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Which models of donor coordination are most effective for managing multi-donor inputs to deliver technical assistance?

Query

We are spearheading an international initiative that aims to strengthen the technical assistance provision structures for anti-money laundering and the combatting of illicit financial flows that are an important driver of international corruption. We wish to draw on the experiences of donor coordination practices in providing technical assistance for anti-corruption purposes. What does the evidence of these practices tell us about which coordination structures are most effective for managing multi-donor inputs for delivering technical assistance?

Content

Caveats

This paper surveys forms of donor coordination to determine which are the most promising for development agencies looking to make headway against money laundering and illicit financial flows. It is worth nothing that these kind of anti-corruption interventions remain the exception for most donors as the majority of aid-funded anti-corruption programming continues to focus on bureaucratic and petty corruption, or seeks to strengthen civil society's ability to hold governments to account (Johnsøn 2016: 211). Targeting money laundering and illicit financial flows is likely to require very different, and as yet largely untested, forms of donor coordination which may require the prioritisation of reform at home over interventions abroad.

Furthermore, while there is a sizeable literature on general donor coordination, the evidence base on coordination mechanisms in the anti-corruption field is limited (Johnsøn 2016: 29). Where studies exist, they tend to either focus on joint donor support to public financial management reforms (see De Vibe 2012: 4; SIDA 2012), or donors' collective responses to corruption scandals in the country of operation (see De Vibe et al. 2013), rather than dedicated anti-corruption interventions. Finally, there is little empirical evidence in terms of the transaction costs of donor coordination on governance issues (Bigsten 2006: 2).

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Summary

Where the delivery of development assistance is fragmented and donor agencies' activities lack coordination, transaction costs are likely to be exorbitant and the proliferation of parallel service delivery structures undermines both the efficacy and legitimacy of the recipient state's institutions (German Development Institute 2011). In the area of anti-corruption, inconsistencies in donor approaches entail additional challenges, such as enabling recipient governments to jettison much-needed governance reforms.

Although experts have been calling for greater coordination between donors on anti-corruption work for over two decades, progress has been slow and considerable structural constraints remain. These barriers range from the prosaic – development agencies' differing reporting and funding cycles – to the pathological – instinctive bureaucratic competition (Johnsøn 2016: 147).

This query surveys various modalities of donor coordination, grouped into three broad categories: funding, information sharing and international engagement. It then considers which forms of donor coordination lend themselves to initiatives designed to tackle sophisticated forms of corruption, such as money laundering and illicit financial flows.

A review of the available literature suggests that coordination structures, such as multi-donor trust funds, may facilitate joint approaches in recipient countries, while information-sharing vehicles, such as the OECD's Anti-Corruption Task Team, could foster high-level dialogue without fixating on the harmonisation of donors' policies and procedures.

1. Background

It has long been recognised that having a multitude of donors providing development assistance can increase transaction costs and reduce effectiveness.[1] Nor is the idea of a division of labour between donors working on anti-corruption based on their respective strengths particularly novel. As donor agencies became more involved in governance and anti-corruption work from the mid-1990s onwards, the notion that a division of labour could also be applied in this field of work became well established. Yet an early assessment of donor coordination on anti-corruption by Marquette (2001) found that, despite widespread rhetoric and desire to promote the principle of "comparative advantage", the conceptualisation was vague and ad hoc, and in practice coordination was the exception rather than the rule. The evaluation noted that if coordination efforts were not stepped up, the effectiveness of donor support to anti-corruption efforts would continue to be questionable (Marquette 2001). While there have been some attempts to establish coordination structures over the past 15 years, notably by the OECD Development Assistance Committee, recent country-level studies have shown that differences in donor approaches and ways of working mean that coordination in the area of anti-corruption is still a challenge (Johnsøn 2016: 29; SIDA 2012).

Where progress has been made, such as in Uganda, this has tended to involve the establishment of common response mechanisms to corruption scandals in recipient countries, rather than the delivery of joint programmes. As the last point implies, it is important to clarify what is meant by coordination. Here it is understood as "horizontal" coordination between development agencies.

According to the OECD's 2003 indicators of good practice for donor cooperation, coordination includes, for example, joint consultations with recipient governments, information sharing at sector level and the clear definition of roles in any multi-donor activities (OECD 2003). Similarly, a 2005 DFID evaluation of progress towards donor harmonisation outlined three broad areas of horizontal coordination between donors, i.e. common arrangements for planning, managing and delivering aid; simplification of idiosyncratic donor procedures; and information sharing to promote inter-donor transparency and facilitate cooperation (DFID 2005).

Bigsten (2006: 2) notes that, in addition to these "essentially procedural issues", coordination can also refer to joint goals and policies. For instance, at its most abstract level, international donor coordination can take the form of international meetings outlining broad objectives and general principles to which donors subscribe and by which their performance can be assessed. The Sustainable Development Goals framework is a leading example of this. At its most tangible,

[1] At least since the 1980s, attempts have been made at sector level (sector-wide approaches) to introduce coordination in the form of donor agreements to pool resources (Bigsten 2006: 9).

donor coordination could involve the joint delivery of particular projects or programmes. As these examples show, a distinction can also be made between coordination at national and international levels.

For reasons of coherence, this query groups the broad spectrum of coordination into three overarching categories: funding arrangements, information sharing and international engagement.

2. Problem statement

It is not surprising that coordinating the anti-corruption work of multiple donor agencies representing different sovereign governments replete with their own interests has proven challenging. There is nonetheless a compelling rationale to do so in order to avoid the duplication of efforts and establish a common approach to fighting corruption: donors frequently operate in parallel in shared environments, and as such tend to face the same organisational and contextual challenges (Johnsøn 2016: 70). Particularly in politically sensitive fields such as anti-corruption, the absence of a united front makes it easier for recipient governments to play donors off against each other to "achieve the aid allocation they desire, to extract better terms or escape conditionality" (Bigsten 2006: 19-20).

It has long been recognised that, where donors fail to coordinate their activities, the effectiveness and accountability of their development assistance tends to be lower (Martini 2013a). Surveying the bilateral donors in 2001, Norad's annual report recognised that donors were effectively competing against each other in their eagerness to support anti-corruption work, and recommended "cost-sharing" and appointing a "lead donor" to mitigate this risk (Marquette 2001: 2).

The OCED's Development Assistance Committee has since warned against "the risks associated with a piecemeal response, in which various donor organisations act in a deliberate but uncoordinated way" and stated that "vigorous action by individual agencies is an insufficient response to the multiple fiduciary, developmental and reputational risks posed by corruption in today's world" (OECD-DAC 2007: 3, 40).

