

**AFRICAN UNION ADVISORY BOARD  
AGAINST CORRUPTION**



**مجلس الاتحاد الأفريقي الاستشاري  
لمكافحة الفساد**

**CONSEIL CONSULTATIF DE  
L'UNION AFRICAINE CONTRE LA  
CORRUPTION**

**CONSELHO CONSULTIVO DA  
UNIÃO AFRICANA CONTRA A  
CORRUPÇÃO**

**REPORT OF THE 6<sup>th</sup> ANNUAL AFRICAN ANTI-CORRUPTION DIALOGUE**

**THEME:**

**STRATEGIES AND MECHANISMS FOR THE TRANSPARENT MANAGEMENT  
OF COVID-19 FUNDS**

**HELD VIRTUALLY ON 19 DECEMBER 2022**

**BACKGROUND**

Over the last three years, the world has grappled with COVID-19 and responses to the pandemic by many African countries have brought with them the challenges of misuse, theft, fraud and wastage of public resources meant to manage and recover from the pandemic. These challenges have brought to the fore the need for better transparency and accountability measures in emergencies as this would in turn boost the fight against corruption on the African continent. Such measures are particularly crucial as many African countries have now managed the pandemic and moved to the recovery stage and funds earmarked to support recovery efforts need to be subjected to strong accountability and transparency mechanisms. To support this endeavour, the African Union Advisory Board Against Corruption (the Board or AUABC) dedicated its work in 2022 to highlighting the importance of not neglecting transparency and accountability norms during pandemics such as COVID-19 as such neglect negatively impacts on the overall progress in the fight against corruption. Towards this end, the Board convened the 2022 African Anti-Corruption Dialogue (the Dialogue) under the theme 'Strategies and Mechanisms for the Transparent Management of Covid-19 Funds'. The Dialogue, which was held virtually, brought together diverse participants including representatives of Member States, International Organizations, National Anti-Corruption Agencies (NACAs), Civil Society Organisations (CSOs), Academia and the media, among other actors. Participants exchanged on practical experiences, challenges, success stories and gave recommendations on enhancing accountability and transparency in management of funds during emergencies and crises such as COVID-19. This report provides a summary of key statements, discussions and recommendations from the Dialogue.

## **SESSION 1:**

### **1.1 Welcome Remarks: Mrs. Charity H. Nchimunya, Executive Secretary - AUABC**

The Dialogue commenced with welcome remarks by the Board's Executive Secretary, Mrs. Charity H. Nchimunya, who reminded participants that since 2017 the Board had been convening various editions of the Dialogue focusing on different themes. She pointed out that the rationale for the 2022 theme was the Board's attempt to amplify the negative impact arising from the mismanagement of funds set aside for management and recovery from the COVID-19 pandemic and ways of mitigating such negative impact.

Mrs. Nchimunya further observed that the theme spoke to the need for Member States to put in place stringent measures, strategies and mechanisms for management of COVID-19 funds so as to ensure transparency and accountability. She noted that management of emergencies such as the COVID-19 pandemic is susceptible to malpractices such as outright theft, wastage and fraud and hence the need to be transparent and vigilant. When such malpractices are allowed to fester, she warned, the effects of the pandemic are worsened and citizens suffer the more.

In conclusion, Mrs. Nchimunya urged participants to explore and reflect on lessons learnt and best practices from across the continent that have been used to mitigate corrupt practices in management of the pandemic and other public emergencies. She invited participants to share on how Member States can build on and strengthen various measures, strategies and mechanisms that ensure efficient utilization of funds meant for both the management of COVID-19 as well as recovery efforts. Such ideas and lessons, she concluded, can then inform the management and recovery efforts of other emergencies going forward.

