA projects. The Guidelines include: taking appropriate fiduciary and administrative measures; raising awareness in borrowers and executing agencies; and ensuring timely reporting of allegations of fraud or corruption. New legal agreements between the Bank and borrowers require that they abide by the new Guidelines.



Projects in high governance risk countries now include anti-corruption plans as part of the project appraisal documents submitted for internal management and subsequent Board review. Specific anti-corruption plans have also been developed in detail for the project portfolio in some countries.

6) **Sanctions Board Procedures:** In March 2007 the previous Sanctions Committee was reconstituted as the Sanctions Board which, for IFC and MIGA, now includes three Bank staff and four external members, whereas it was formerly constituted exclusively of Bank Group staff. Two external and two internal members have been appointed for each of IFC and MIGA, specifically dedicated to IFC and MIGA matters. For matters concerning Bank Guarantees, either the IFC or MIGA external and internal members will be involved, as appropriate. Evaluation and Suspension Officers have been appointed for each of IBRD/IDA, IFC, MIGA and Bank Guarantees.

Based on the procedures approved by the Executive Directors in July 2004 and August 2006, the Sanctions management system now requires a first review by Evaluation and Suspension Officers, who determine: (1) whether the evidence submitted by the Department of Institutional Integrity (INT) is sufficient to support a finding that a respondent engaged in any corrupt, fraudulent, coercive, collusive or obstructive practice in a World Bank Group project, or violated a material term of the Voluntary Disclosure Program (VDP) Terms and Conditions; and (2) whether the respondent should be temporarily suspended from bidding on Bank-financed contracts pending the final outcome of the sanctions process. The Officer also recommends a sanction, which would become effective only if the respondent elects not to challenge the allegations at the Sanctions Board. When a respondent contests the allegations and/or the decision of the Officer, the Sanctions Board members review and make final decisions regarding sanctions cases.

7) **Whistleblower Protection:** The Bank is also currently revising its Policy on Whistleblower Protection. In September 2006, a Working Group on Whistleblowing Policy, comprising of the Human Resources Vice Presidency (Chair), Legal Vice Presidency, and the Department of Institutional Integrity (INT), circulated a new Staff Rule 8.02 "Protections and Procedures for Reporting Misconduct (Whistleblowing) — developed after numerous consultations, to the Audit and Personnel Committees of the Bank's Board of Executive Directors. A revised draft Policy, based on staff feedback and related documents are currently under consideration for the second time by the Personnel and Audit Committees and will be discussed in late April 2007 with management in a joint session of the two committees. Depending on the further feedback received by management, the intention is to move expeditiously for approval of the Policy by the Bank's Board of Executive Directors.

8) **Financial Disclosure:** In 2005, new asset and financial disclosure requirements were put in place for all Bank staff at the levels of principal/lead officer and above. All financial assets and sources of income are to be disclosed on an annual basis by end-April. At the client country level, income and assets disclosure by public officials was first discussed in the Board paper on Harmonization and Alignment (R2006-0193, November 2, 2006). The Strategy Paper on Strengthening World Bank Group Engagement on Governance and Corruption (R2007-0036/2) approved by the Board of Directors on March 20, 2007, also proposes the disclosure by decision-making government officials of their salaries and assets.



9) **Internal Audit Department:** The Internal Audit Department (IAD) reports to the Board's Audit Committee and to management and undertakes audits of internal operational and financial processes and controls. In February 2006, IAD completed an audit of fiduciary functions in project management to ensure that funds are used for purposes intended. In April 2007, it completed an audit on measuring implementation progress and reporting in projects. In October 2006, IAD also participated in the IDA (International Development Association) Controls Review exercise, which examined control processes and the effectiveness of controls design in Bank operational functions.

10) **Inspections Panel:** The Inspections Panel, an independent entity reporting directly to the Board, considers and/or investigates complaints from people or communities who deem to have been adversely affected by Bank projects or where there are complaints about the Bank not following its own policies and procedures in project design or implementation. Since the beginning of 2006, the Panel has taken up investigations on seven new stakeholder requests for inspection of Bank operations covering four of the Bank's Regions, involving projects in the areas of land administration, mining, gas, biodiversity, road infrastructure, power generation and watershed development.

11) **Project Review and Results Measurement:** All Bank operations are now required to include measurable results indicators in project appraisal documents and supervision reports to allow monitoring of project outputs and developmental outcomes. For investment lending this is required under the project's Results Framework, while under policy lending, this is included in the policy matrix results and outcomes section. At the internal staff level, all operational performance evaluations require a Results Plan listing yearly targets and objectives which are used as key inputs to measure staff's year-end performance and achievements.

The Independent Evaluation Group, which reports directly to the Board of Directors, independently evaluates projects upon completion. The Quality Assurance Group reports to management but is functionally independent in evaluating the quality at entry and during supervision of Bank operations and aims to instill best practice in the design and oversight of Bank projects.