At the country level, the lack of coordination has been keenly felt: in Afghanistan, for example, the fragmented donor landscape and "political, operational and geo-strategic constraints" to coordination critically undermined measures to curb corruption in the state apparatus (OECD-DAC 2009a: 1). Interviews of practitioners from the field consistently emphasise the need for enhanced information sharing, better organised coordination structures and the need to agree on a set of anti-corruption priorities between donors (Strand, Disch and Wardak 2017).

While the need for coordination is therefore widely acknowledged and has been formalised in the Paris Declaration and the Accra Agenda, in practice it has proven extremely challenging. As explored in greater detail below, there are a number of reasons for this, such as bureaucratic pathologies, the diversity of donor agendas and consequent differences in "organisational policies, strategies, programme designs and implementation practices" (Johnsøn 2016: 70, 147).

3. Typology of coordination measures

There is a wide range of coordination modalities available to development agencies. A 2005 study of DFID's anti-corruption activities found that in the Asia Pacific region alone the agency was involved in an anti-money laundering initiative funded by the European Commission, the development of a joint Asian Development Bank/OECD anti-corruption strategy, and contributed funds to the multi-donor Partnership for Governance Reform in Indonesia (Marquette and Doig 2005: 121). The following section presents a high-level typology of coordination measures, referencing anti-corruption examples where possible.

Coordination by multilaterals

In the early days of the discussion around the coordination of development assistance, it was initially expected that multilateral organisations, notably the World Bank and the United Nations Development Programme, would play a leading role (Bigsten 2006: 7-8). In the area of humanitarian assistance, for instance, the UN Office for the Coordination of Humanitarian Affairs has a mandate to coordinate humanitarian actors to ensure that humanitarian emergencies are met with a coherent response (UNOCHA 2017).

Yet in the anti-corruption field, there has been a less concerted effort on the part of multilaterals to assume responsibility for coordination. While two UNDP publications in the late 1990s argued for a clear division of labour between the various international organisations and multilateral agencies (Johnsøn 2016: 146), in reality this has

been difficult to achieve. Over time, multilaterals have assumed often overlapping responsibilities for coordinating functions in anti-corruption work: broadly speaking, UNODC works to develop anti-corruption strategies, the World Bank has taken the anti-corruption lead around public financial management (Johnsøn 2016: 146) and the UNDP has sought to carve out a niche for itself in so-called preventive activities, such as developing risk mitigation methodologies, providing anti-corruption assessments, and delivering capacity building (UNDP 2014). Perhaps most ambitiously, the OECD has largely taken on the policy coordination role in the form of its Anti-Corruption Task Team and the Principles for Donor Action in Anti-Corruption. These sought to draw together donors' anti-corruption strategies into a "coherent agenda" to complement the World Bank's 2007 Governance and Anti-Corruption Strategy and "take collective action and harmonisation one step further" (OECD-DAC 2007: 11).

The principles mentioned above proposed four concrete coordination measures:

- Development Assistance Committee (DAC) facilitated joint corruption assessments made by a group of donors
- anti-corruption benchmarks and targets jointly agreed between donors at the country level and used to monitor progress
- the development of common response principles where corruption occurs
- greater action on the supply side of corruption to connect development assistance with efforts to curb bribery by companies based in OECD countries (OECD-DAC 2007: 3-4, 12).

The ability of multilaterals to coordinate development assistance is limited by the divergent priorities of individual donors who act in line with their home government's trade, security or aid agenda (Johnsøn 2016: 77; Bigsten 2006). As discussed below, one tangible area where multilaterals continue to enjoy a central coordination function is in the administration of multi-donor trust funds.

Coordination through funding

Funding is arguably the primary conduit to bring multiple donors together around a common priority, objective, programme or issue. There are different models available which donors may choose to engage in, depending on the context: delegated cooperation, multilateral programming, multi-donor trust funds (MDTFs) and direct funding for national bodies or non-governmental organisations.[2]

Delegated cooperation

One model which in practice is likely to lead to close coordination is the decision of one donor to simply contribute funds to the activities of another, or to commission another agency with a certain acknowledged expertise to implement anti-corruption programmes on its behalf. Since the OECD-DAC recommended in 1996 that all DAC members explicitly insert anti-corruption clauses into loans and technical cooperation agreements (OECD 1996), differences between donors' stances on corruption risks in their own programming are likely to be minimal, at least on paper (Martini 2013b). Nonetheless, where one donor funds another to implement anti-corruption activities, it presents an opportunity to review and compare notes on respective anti-corruption policies and mechanisms designed to minimise fiduciary risk. As such, these funding modalities can potentially further streamline donor positions and facilitate greater coordination, such as establishing pre-determined sanctions.

The so-called Nordic Plus donor group[3] frequently engages in delegated cooperation, also known as silent partnership, by which one or more donors provide financial support to a programme administered by a "lead donor", but where the programme is jointly owned by all. The extent of delegation varies, from one component of specific projects to entire sectoral programmes (OECD 2003: 88). This modality is seen to have certain advantages, such as lower transaction costs as the recipient country needs only to deal with the lead donor, which is in turn answerable to the other donors. Among the Nordic Plus group, each member has pre-approved the others in principle as possible partners in such a delegated fund arrangement (JICA 2009: 2). In Afghanistan, for instance, DANIDA provided about US$54 million to a DFID-administered agricultural programme (Strand, Disch and Wardak 2017: 13).

A notable instance of this kind of model in governance programming is the European Union's delegation of the implementation of its external assistance programming to other bodies such as the Council of Europe and the OECD (Johnsøn 2016: 144). The EU's reasoning for delegation is

[2] In Afghanistan, for instance, Denmark applies all four modalities (Strand, Disch and Wardak 2017).

[3] Finland, Sweden, Norway, Denmark, the Netherlands, Ireland and the UK.

that others are better placed to manage such interventions due to specific expertise: the Council of Europe (CoE), for instance, is judged to be "the standard holder" for anti-corruption, and tackling money laundering and organised crime (European Commission 2012: 54). This arrangement between the EU and the CoE is of particular interest given that it stems from a broader partnership which distinguishes EU-CoE coordination from other channels of aid delivery that the EU employs. In 2007, the EU and CoE signed a memorandum of understanding to support closer collaboration in seven thematic areas, including the rule of law, under which anti-corruption falls. The agreement foresaw a number of types of cooperation between the two institutions, including (European Commission 2012: 12-20):

- information sharing: "actions that directly promote inter-institutional linkages and dialogue, communication of priorities, actions and intents, and political dialogue … consultations to coordinate action on specific issues"
- harmonisation: "actions to promote policy coherence through harmonization of standards, protocols or legal practice"
- joint programming: "planning, implementation and evaluation of Joint Programmes"

Despite the label, "joint programming" is a bit of a misnomer; in practice this is a delegated cooperation arrangement. Since 1993, the two organisations have cooperated on numerous governance programmes supported by CoE field offices and EU country delegations, but in practice the EU generally contributes the lion's share of the funding while the CoE is typically responsible for implementation (Joris and Vandenberghe 2008).