### **1.2 Opening Statement: Hon. Jean Louis Andriamifidy, Chairperson - AUABC**

The Chairperson welcomed participants to the 6<sup>th</sup> edition of the African Anti-Corruption Dialogue and stated that the theme of the Dialogue was aimed at refining tools for implementation of the African Union Convention on Preventing and Combating Corruption (AUCPCC) in the context of the COVID-19 pandemic. He noted that open and accountable governments are at the heart of good governance and central in ensuring public resources reach the targeted beneficiaries and have the expected impact.

The Chairperson observed that the need for budgetary transparency and accountability in Africa has increased with the advent of COVID-19 and particularly with regard to managing funds allocated to respond to the pandemic. He noted that experiences from different countries on (mis)management of such funds shows that stakeholders should be concerned about increased gaps in accountability. He added that a continental study commissioned by the Board has highlighted best practices on how to better manage resources meant for emergencies and which Member States should consider adopting.

Hon. Andriamifidy further noted that the objective of the 2022 Dialogue was to provide a platform that focuses on the importance of transparency and accountability as well as an exchange on best practices in managing resources after emergencies and crisis situations. The Chairperson urged participants to develop recommendations guided by their common goal of improved management of public funds, equitable sharing of public wealth, improving the

business environment and reducing poverty on the continent. He further observed that such deliberations and recommendations would lay a foundation for sustainable development in Africa as a result of good governance, an agenda which the Board continually promotes through the fight against corruption.

In conclusion, he expressed confidence that the Dialogue would help to identify mechanisms and propose measures for harmonised and efficient management of COVID-19 funds as well as resources for other emergencies. He ended by imploring on participants to draw inspiration from best practices at the international and regional levels to inform recommendations and strategies that can be proposed to African Union (AU) Policy Organs in relation to the theme of the Dialogue.

## **SESSION 2**

### **2.1 Presentation on the Continental Study on Lessons Learned In the Management and Auditing of COVID-19 Pandemic Funds in Africa: Dr. Roland Chukwuma**

Dr. Roland Chukwuma presented the study conducted by the Board with support from the GIZ programme, GIZ- ‘Strengthening Good Governance and Human Rights in Africa – African Governance Architecture’ on “Lessons Learned in the Management and Auditing of COVID-19 Pandemic Funds in Africa’ (hereinafter ‘continental study’). He explained that the main objective of the study was to critically examine how continental measures have been contributing to transparency and accountability by Member States in the management of funds dedicated to COVID-19.

Dr. Chukwuma presented key findings from the study and which covered (1) challenges and opportunities related to management and auditing of COVID-19 funds, (2) existing initiatives, policies and frameworks at Member States’ level for the management and auditing of the funds, (3) gaps in institutions, policies and strategies related to management of such funds and (4) lessons learnt, best practices and recommendations. These findings are highlighted below:

#### ***Key Challenges:***

- i. Weak budgetary and public financial management systems for addressing pandemics by some Member States. Most of the systems in Member States do not make provision for emergency management of funds;
- ii. Weak book keeping and poor data governance practices and systems by some Member States. Keeping records of emergency spending proved difficult in several Member States, both intentionally and unintentionally;
- iii. Abuse of emergency procurement processes put in place to address the pandemic. While these processes were established to legitimately avoid the typical bureaucracy in procurement processes, there were cases of abuse of the same;
- iv. Lack of independence of NACAs and weak capacity to respond to emergencies necessitated by the COVID-19 pandemic. Some NACAs were influenced by the dictates of the Executive and thus did not provide adequate oversight;