12) **Information Disclosure:** On March 8, 2005, the Board approved a number of revisions to the Bank's policy on the disclosure of information. The policy revisions aimed to improve and enhance the Bank's record on information disclosure and extend, rationalize, or simplify the provisions of the 2002 disclosure policy. The policy revisions pertain to: Country Assistance Strategies and CAS Public Information Notices; Board minutes; Operational policy and strategy papers; information related to IDA Mid-Term Reviews, procurement plans, IMF-Bank Relations Annexes, Country Re-engagement Notes, Project Completion Notes, the Staff Manual, the budget paper, the staff compensation paper, the Trust Funds Annual Report, and annual reports for specific trust fund programs; documents related to grant programs funded by the Development Grant Facility (DGF); and Board documentation related to project modifications.

All loan, credit, and grant agreements are now publicly disclosed. Prior to effectiveness and ratifying such agreements, all borrowers are required to provide the Bank a legal opinion from their Attorney General's or equivalent Office to confirm that a lending project complies with all pertinent national laws. In the context of international laws, the provisions and requirements within Bank loan or credit



agreements take precedence over national laws when differences exist (e.g.: as in Bank required versus national procurement and contracting rules).

The Bank consults extensively with governments and other stakeholders, including civil society groups, during the months prior to the Bank Board's approval of the Country Assistance Strategy (CAS) for any country. Many elements of the CAS are typically shared with stakeholders in the country for discussion, comments, and inputs into the preparation process. All CASs discuss the impact of governance problems on development effectiveness.

The Bank has established some 80 Public Information Centers (PICs) around the world, which provide the general public with copies of Bank publications and access to the Bank's web site. The InfoShop, located in Washington, DC is the World Bank's development bookstore and information center, a one-stop-shop for economic development literature and a source of information on the Bank's work.

13) Budget Support Operations: The Bank also helps countries ensure transparent budgetary and fiduciary processes at the country level, especially where Bank lending goes towards Budget support. The Bank's Policy on Development Policy Lending, which was approved in October 2004, includes guidance on good practices in budget/financial management including funds flow arrangements, management of foreign exchange, public financial management systems and special case additional fiduciary requirements. The Operations Policy and Country Services Department of the Bank monitors, reviews and attends all management decision meetings on such operations. Country fiduciary and public expenditure assessments by Bank staff are used as a diagnostic tool to evaluate capability and financial governance in these areas. Where countries are unable to meet the requirement of publishing national budgets (in some cases national laws do not permit so), the Bank continues to support improvements in country capacity and performance in budget management and accountability.

14) Coordination with Other MDBs on Anti-Corruption: On September 17, 2006, the leaders of the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank Group, the Inter-American Development Bank Group, the International Monetary Fund, and the World Bank Group agreed on a framework for preventing and combating fraud and corruption in the activities and operations of their institutions. This builds on the work of a joint Task Force established on February 18, 2006 by the leaders of these institutions. The leaders outlined the following joint actions to combat fraud and corruption:

- Agreement in principle on standardized definitions of fraudulent and corrupt practices for investigating such practices in activities financed by the member institutions;
- Agreement on common principles and guidelines for investigations;
- Agreement to strengthen the exchange of information, as appropriate and with due attention to confidentiality, in connection with investigations into fraudulent and corrupt practices;
- Agreement on general integrity due diligence principles relating to private sector lending and investment decisions;



- Agreement to explore further how compliance and enforcement actions taken by one institution can be supported by the others.

In February 2007, the EBRD decided to blacklist the German consulting engineer Lahmeyer International based on evidence of fraud relating to a project financed by the World Bank. Further, the institutions will continue to work together to assist their member countries in strengthening governance and combating corruption, in cooperation with civil society, the private sector, and other stakeholders and institutions such as the press and judiciary with the goal to enhance transparency and accountability.

B. ASSISTANCE TO COUNTRIES ON GOVERNANCE AND ANTI-CORRUPTION

In Fiscal Year 2006, the World Bank Group stepped-up its focus on governance and anti-corruption assistance to client countries. The World Bank's activities in the area of governance and anticorruption include the following:

- 1) **Governance and Anti-Corruption Strategy:** In March 2007, the Board of Executive Directors of the World Bank Group endorsed a new Governance and Anti-Corruption strategy. The strategy was finalized after wide-ranging global consultations with a range of stakeholders – government counterparts, civil society, private sector, donor partners - in about 47 countries. At the Annual Meetings of the World Bank in Washington in March 2007, the Development Committee of the World Bank and IMF also endorsed the strategy. The strategy takes a comprehensive approach that involves working at the country, operational, and global levels to enhance and integrate governance and anticorruption measures. At the country level, a central focus of the strategy is supporting the development of more effective and accountable states, and staying engaged even in poorly governed countries. At the project level, the strategy integrates anticorruption objectives and plans into specific sector programs and projects. At the global level, the strategy commits to working closely with a range of partners -bilateral and multilateral assistance agencies, civil society organizations, and the private sector.
- 2) **Country Assistance Strategies:** The World Bank has mainstreamed governance in its Country Assistance Strategies (CAS), with a substantial share of the portfolio of lending and non-lending services supporting different aspects of governance reforms in client countries. All CASs currently diagnose the governance situation in the relevant country, and the number of projects with core public sector components has continued to increase.
- 3) **Project Lending:** New Bank lending for governance and public sector was \$4.5 billion in FY06. This comprised 19.2 percent of total Bank lending. Of the total, about \$3.78 billion was for public sector governance and \$0.76 billion for rule of law projects.³ Areas aimed at strengthening governance as part of these projects included among other areas, work in anticorruption, administrative and civil service reform, public financial management, decentralization, tax administration, and legal and judicial reform.