In the anti-corruption field, the CoE implements many programmes addressing corruption in European neighbourhood states with EU funding (Council of Europe and European Union 2017a).[4] Technical assistance is typically focused on supporting the drafting of legislation, training of law enforcement officials and members of the judiciary, disseminating international good practice and encouraging regional approaches to the cross-border problem of money laundering (European Commission 2012).

A 2012 evaluation by the EU sought to ascertain how effective these programmes had been as a means of fighting corruption, money laundering and organised crime. It agreed with the decision to delegate the implementation of anti-corruption activities due to the CoE's expertise on money laundering and organised crime, and found that the programmes had contributed to improved compliance with both international conventions and regional monitoring mechanisms, such as GRECO and MONEYVAL (European Commission 2012: 52-58). The CoE also stresses the value of coordination: "by combining resources and expertise, the complementarity of the respective activities of the EC and the CoE has been enhanced … [Cooperation] has demonstrated that lasting results in support of the rule of law … and stronger democratic institutions can be achieved when the two organisations combine their resources and respective strengths" (Council of Europe and European Union 2017b).

Multi-donor trust funds

MDTFs, first established in Iraq in 2004, have become a widespread modality of aid delivery in humanitarian assistance, but also to an increasing extent in more conventional development work (World Health Organisation 2017). They are a means of pooling multiple donors' resources to tackle a particular development challenge and form part of a wider trend of issue-based financing and multi-stakeholder partnerships (UNDG 2015).

By disbursing joint resources, MDTFs de facto lead to coordination of donor activities. They have been established for a range of purposes, from rebuilding core public administration functions in post-conflict situations to supporting global governance initiatives (UNDP 2017a; Ministry for Foreign Affairs of Finland 2012: 122). MDTFs generally operate at the country level, but there are a few examples of cross-border governance basket funds, such as the World Bank's Governance Partnership Facility.

MDTFs are generally managed by multilateral agencies, such as the World Bank or UNDP, who act as the so-called administrative agent to oversee the fund's governance arrangements and convene a steering committee to determine programmatic allocations from the fund's resources (Norad 2007: 1). In turn, the steering committee commissions projects to be conducted by other implementing agencies (such as UN

[4] For a list see: https://tinyurl.com/ya2j4xnl

organisations) based on their own operating procedures (UNDG 2015).

In line with the aid effectiveness agenda, MDTFs are intended to be responsive to nationally-determined priorities, typically in the form of requests from recipient governments to support recurrent expenditures such as salaries as well as large-scale programming (Barakat 2009). While MDTF support for broader good governance programmes such as public financial management reforms is common,[5] anti-corruption activities have also been financed under UNDP-managed MDTFs, including the provision of capacity building to the National Anti-Corruption Strategy Secretariat in Sierra Leone (UNDP 2011), support to the Liberian Anti-Corruption Commission (UNDP 2010), and assistance to the Anti-Corruption Academy of Iraq (UNDP 2015).

There are also a few examples of international MDTFs that address issues of global good governance. A notable case is the World Bank's Governance Partnership Facility, established in 2008 to provide additional resources for implementation of the Bank's Governance and Anti-Corruption strategy at the country level. The UK, the Netherlands, Norway and Australia provided US$74 million to support governance work in 18 World Bank country offices, and a subsequent evaluation judged that the intervention had led to improved political economy analysis and better programme design (Johnsøn 2016: 100-101). A similar initiative managed by the African Development Bank, the Governance Trust Fund, was set up in 2010 with funding from Norway, Sweden and Switzerland. The Governance Trust Fund has been used to finance interventions designed to improve transparency and accountability in the management of public resources, reduce opportunities corruption and support sector governance initiatives like the Extractive Industries Transparency Index (EITI) (African Development Bank 2011).

Advantages

MDTFs are, in themselves, seen by their proponents as the answer to the problem of uncoordinated donor activities. Theoretically at least, they are believed to improve coordination by default, as "upstream cooperation", in the form of pooling funding which is assumed to translate into the harmonisation of planning, budgeting, accounting and auditing procedures (European Commission 2015). Moreover, UNDG (2015: 4) argues that MDTFs leverage and channel "flexible, coordinated and predictable funding" and help "streamline funding and donor reporting".

Likewise, the Finnish Ministry of Foreign Affairs' Anti-Corruption Handbook (2012: 122) notes that MDTFs are useful to overcome a fragmented development aid landscape in which many small programmes entail high (fiduciary and failure) risks for individual donors, as well as excessive transaction costs for recipient countries. MDTFs are also said to improve coordination among all stakeholders and donors as they "provide a forum for policy dialogue, and programmatic coordination and harmonization" (UNDG 2015: 4). Independent evaluations would seem to support this conclusion. In a review commissioned by a number of donors on the effectiveness of MDTFs, it was noted that they did not only reduce information, coordination and administrative costs but that in many countries they were also "by far the most important coordination, harmonisation and alignment vehicle" for donors (Norad 2007: 5).

Indeed, donors reportedly viewed one of the major selling points of MDFTs as the fact that they presented a forum for policy dialogue, information exchange and coordination (Norad 2007: 66-67). In some settings, especially where state governance structures are very weak, MDTFs have become the de facto donor coordination forum as the only structured meeting space. Although this was found to have been conducive to donor coordination, it was judged by evaluators to be ultimately undesirable in the long run as donors should support the "development of national deliberative and decision-making structures and processes" (Norad 2007: 3). Encouragingly, however, in some countries the nascent public sector was found to be adopting the MDTF's harmonised procedures and public financial management standards (Norad 2007: 5).

In some countries, such as Indonesia, MDTF steering committees have made efforts to include large donors not contributing resources to the fund to align donor efforts (Norad 2007: 66-67). Despite this, little evidence was found of a "spill-over effect" of MDTF policy and priority-setting discussions on the coordination of donors' activities outside of the MDTFs, likely because in most countries, only a small share of total aid is channelled through MDTFs, and joint programming combining MDTF and non-MDTF resources is rare (Norad 2007: 5, 67).