- v. Weak legislative oversight in periods of the pandemic, especially because quick action was required and most parliaments were not sitting and this meant parliamentary control was largely missing even as the Executive was granted more discretionary and unchecked powers to respond to the pandemic;
- vi. Multi-stakeholder & fragmented funding sources for pandemic response. There were various sources of funding, both local and international, and NACAs and SAIs had challenges in tracking the speedy expenditure;
- vii. Multiple agencies were involved in responding to COVID-19 pandemic from different sectors and levels of government and this made it difficult for NACAs and audit agencies that were trying to address corruption in the processes;
- viii. Poor emphasis on audit and accountability in public finance management during pandemics. There was greater focus on saving lives and protecting economies and so insufficient attention was given to accountability on the funds;
- ix. Absence of effective pre-emptive mechanisms to prevent outright corruption, embezzlement and diversion of pandemic funds. While NACAs and SAIs were working in most of the contexts, they did so after the fact (of corruption occurring) and there was little done on pre-emptive mechanisms;
- x. Weakness of Supreme Audit Institutions: A study by AFROSAI showed that many SAIs have not conducted COVID19-specific audits as most either did not have sufficient resources or did not prioritise such audits;
- xi. Opacity of COVID-19 funds management & inadequate involvement of civil society in auditing of the pandemic funds;
- xii. Weak integration of monitoring and evaluation mechanisms in the response strategies. While most of the efforts were on taming the spread of COVID-19, not much was done on mid-term evaluation of the mechanisms adopted in response to the pandemic and especially on amounts spent to meet the pronounced objectives of controlling the disease; and
- xiii. Country-specific procurement & poor coordination with regional and continental bodies which exposed countries to over-invoicing and other infractions. Better integration of efforts across the continent would not only have enhanced transparency but also reduced costs.

***Opportunities:***

- i. Experience gained from previous pandemics like Ebola were deployed to manage COVID-19 funds as seen in Sierra Leone, Liberia etc.;
- ii. Existence of local structures for managing previous pandemics as seen in Uganda where they have district task forces which enhanced efficient management of pandemic funds;

- iii. Existence of CSOs across Africa in the areas of transparency and governance as seen in Nigeria, South Africa etc. These CSOs have given citizens tools to monitor COVID-19 spending e.g. The COVID-19 Funding Tracker;
- iv. Existence of information sharing mechanisms as seen in Ivory Coast where in the support for the informal sector there was a website providing details of eligibility conditions and reports of subsidies paid to beneficiaries;
- v. Existence of basket funds for donors and Treasury Single Accounts as seen in Nigeria, Sierra Leone etc. This limited the negative impact of the multiplicity of funding sources;
- vi. Establishment of private sector coalitions as seen in Nigeria. By pooling resources, there were reduced challenges of tracking the funds; and
- vii. Existing SAIs and national anti-corruption institutions and protocols provided tools to combat corruption during the pandemic.

***Existing Initiatives, Policies and Frameworks:***

- i. Use of existing national laws and institutions for disaster response as seen in Uganda, Nigeria, Sierra Leone etc. These countries used the mechanisms in these laws and institutions to manage the pandemic;
- ii. Establishment of special COVID-19 response teams and plans as seen in Liberia, Kenya, Egypt, Tanzania, The Gambia etc. This made it relatively easier for actors to know where to direct transparency and accountability questions;
- iii. Establishment of special COVID-19 funds and use of the Treasury Single Accounts as seen in Cote d'Ivoire, Chad, Nigeria, Tunisia, Equatorial Guinea, Djibouti etc.;
- iv. Declaration of state of emergencies in Public Financial Management (PFM) as seen in Cape Verde, Senegal etc. This helped to limit statutory bureaucracy through executive decrees;
- v. Adoption of flexible procurement system as seen in Zimbabwe, South Africa, Gambia, Cape Verde etc. This eased and expedited the procuring process for items required to respond to the pandemic;
- vi. Use of existing SAIs for audit of COVID-19 funds as seen in Nigeria, Sierra Leone, Cameroon;
- vii. Establishment of new specialized audit and anti-corruption bodies as seen in Liberia, Cote d'Ivoire, Benin. These bodies augmented the work of SAIs.
- viii. Involvement of national anti-corruption agencies to implement accountability mechanisms as seen in Liberia, Nigeria, Burkina Faso and Sierra Leone. These agencies, for example, developed guidelines for transparent utilisation of pandemic funds;
- ix. Introduction of emergency fiscal and monetary measures as seen in Nigeria, Egypt, South Africa, Senegal, Tunisia, Morocco etc;

- x. Supplementary budgets and new budget lines dedicated to COVID-19;
- xi. Publication of COVID-19 procurement contracts as in many Member States, including through websites, press briefings and on social media; and
- xii. Establishment of whistle blowing channels for COVID-19 response funds as seen in Cameroon, Ghana, Liberia, Nigeria, Sierra Leone, Togo etc.