³ World Bank *Business Warehouse* database.



4) Core Areas of Support:

- **Public Financial Management:** The Bank helps countries strengthen their public financial management by: making budget formulation, implementation and monitoring processes more transparent, participatory, and accountable; strengthening supreme audit institutions; and developing medium-term expenditure frameworks. The Bank also helps assess the quality of the country's financial management systems through instruments such as the Public Expenditure Review (PER).
- **Civil Service Reform:** The Bank helps strengthen and professionalize the civil service in client countries through instruments such as wage reform; supporting merit-based recruitment and career management systems; and strengthening public sector performance standards.
- **Legal and Judicial Reform:** Projects help strengthen the legal and judicial system of a country by: strengthening transparency in judicial systems and processes; publication of judicial decisions to strengthen transparency and reduce corruption; and improving access to justice for the poor and marginalized.
- **Transparency & Disclosure:** In many countries, the Bank has supported the establishment of freedom of information regimes, in some instances as triggers in its Budget support operations, as well as disclosure frameworks for income and assets of public officials.
- **Procurement Reform:** Bank projects have helped strengthen transparency and anti-corruption safeguards in the procurement systems of countries by, among other measures: strengthening the legal framework for procurement; and establishing the information infrastructure to improve and make more transparent procurement processes.
- **Decentralization:** The Bank also helps countries decentralize fiscal and administrative responsibilities, helps develop inter-governmental fiscal transfer systems, helps strengthen local governments and local public resource management and participatory planning and implementation.
- **Asset Recovery:** The Stolen Asset Recovery (StAR) Initiative was unveiled at the 2007 Bank-IMF Spring Annual Meetings, and is aimed at helping developing countries recover assets stolen by corrupt leaders. The Initiative is a global partnership with the United Nations Office on Drugs and Crime (UNODC), and is proposed to include regional development banks, the IMF, OECD, NORAD, the G8, Switzerland, and various developing countries. The involvement of the Bank as a neutral third party has already assisted the transfer of US\$ 450 million of stolen assets of former Nigerian President, Sani Abacha, from Switzerland to Nigeria.
- **Policy Lending:** Development Policy Loans and Poverty Reduction Strategy Credits (PRSCs) have played an important role in improving country level public financial management systems and supporting anti corruption institutions and strategies. For example, PRSCs have: (i) enhanced the development of anti-corruption laws; (ii) promoted the



development of anti-corruption institutions e.g. Office of the Auditor General, Inspectorates of Government; (iii) led to improvements of PFM systems that have strengthened the prevention of fraud/corruption by strengthening internal control systems and enabled the timely detection of fraud/corruption; and (iv) enhanced the processing of fraud/corruption cases.

- 5) **Governance Capacity Development:** During FY06, the World Bank Institute's (WBI) public sector program delivered 113 governance-related capacity building activities involving participants from about 60 countries. Topics included local government, intergovernmental finance, fiscal management, public financial management and accountability, anticorruption, legal and judicial reforms, parliamentary strengthening, and youth and good governance.
- 6) **Institutional Development Fund (IDF) Grants:** These grants have played a critical role in strengthening core fiduciary institutions in countries such as Supreme Audit Institutions, Procurement Bodies and Anti Corruption Institutions.
- 7) **Governance Diagnostics and Surveys:** The Bank Group undertakes a range of empirical diagnostics and assessments, using tools such as '*Doing Business*' reports, 'Investment Climate' surveys, *Public Expenditure and Financial Accountability* (PEFA) Indicators, and *Business Environment and Enterprise Performance Surveys* (BEEPS). *WBI Governance Indicators* periodically monitor reforms and *WBI Transparency Indices* measure economic/institutional and political transparency dimensions in over 200 countries; and *WBI Indicators of Media Sustainability* assess the enabling environment for media development.
- 8) **Governance Coalitions:** The *Extractive Industries Transparency Initiative (EITI)*, a global initiative which seeks to promote greater transparency and accountability in mineral and oil rich countries, is supported by the Government of the United Kingdom, the World Bank, and the International Monetary Fund; mining and oil companies; investors; and civil society groups. More than 20 countries are implementing the provisions of the initiative which aims to clearly state what extractive industry companies are paying to governments, and what governments are receiving from those companies. The Bank actively supports the multi-donor Trust Fund, the *Forest Law Enforcement and Governance* partnership, which supports regional FLEG Ministerial processes that have created the political "space" at national and regional levels to address the complex and politically sensitive issues related to illegal logging. The Bank is also helping to incubate new governance coalitions, tackling such issues as pharmaceuticals fraud and corruption, corruption in the construction industry, and integrity in leadership.