[5] The EU, for instance, has participated in World Bank-led MDTFs intended to strengthen public financial management in Laos, Nepal, Nicaragua and Tajikistan, among others (European Commission 2015).

While MDTFs have historically been established to deal with pressing development challenges in post-conflict and post-crisis states, these settings may share some similarities with highly-corrupt environments. MDTFs are designed to operate in high-risk environments where governance structures may be weak in terms of both political will and capacity to deliver. Information and transaction costs may be high, and volatile and unpredictable situations may require flexible funding (Norad 2007: 1). Moreover, similar to interventions designed to strengthen a state's anti-corruption detection and enforcement capacities, MDTFs channel most of their funds into the public sector, particularly salaries and capacity development (Norad 2007: 7).

The institutional set-up and governance structure of MDFTs may therefore lend itself to anti-corruption programming, which often entails exposure to high political risks, particularly where this targets sophisticated corruption networks, as is the case for interventions intended to counter anti-money laundering and illicit financial flows. As well as having "well-regulated organisational set-up, including strict public finance management regulations and internal and external oversight mechanisms" (Ministry of Foreign Affairs for Finland 2012: 122), the MDTFs' risk spreading approach is said to be an effective way of reducing fiduciary and reputational risks to individual donors (Norad 2007: 12).

Challenges

It is worth noting that MDTFs are not without their drawbacks. Firstly, coordination might be complicated by the fact that different donors may have complex, competing or unknown expectations regarding MDTFs, making the coordinating role of the administrative agent difficult (Norad 2007: 10). There may also be tensions between the donors' desire to delegate the administrative aspects of the fund management while also demanding decision-making power over governance issues and funding allocations (Norad 2007: 6).

In the past, discord has arisen between donors when the largest contributor or lead donor has attempted to impose a particular agenda on the strategic or operational focus of a pooled fund (Norad 2007: 67-68). Finally, the need for multilateral agencies like the UNDP to fundraise for their activities from bilateral donors can also undermine their ability to coordinate these donors, who essentially function as their shareholders. The result may be that an implementing agency has to settle for the least ambitious common denominator among any group of donors (Johnsøn 2016: 147). Academic studies have also criticised the domination of donors over recipient governments in coordination and oversight bodies, complicated implementation arrangements and donor unwillingness to amend pre-existing modes of operating, which have collectively "nullified [MDTFs'] conceptual benefits" (Barakat 2009).

MDTFs have also struggled to move beyond northern Atlantic donors (the UK, the Netherlands, the Nordic countries, Germany, Canada and the EU).[6] In Indonesia, for instance, Japan, Australia and the United States showed little interest in joining the MDTF as they preferred to use their development assistance bilaterally to gain direct access to Indonesian decision-makers (Norad 2007: 66-67). Conceivably, this tight geographic concentration of MDTF participation could limit their potential as a vehicle to coordinate global governance issues, such as money laundering and illicit financial flows.

Joint programming

There are also examples of joint anti-corruption programming which are not coordinated by a multilateral, but administered by a rotating body of donor agencies who contribute funds. These arrangements, where several donors contribute funds to different components of a large programme, seem to be less common than MDTFs in which donor funds are intermingled. Interestingly, however, an evaluation of donors' anti-corruption efforts commissioned by the Asian Development Bank (ADP), DANIDA, SIDA, DFID and Norad found that coordination appeared to have been less effective when led by multilateral agencies than when a bilateral agency constituted the lead donor (SIDA 2012: xvi).

In Uganda, the Democratic Governance Facility (DGF) was established by Austria, Denmark, Ireland, the Netherlands, Norway, Sweden, the UK and the EU to support projects designed to strengthen democratisation, human rights, access to justice and accountability (DGF 2016a). The DGF's board is composed of heads of mission of the participating donor agencies and Ugandan representatives, while the steering committee

[6] One of the largest MDTFs, the Peacebuilding Fund, for instance, lists UK, Sweden, the Netherlands, Germany and Norway as its five most significant donors (UNDP 2017b). EU contributions to MDTF represent since 2003 an average of 40% of the total contributions to the UN and the World Bank Group (European Commission 2015).

includes all donors who provide funding to the facility (DGF 2016b). DFID took the thematic lead on the voice and accountability pillar of the programme which sought to improve transparency in service provision and citizens' ability to hold the state to account (DFID Kenya 2014).

Direct support to recipient governments

In line with the Paris Declaration and the Accra Agreement, it is largely the prerogative of recipient governments to set the national development agenda, with donors playing a supporting role. GOVNET's Principles for Donor Action in Anti-Corruption endorses this notion: the first principle states that donors "will collectively foster, follow and fit the local vision" (OECD-DAC 2007: 15-16).

Among other measures, donors have attempted to live up to these principles by providing direct budget support to recipient governments. This form of assistance is seen to have a number of advantages over programmes managed by development agencies, such as lowering transaction costs, avoiding parallel service delivery and decision-making structures, ensuring aid is used in line with recipient country priorities and helping bolster the financial management capacity and accountability of host governments (German Development Institute 2011).

Some development experts argue that where multiple donors club together to channel aid through recipient governments, this provides a more effective means of harmonising overseas development assistance than other formal donor coordination mechanisms (Lawson 2010: 13). For instance, much like MDTFs, multi-donor budget support (MDBS) can lead to de facto coordination of donor activities; Leiderer (2015: 1426) notes that in Zambia, the introduction of MDBS "provided the contributing donors with a first formalised platform" for coordination.

In fact, MDBS instruments are intended to contribute to the good governance agenda by design. As well as being a financing instrument, MDBS typically aims to strengthen the core functions of recipient governments through a range of non-financial assistance mechanisms, such as conditionality, policy dialogue and capacity building programmes (German Development Institute 2011). The need to align financial and non-financial inputs between multiple donors and the recipient government necessitates donor coordination by default, particularly in contexts where host governments have a weak administrative capacity (German Development Institute 2011).

MDBS initiatives are not without their own problems. Observers note that, while in principle common financing mechanisms like MDBS provide space for harmonisation of donor procedures and alignment with recipient government policies, in practice this is insufficient without accompanying consensus between donors on whether political conditionalities attached to MDBS outweigh the programme's financing function (German Development Institute 2011). Opponents of budget support also highlight examples of mismanagement or corruption on the part of recipient governments and argue MDBS does not provide donors with sufficient oversight to manage fiduciary risk (Lawson 2010: 14). For their part, recipient governments have expressed concern about the compromise to their sovereignty that direct donor involvement in core government functions entails (Lawson 2010: 14).