***Institutional Gaps:***

- i. Absence of central database on fund mobilization, disbursement makes auditing difficult;
- ii. Ad hoc nature of COVID-19 management committees and funds;
- iii. Weak capacity of agencies to manage emergency procurement and conduct audit of emergency funds;
- iv. Rigidity of SAIs focusing more on cyclical audit; and
- v. Prioritization of post-pandemic audit by SAIs.

***Policy Gaps:***

- i. Absence of overarching national policy for managing pandemic funds;
- ii. Prioritization of resource mobilization and allocation over resource audit/accountability;
- iii. Sporadic and ad hoc nature of the response policies;
- iv. Country specific policies;
- v. Poor attention to public financial management (audit & accountability) in pandemic response policies; and
- vi. Absence of clearly specified sunset clauses.

***Strategic Gaps:***

- i. Funding pandemic expenditure through extra budgetary funds (EBFs);
- ii. Episodic and country specific character of COVID-19 Response strategy;
- iii. Donor driven interventions which accentuate extra budgetary funding and makes funds tracking difficult;
- iv. Overlap of functions of SAI undermined strengthening SAIs for future pandemics;
- v. Absence of monitoring, evaluation and learning (MEL) mechanism in the strategies makes early warning difficult;
- vi. Multi-stakeholder participation in response implementation which makes funds tracking difficult;
- vii. Poor integration of SAIs in the pandemic response teams; and
- viii. Poor integration of CSOs and local communities in audit of COVID-19 funds.

### ***General recommendations:***

Dr. Chukwuma presented six thematic recommendations. Under each of these recommendations, the study identifies specific long-term, medium and short-term implementation strategies. Details of these strategies are contained in the study and the section below lists the six broad recommendations.

- i. There is need for continental and regional measures to management and audit of pandemic funds;
- ii. Member States should enact national policies for management and audit of pandemic funds;
- iii. Member States should strengthen their SAIs for pandemic response;
- iv. Member States should strengthen monitoring, evaluation and learning systems in management of pandemic funds;
- v. Member States should deepen transparency and accountability through citizens' engagement; and
- vi. Member States should strengthen the capacity of NACAs to prevent and combat corruption in the value chain of pandemic fund.

### **2.2 Presentation on the COVID-19 Transparency Portal: Ms. Harriet Wachira, Programme Coordinator, Transparency International, Kenya**

Ms. Wachira made a presentation on an online portal (<https://covidtransparency.org/>) developed by Transparency International (TI) in collaboration with the AUABC. The main objective of the collaborative project was to provide a framework for consultation and interaction between the Board, NACAs and CSOs to enable these institutions to forestall corruption attempts in the management of funds and grants allocated to combat COVID-19.

She explained that the portal gathered data in the period between August-September 2021 from five countries, namely, Kenya, Mozambique, Morocco, DRC and Côte d'Ivoire. It collated data on the thematic areas of COVID-19 funding including foreign aid and debt, coordination of the response to the pandemic, public procurement, sourcing and auditing as related to responses to the pandemic as well as the role of non-state actors (NSAs).

Ms. Wachira informed participants that TI, through its Chapters in these five countries, collected data on accountability aspects from special audits carried out by SAIs, among other sources. She added that during this exercise, TI got first-hand experience of logistical and other difficulties involved in a non-state actor trying to demand accountability and transparency from government agencies.