Twinning

Recipient governments' development assistance coordination bodies are generally chaired by the ministry of finance to manage and disburse incoming resources. Nonetheless, some governments nominate specialist bodies to coordinate donors' anti-corruption work. In Indonesia, for example, the Corruption Eradication Commission was in charge of donor coordination, identifying needs for financial and technical support from development agencies and frequently meeting donors to exchange information about their respective activities (OECD-DAC 2009c).

As well as providing financial assistance to support recipient governments' anti-corruption work, development agencies also provide non-financial forms of assistance. Typically, this is done on a bilateral basis, such as when a donor uses development assistance to cover the costs of twinning arrangements whereby an expert is seconded to law enforcement agencies to develop their ability to deal with international crime, grand corruption and money laundering.

Although twinning is not a common approach in the anti-corruption field (Johnsøn 2016: 142-143), the EU has developed a range of flexible technical assistance and twinning instruments to deliver anti-corruption capacity building in the European neighbourhood (European Commission 2016). The Joint Evaluation of Support to Anti-Corruption Efforts 2002-09 found that twinning experts drawn from one of the member states with institutions in candidate countries was a useful approach and an alternative to large capacity building programmes (SIDA 2012).

Bilateral donors have also accumulated experience with twinning arrangements: USAID has funded the secondment of US prosecutors to prosecuting authorities in developing countries (OECD 2014: 102), while Norad has sponsored exchanges and collaboration between the Norwegian Office of Auditor General and its Bangladeshi counterpart (Marquette and Doig 2005: 111). Conceivably, donors could explore jointly supporting twinning efforts more systematically to harmonise procedures and policies required to tackle sophisticated, international forms of corruption.

Direct support to non-governmental organisations and civil society

As well as combining their resources to finance particular thematic funds and programmes, some donors have also chosen to band together to support non-governmental organisations with the potential to align anti-corruption efforts. Three of the most prominent examples in the area of anti-corruption work are the U4 Anti-Corruption Resource Centre, the International Centre for Asset Recovery and the Stolen Asset Recovery Initiative.

The U4 Anti-Corruption Resource Centre, currently funded by eight donor agencies (U4 Centre 2017a), grew out of a desire among its founder agencies for a more concerted and coordinated approach to tackle the damaging impact corruption has on development (Marquette and Doig 2005: 122). The U4's current strategy stresses that it will seek to provide a Partner Forum where its constituent agencies can exchange experiences and develop strategies. In particular, the forum will encourage partners to cooperate on issues of common interest, get a sense of other donors' priorities and share lessons learned (U4 Centre 2017b: 21).

While not having an explicit mandate to coordinate its donor partners on corruption issues, the U4 Centre's close working relationship with donor agencies means it is well placed to identify areas in which deeper cooperation between donors is most desirable and feasible, and thereby foster consensus building and greater coordination (U4 Centre 2017c). One of its priority thematic areas relates to the drivers of international corruption, and as such the U4 Centre has expertise on money laundering and illicit financial flows.

The International Centre for Asset Recovery (ICAR), created in 2006 with institutional support from the Principality of Liechtenstein, the Swiss Agency for Development and Cooperation and DFID, assists developing countries to develop their capacity to identify, track and recover stolen assets (ICAR 2017). In addition, the centre also takes on active case work, acting as a facilitator, advisor or legal representative in international asset recovery cases (UNODC 2017a).

Alongside these capacity building and case work functions, the centre also provides legal and policy analysis and seeks to steer global policy dialogue and research on asset recovery. ICAR sees a role for itself in donor collaborations, noting that it enjoys close contact and active engagement with bilateral donors at the operational level in developing countries (ICAR 2014: 3). In Uganda, for instance, a joint donor initiative prioritised money laundering and asset recovery, and sought to improve the capacity of Ugandan law enforcement by sponsoring a two-year partnership with ICAR, who provided provide assistance on specific cases and live investigations alongside wider capacity building efforts. By 2012, observers were commending the partnership for contributing to "robust investigations" into high profile corruption cases and the newly-established Anti-Corruption Court's high conviction rate (De Vibe 2012: 3).

Since 2012, ICAR also convenes two donor meetings a year, which it states are "regular information-sharing opportunities … of great benefit to ensuring the coherency, sustainability, consistency and transparency of ICAR's activities" (ICAR 2014: 16-17). Allowing donors to participate in the planning, development and implementation of the centre's projects is seen as helping to align its donors' positions and facilitate greater coordination (ICAR 2014: 16-17).

The Stolen Asset Recovery Initiative (StAR) is a partnership between the World Bank Group and the United Nations Office on Drugs and Crime (UNODC) to support international efforts to end safe havens for corrupt funds. As well as receiving institutional support from both its parent organisations, StAR can draw on funds based in a MDTF whose contributors include Norway, Sweden, Switzerland, France, the UK and the Netherlands (StAR 2008a; UNODC 2017b).

One of the key tenets of the StAR initiative is "Partnerships", which it understands as "bring[ing] together governments, regulatory authorities, donor agencies, financial institutions, and civil society organizations from both financial centers and developing countries, fostering collective responsibility and action for the deterrence, detection and recovery of stolen assets" (StAR

2017). Alongside its work on capacity building and policy analysis, StAR also actively assists countries in the process of recovering stolen assets. In its own words, "StAR performs the role of a neutral convener or facilitator among parties in the international asset recovery process" (StAR 2017). As such, StAR provides a platform for donor dialogue, as well as a mechanism for collaboration on specific instances of asset recovery (StAR 2008b). As sophisticated forms of financial crime and laundering the proceeds of corruption cross multiple high-income jurisdictions, the role of StAR in convening donor governments has the potential to nurture greater coordination between donor agencies on issues such as illicit financial flows.

A number of donor agencies have also elected to support the anti-money laundering and illicit financial flow agendas by funding civil society organisations with specific expertise on these issues. Although not a formal channel of coordination, where multiple donors fund the same anti-corruption NGOs, this provides an opportunity to discuss approaches and align donor agendas.

At the global level, Global Financial Integrity is supported by Denmark, Finland, Norway and Spain. Global Witness draws funding from the Ministry of Foreign Affairs of Denmark, Norad, Irish Aid and DFID, while Norad and the Finnish Ministry of Foreign Affairs fund both the Tax Justice Network and the Financial Transparency Coalition.

At the national level, donors have some experience of how jointly funding civil society organisations can lead to more formal coordination. In Indonesia in the early 2000s, for instance, donors established and invested heavily in the Partnership for Governance Reform, which became a leading source of arm's length donor support to civil society groups working on governance and anti-corruption issues.[7] By investing through a common vehicle, donors aligned their stance during dialogue on governance issues with state bodies, business and civil society groups, and could pursue joined-up approaches (OECD-DAC 2009c). Over time, however, donors lost patience with the partnership due to its weak management, lack of sharp focus, high staff turnover and growing opportunities to provide direct bilateral support to anti-corruption work involving government agencies (OECD-DAC 2009c).

Information sharing

Information sharing is the second primary means by which donors can coordinate their provision of technical assistance. While information sharing is clearly essential where donors pool funding as discussed in the examples above, the following section considers a variety of formal and informal communication channels through which donors establish common positions without combining financial resources.

Donor governance clusters

In many developing countries, donors have established working groups to discuss anti-corruption policies, governance crises and related issues, such as public financial management, procurement or law enforcement. These kinds of "governance clusters" may be more or less institutionalised and in theory could undertake a range of activities, from simply publishing each agency's strategy and policy statements (Johnsøn 2016: 146), to joint performance monitoring assessments (OECD-DAC 2009b), or the development of common response principles when faced with incidents of high-level corruption (OECD-DAC 2007: 3).

The OECD has recommended that donors establish specific dialogue mechanisms on corruption beyond loose working groups and forums to foster more systematic and integrated approaches between donors (OECD-DAC 2009d). In practice, while information exchange has gone some way in recent years to establish common donor responses in the wake of corruption scandals, little headway has been made in terms of joint political economy analysis or mutual policy development forums.

An evaluation of anti-corruption efforts commissioned by several donors found that even mapping exercises of development agencies' respective activities in the governance field are rarely undertaken (SIDA 2012: 57). One notable exception was a joint evaluation of donors' anti-corruption efforts commissioned by Norad, DFID,

[7] By 2004, donor funds committed to the partnership had reached US$54 million from Australia, Canada, Denmark, the EU, Finland, Japan, Korea, the Netherlands, Norway, New Zealand, Spain, Sweden, Switzerland, the UK and UNDP. In addition, the partnership received technical assistance from the Asian Development Bank and the World Bank (OECD-DAC 2009c).

SIDA, DANIDA and the ADB, which conducted detailed mapping of donor anti-corruption activities in five countries, drawing information from donor websites and project lists, donor country strategy documents and progress reports, and interviews with in-country staff (SIDA 2012).[8]

In Afghanistan, the formal structure for aid coordination between the government and donors, the Joint Coordination and Monitoring Board, largely side-lined corruption as a development issue (OECD-DAC 2009a: 3). In response, an informal donor group on anti-corruption involving the World Bank, UNDP, UNODC, DFID and Norad began convening in 2006. Its objective was to produce joint policy positions as well as to align these agencies' anti-corruption programming through the use of common tools such as Vulnerability to Corruption Assessments of Afghan ministries and sectors (OECD-DAC 2009a: 5). To this end, the working group produced a joint discussion paper (the Anti-Corruption Roadmap), and adopted a common line on corruption issues in dialogue with the Afghan government (OECD-DAC 2009a:5).

Observers noted, however, that the initiative's effectiveness was constrained by the fact that donors had very few governance specialists on the ground and that "continuous and proactive engagement in policy dialogue with other donors" and the Afghan government induced fatigue and meant the group eventually lost momentum (OECD-DAC 2009a:5). Moreover, the lack of participation from key donors, such as the EU and US, undermined the attempt to present a common front (Johnsøn 2016: 184).

In 2010, after a series of false starts at formal cooperation mechanisms, such as the Anti-Corruption Cross-Cutting Theme Group, the United Nations Assistance Mission to Afghanistan in conjunction with the US embassy established the International Corruption, Transparency and Accountability Working Group (ICTAWG). While ICTAWG struggled to determine a common donor position on key issues, such as the poor performance of Afghan anti-corruption agencies, it did serve as a useful information-sharing platform (De Vibe et al. 2013: 47).

In Uganda, a Donors' Consultative Group was established in the late 1990s which provided a forum for donors to collectively meet government representatives twice a year. The consultative group went on to found a sub-group focused on governance issues, which produced a matrix to monitor the government's progress towards agreed development objectives (Marquette and Doig 2005: 110). Despite this, there was an acknowledgement by donors that their engagement on corruption had not been sufficiently strategic, their messages to government had been uncoordinated, and technical and political dialogue on corruption had not been pursued in synch. In 2009, therefore, a DFID-led initiative convened 20 development partners to develop a Joint Response to Corruption proposal (De Vibe 2012). Among other objectives, it sought to develop a so-called Rolling Core Script, which provided a common analysis of corruption trends, joint messaging on key cases and an outline of expected government responses. The script was regularly updated, and referred to in bilateral and multilateral dialogues with government. A 2012 study found that the production of the common script facilitated coordination between donors by ensuring that each agency's headquarters was acting on the basis of the same analysis, and that in-country staff noted a significant improvement in the quality and consistency of political dialogue on corruption with the government. Donors also felt that the introduction of the common script was essential in the development of a common platform for dialogue (De Vibe 2012: 2).

In Mozambique, donors have long contributed to a joint programme of general budget support, which rests on a memorandum of understanding (MoU) signed with the government in 2005. Crucially, the MoU comprised a common performance assessment framework and targets related to corruption, ensuring that donor commitments and fund disbursements are tied to the government's performance (OECD-DAC 2009d). Moreover, the MoU clearly stated that "in the case of serious deviation or misuse of state budget funds or acts of large-scale corruption by members or structures of GoM [Government of Mozambique], GoM commits to make all due efforts to recover funds thus misused or misappropriated and take appropriate measures. [Donors] reserve the right unilaterally or jointly to withhold disbursements or claim repayment in full or in part of funds in the case of misuse or fraud" (World Bank 2005: 71).

The country's recent hidden debts scandal has tested this mechanism. Following the lead of the IMF, the G14 group of donors suspended their budget support to the government in May 2016 (Hanlon 2016). One response to the scandal was

[8] See: Norad 2011a: 7 & Norad 2011b: 7

a renewed call for joint donor assessments of, and response to, findings of the independent audit, as well as joint action to sanction corrupt politically exposed persons, such as targeted sanctions and travel bans (Isaksen & Williams 2016).

Part of the problem is that bilateral donors reserve the right to unilaterally interpret suspected breaches of the terms of any MoUs donors jointly established with recipient governments (OECD-DAC 2009d). Where no arbitration authority exists, there is the danger that some donors treat large corruption scandals as justification to suspend support, while others may view this as evidence of improved transparency and oversight (German Development Institute 2011).