To address this challenge, she recommended that Member States create an enabling environment where NSAs are involved in the planning, decision-making processes and are part of the emergency response teams during emergencies and crises such as the COVID-19 pandemic. This involvement of NSAs, she noted, would be particularly useful in pre-empting corruption attempts and would also mean that they do not only raise alarm after corruption has occurred.

## SESSION 3: Panel Discussion on Accountability and Transparency on Management of Covid-19 Funds

### 3.1 – The Libyan Experience: Mr. Mohamed Bazama

Mr. Bazama started by noting that the COVID-19 pandemic affected all sectors of the economy in Libya and in retrospect, the monitoring and oversight that took place across the different sectors has been valuable.

He observed that while having independent mechanisms to monitor public spending is in itself an added value, the Libyan experience showed that restrictions introduced to manage the pandemic were a hindrance because capacity building of auditors, for example, could not take place because of prohibition of gatherings. The alternative of virtual meetings meant there were threats to security of the data. This was further compounded by the fact that health and sanitary issues took centre stage at the peak of the pandemic, deprioritising oversight and control of public resources.

Mr. Bazama noted that there has been a need in Libya to review the virtual infrastructure related to oversight of public resources as reliance on electronic means increased during the pandemic. To realise this, he informed participants that Libya set up an electronic system to build capacity remotely and allow self-training for those involved in oversight and this enabled monitoring and follow up with different actors electronically.

In view of the above and as a lesson for the continent, he advised that Member States should improve on regulatory controls necessary to enhance cyber security and confidentiality of information as a result of increased use of automated systems and electronic communication networks such as was the case during the COVID-19 pandemic.

Mr. Bazama further noted that the Libyan experience has shown that the economic and social developments resulting from the COVID-19 pandemic necessitate that measures be taken by the SAIs to ensure the continuity of their provision of added value in similar emergencies and crises in the future by adapting the regulatory environment accordingly.

He added that the abovementioned adaptation will, *inter alia*, involve SAIs adopting modern technologies necessary for workflow automation and remote communication, updating their operational plans in light of the developments and effects of the emergency at hand, reprogramming training courses to include priority topics such as oversight of health services and disaster procedures.

He further pointed out that based on the Libyan experience, other institutional reforms required to prepare for future emergencies include providing automated applications and programs that help in processing and analysing big data because of increased reliance on analytical procedures in view of the limited physical interactions because of pandemic restrictions.

In his conclusion, he highlighted the importance of developing e-learning systems, guides and procedures that allow for remote working and training of employees of regulatory bodies to ensure continued provision of added value even in crises.



### **3.2 Senegal's Experience: Hon. Seynabou Ndiaye Diakhate, Chairperson of the National Office for the fight Against Corruption - Senegal**

Hon. Diakhate commenced her contribution by informing participants that COVID-19 was first reported in Senegal in March 2020 and like other governments, Senegal adopted some rapid measures in response. As part of these measures and to reduce the risk of corruption, the Senegalese government adopted a number of legal instruments. One such instrument was Decree No. 2184 of April 2020 that established regulations governing the Solidarity Fund Against COVID-19. This Fund was attached to the Ministry of Finance and was to cater for expenses incurred in response to the pandemic and the regulations under this Decree allowed for a transparent approach to utilisation of the funds.

The second legal instrument was Decree No. 20 of December 2020 and which set up a Committee whose purpose was to follow up on operations related to the management of the pandemic. This committee consisted of a broad range representatives from both the public and private sectors as well as civil society. The Committee received reports from various actors in different sectors as related to all activities in response to the pandemic and this promoted transparency.

The third instrument was Decree No. 781 of March 2022 regulating public contracts that were awarded as part of the response to the pandemic. Through implementation of this Decree, it was possible to pick out irregularities, most of which were as a result of largely using executive orders in sourcing and utilising COVID-19 funds and bypassing approvals by the parliament.