In Zambia for instance, in the aftermath of a corruption scandal, differences of opinion between donors about whether the incident constituted a breach of the MoU with the government undermined the collective response; while Canada, Sweden and the Netherlands withdrew funding, the EU and the African Development Bank increased their support (De Vibe et al. 2013: 20). In addition, where poorly designed or excessively rigid, coordination structures at the national level can impede effective joint responses by donors to corruption scandals due to their tendency to limit donors to the most conservative consensus (De Vibe et al. 2013: 20).

Evidence on the effectiveness of collective donor responses to corruption scandals is mixed; while some studies suggest that, when combined with technical and financial support for key reforms, joint responses can improve accountability and transparency (De Vibe 2012: 1), other evaluations find little evidence of a "spill-over" effect of collective responses influencing the broader fight against corruption (De Vibe et al. 2013: 26).

International engagement

International organisations like the United Nations and the OECD are central to efforts to tackle international corruption. But there is also a key role for bilateral donors to engage with these multilateral institutions to advance the fight against money laundering and illicit financial flows.

The UNDP's Global Anti-Corruption Initiative, for instance, is support by an advisory group designed to ensure effective international coordination and includes several bilateral donors (UNDP 2014). Likewise, the OECD-DAC Network on Governance (GOVNET) has been active in trying to foster donor coordination at the international level by establishing channels of communication between senior governance staff at OECD development agencies. Of particular relevance here is the Anti-Corruption Task Team (ACTT), which brings together policy-makers from development agencies to improve the coherence of donor approaches (OECD-DAC 2014). In its own words, the ACTT seeks to provide anti-corruption development practitioners with a "space to discuss and examine the challenges of working on anti-corruption in the context of developing countries" (OECD-DAC 2014). In recent years, encouraged by some of its members, the ACTT has begun to turn its attention to the supply side of corruption and the international drivers of corruption in particular (OECD-DAC 2014). To this end, the ACTT has sought to establish consensus between its membership through the dissemination of knowledge products on issues such as asset recovery, money laundering and illicit financial flows.[9] In addition to seeking to enhance policy coherence, another pillar of the ACTT's work has been to support efforts to develop joint responses to corruption. Following up on a 2007 OECD policy paper proposing the establishment of a "code of conduct" for coordinated donor responses to corruption, GOVNET commissioned a comparative study of opportunities, constraints and incentives for more effective collective responses (OECD-DAC 2009b).

In addition, donors support a number of transparency initiatives at the global level. An OECD assessment of the role of aid agencies in combatting illicit financial flows found that such initiatives offer space to work towards consensus on these issues and thus have great potential to improve transparency and reporting standards on relevant financial data (OECD 2014). Examples include:

- Platform for Collaboration on Tax
- Open Government Partnership
- Extractive Industries Transparency Initiative
- Oslo Dialogue on Tax and Crime
- Group of States Against Corruption
- Global Forum on Transparency and Exchange of Information for Tax Purposes

[9] See (StAR 2010; StAR 2011; StAR 2014l OECD 2012; OECD 2014)

4. The challenges of donor coordination in anti-corruption work

In spite of the various methods of donor coordination discussed above, there remain serious structural constraints to meaningful collaboration between development agencies. These range from the prosaic, such as differing reporting and funding cycles, to the pathological, like instinctive bureaucratic competition which can generate irrational duplication of efforts (Johnsøn 2016: 147).

The coordination of anti-corruption activities can be difficult across agencies within the same government. Even where one agency is officially tasked with coordinating anti-corruption efforts, it can lack the authority, political backing, resources or capacity to compel other departments to implement the anti-corruption agenda and report on progress (Chêne 2010: 7). Complicating matters further, anti-corruption work is often fragmented between regional teams on one hand and thematic specialists on governance, economic development or procurement on the other (Marquette and Doig 2005: 120).

It is therefore no surprise that even where donors have a long institutional history of cooperation, such as the Nordic Plus group, there are challenges to close coordination. Barriers cited in the literature (OECD-DAC 2009b, 2009c & 2009d; JICA 2009; Bauck and Strand 2009; Norad 2011b: 41) include:

- donors' short-term domestic political imperatives, which can disrupt joint dialogues and undermine common positions by encouraging a donor to act unilaterally
- differences in organisational set-up (such as whether development assistance is the responsibility of the ministry of foreign affairs or a dedicated agency)
- inflexibility and idiosyncrasy of public administration procedures such as procurement
- various degrees of delegation of authority to embassies and country offices (centralised versus decentralised decision-making processes)
- divergent policies or strategies, resulting in different financial allocations and prioritisation of governance work in a development agency's portfolio, or different geographic and thematic focuses
- different preferences for channelling funds (such as whether to make investments via MDTFs or the recipient government's apparatus)
- the use of multiple governance assessment methodologies and tools, which complicates common diagnosis
- high turnover of staff and lack of governance specialists

Country-level studies have also indicated, that even where like-minded bilateral donors have similar modus operandi, they are often unable to grasp how multilateral donors, such as regional development banks or the UN agencies, approach anti-corruption work in their own programming and their dialogue with recipient governments (SIDA 2012: 57).

More fundamentally, Johnsøn (2016: 29) argues that development agencies suffer from certain bureaucratic pathologies such as bureaucratic competition which run contrary to notions of comparative advantage and complicate horizontal coordination. As field staff in Afghanistan noted, there is often built-in resistance to joint approaches to corruption: "coordination of the international community is very weak because none of us probably want to be coordinated by the other … I don't think there is a clear leader on anti-corruption" (Transparency International UK 2015: 32). To give one example, the need for each donor to be able to produce visible results attributable to their own programming reduces incentives for coordination (Bigsten 2006: 5).

These general problems of aid organisation are likely to be even more acute in fields like anti-corruption which "are politically sensitive, lack a clear evidence base and often lack a strong organisational centre" (Johnsøn 2016: 80). Moreover, the divergences between various bilateral donors' aid, trade, foreign policy and security agendas can make it very difficult to achieve a consensus about how to handle anti-corruption work (SIDA 2012; OECD-DAC 2009b).

Finally, as illustrated by a few of the country examples mentioned above, even where a coordination mechanism has been established, sustaining this "common good" entails negotiating collective action problems. High-profile and meaningful coordination requires the allocation of dedicated staff, as well as the commitment of a lead donor to manage the process and bring others on board. Where corruption is considered primarily a risk to donor programming, rather than as a development challenge to be tackled in its

own right, the appetite to work with other agencies is likely to spike around corruption scandals and rapidly recede thereafter (De Vibe 2012).