Hon. Seynabou noted that Senegal's NACA received petitions and complaints related to alleged irregularities touching on COVID-19 funds and these were investigated and findings forwarded to the Ministry of Justice and other relevant authorities for further legal action. She further highlighted that the Audit Bench of the Supreme Court has also identified some irregularities and offences committed by public authorities and prosecution was recommended. Persons found guilty have since been dismissed from public office.

She concluded by observing that the above mechanisms and measures jointly contributed to a largely transparent management of all funds allocated to managing and recovering from the pandemic in Senegal.

#### **SESSION 4: Plenary Discussions and Recommendations**

Participants observed that COVID-19 was an unexpected pandemic and no country was prepared for it but with the situation now under control, the emerging concern is how African States are preparing to deal with a similar pandemic in the future. In response to this, the Board through the Executive Secretary pointed out that there are proposed long-term measures captured in the continental study and these are meant to counter future emergencies by having in place appropriate policies and frameworks for accountability.

Participants also sought to understand the methodology used in undertaking the continental study commissioned by the Board and particularly whether the consultant visited all countries on

the continent and which stakeholders were consulted. In response, it was clarified that the study focused on all Member States but with in-depth focus on specific countries across the five regions.

In addition, the targeted key respondents included CSOs, Non-governmental Organisations (NGOs), NACAs and SAIs. The Board committed to fast-tracking implementation of recommendations from the continental study that require its intervention and to highlight those that require intervention by Member States in the Board's Reports to the AU Policy Organs. Further, the Board undertook to follow up, in close partnership with NACAs, at regular intervals to ensure actual implementation (after launch of the study).

Participants were reminded in plenary contributions that the continental study contains recommendations specific to Member States and the AUABC. Member States were, for example, urged to develop a continental funds mobilization and allocation strategy in readiness for future pandemics or crises. It was also pointed that the AU has the African Risk Capacity (ARC) mechanism and therefore there is need to deepen the engagement between the ARC and the SAIs that would then jointly monitor allocation and utilisation of emergency funds.

In addition, a pandemic contingency fund has also been recommended in the study whose findings revealed that some countries were not able to mobilise resources and were therefore particularly hard-hit by the pandemic. Such contingency fund, it was suggested, would be handy for future crises and emergencies in such contexts.

It was also highlighted from the plenary that the study made recommendations to the AUABC where the Board was called upon to map and identify non-state actors (NSAs) working on accountability and transparency. The AUABC was urged to collaborate with the identified NSAs to convene and sensitize citizens on management of pandemic funds. Towards this end, the development of a Transparency Portal by TI in collaboration with the Board is one of the initiatives upon which the proposed collaboration will be built on.

Lastly, there was a suggestion that donor countries should establish some criteria on use of relief funds made available to African countries with the aim of minimising corruption risks in relation to funds meant for emergencies and crises such as COVID-19.

## **SESSION 5:**

### **Closing Remarks: Hon. Jean Louis Andriamifidy, Chairperson - AUABC**

The Dialogue was brought to a close with remarks by Hon. Andriamifidy who noted that the discussed accountability and transparency mechanisms during emergencies require continued engagement by all relevant stakeholders and deliberations on the same should not end with conclusion of the Dialogue. He further stated that the deficiencies and best practices identified in management of COVID-19 funds should inform future action by all Member States. However, the Chairperson added that the bottom-line is that Africa must improve on governance in order to reach the objectives of the AUCPCC and Agenda 2063. He reiterated that the Board has taken note of the recommendations from the continental study and the Dialogue and these would be conveyed to decision-making organs of the AU.

The Chairperson reminded participants that 2023 would mark the 20<sup>th</sup> anniversary since the adoption of the AUCPCC. He noted that although the Convention was almost 20 years old and had been ratified by 48 African countries and its main provisions domesticated in many countries, the plague of corruption continues to spread. The result has been not only devastating impact to the economic and social development but also negative impacts on political order in the continent. He concluded by observing that it was therefore necessary that States Parties to the Convention review their implementation approaches and adopt other appropriate strategies to sustain an effective fight against corruption.