5. Options for donor coordination on illicit financial flows and anti-money laundering

What can be said about avenues for donor coordination in anti-money laundering and illicit financial flows? Interventions in this area will necessarily be international, highly technical and politically sensitive in nature, and forms of donor coordination must be designed accordingly.

As a joint publication by StAR and OECD-DAC spells out, development agencies have a twin role to play. On one hand, they can assist developing countries to improve their capacity to investigate and sanction corruption, draft legislation, invoke mutual legal assistance and so on. On the other hand, development agencies are instrumental in pushing for "necessary policy, legislative, and institutional changes in donor countries" themselves (OECD-DAC 2011: 46). The nature of coordination in each of these roles is likely to look very different, but in both cases the literature surveyed above suggests that where donors join forces, the outcome will be more productive.

Donor coordination in recipient countries

The OCED observes that development agencies could do more to tackle money laundering and illicit financial flow risks in aid-recipient countries by providing technical assistance to develop these countries' capacity to utilise exchange of information agreements, tackle abuse transfer pricing and investigate financial crime (OECD 2014: 101). Some bilateral agencies have already gained useful experience using development assistance to match anti-corruption specialists from government departments and law enforcement agencies in the donor country with their counterparts in developing countries.

Were this kind of arrangement to be delivered in conjunction with fellow donors, StAR (2010: 32) argues it would be more effective, noting that:

> "many developing countries would benefit from a more coherent, better coordinated and country-led process of institutional capacity building to support asset recovery. National authorities may be faced with multiple offers of assistance, offering a variety of training opportunities dealing with specific elements of the asset recovery process, some targeted at particular agencies others on particular themes, some delivered abroad others delivered in-country, some as standalone events others as part of an institutional development project. Selecting the appropriate programme and coordinating these efforts is a challenge. Development of a coherent training strategy, focused on institutional capacity building to sustain training activities and taking a long-term view of staff development and skills transfer would provide a framework for more effective donor coordination in this area. At the same time, donor coordination in-country would greatly facilitate the work of national authorities".

One model to explore could be an MDTF similar to the World Bank's Governance Partnership Facility specifically designed to sponsor targeted interventions in multiple countries, such as twinning arrangements, to improve developing countries' preventive and investigative capabilities.

While the Governance Partnership Facility pooled donor funding to support the secondment of governance staff to World Bank country offices (Johnsøn 2016: 100-101), a similar mechanism could also be established to match expertise between donor and recipient countries. These placements would play to donors' respective strengths: while the UK may be able to provide experts on money laundering and offshore financial centres, Norway could build on its experience of natural resource governance to support resource-rich countries increase their tax take from the extractive sector.[10] The noted success of the EU's twinning programme in the area of anti-corruption suggests this approach could be a pragmatic alternative to large capacity building programmes (European Commission 2012).

Moreover, given that MDTFs were designed to operate in high-risk environments, the institutional set-up and governance structure of MDTFs may make them suitable for interventions intended to counter money laundering and illicit financial

[10] Norway is already active in this field, having launched the Taxation for Development Programme in 2011, which provides research, technical assistance, renegotiation of contracts and the financing of audits (OECD 2014).

flows. Evaluations of MDTFs likewise suggest that while administrative costs appear higher than other coordination structures, overheads compare favourably to management costs of non-pooled donor programming (Norad 2007: 9, 73).

However, because this form of arrangement would encounter the obstacles to coordination discussed in the previous section, the joint provision of this kind of technical assistance would likely involve overcoming significant challenges. Even the first step of mapping expertise across donor governments and identifying each country's area of comparative advantage would necessitate considerable resources and political capital, though the Norad-led Joint Evaluation of Support to Anti-Corruption Efforts shows how this can be done (Norad 2011a: 7; Norad 2011b: 7).

Ultimately, as one evaluation put it, in light of the sheer range of stakeholders with a role to play in anti-corruption and the lack of a clear leadership or a division of labour among donor countries, "the scope for developing funding modalities that would support a programme-based approach to [anti-corruption] remains limited" (SIDA 2012: 56-57). Although the study observed that the trend towards basket funding arrangements like MDTF was encouraging and had helped strengthen donor coordination in some countries in areas like public financial management, in practice donors' anti-corruption interventions have "remained largely fragmented on the ground, which has in turn undermined their overall effectiveness" (SIDA 2012: 56-57).

Donor coordination on the home front

A second avenue for donor collaboration is perhaps more promising. Development agencies are one of the arms of government most intimately familiar with the devastating impact corruption has on development and form a crucial link between donor countries and source countries of illicit financial flows. As such, they are well aware of shady financial practices like offshoring and profit shifting (OECD 2014). While development agencies generally do not take the lead in the coordination of government efforts to implement global standards on money laundering and illicit financial flows, they are well placed to assume a convening role *within* government by furnishing evidence and pushing for donor governments to take action domestically to clamp down on harmful financial practices (OECD 2014).

Some development agencies have built up experience in this field. Over the past several years, DFID has been using development assistance to support UK-based anti-corruption institutions with a remit to investigate corruption involving British citizens and companies active abroad and foreign politically exposed persons active in the UK. In addition, DFID partakes in the cross-departmental Politically Exposed Persons Strategy Group, which seeks to ensure policy coherence on money laundering across government bodies (Fontana 2011).

Collectively, development agencies have built up a strong evidence base and could explore further coordination to build political momentum. The information-sharing platforms at both country and international level discussed above might prove useful nodes through which donor agencies exchange information about their respective governments' approaches to money laundering and illicit financial flows, as well as monitoring and cooperating on specific investigations and court cases. Unlike close technical cooperation, such political coordination would not require a harmonisation of policies and procedures and may be able to avoid some of the pitfalls of previous attempts to work together.

The Nordic Plus group

The Nordic Plus group is a well-established informal partnership which tries to identify as many areas of cooperation as possible, as well as harmonising policies and procedures (JICA 2009). Its members are also among the most active donors in supporting civil society groups and political advocacy organisations working on issues related to the international drivers of corruption. At the country level, such as in Afghanistan, there has been extensive cooperation between the Nordic countries on thematic issues such as policing and elections, and frequent meetings between the respective ministers, embassy staff and development practitioners (Bauck and Strand 2009). The Nordics also made some headway in terms of delegating responsibilities for governance work among themselves and made joint representations to the Afghan government on the appointment of ministers felt to be unsuitable or corrupt (Bauck and Strand 2009).

Given the Nordic Plus group's long history of collaboration, disproportionate influence on the wider development policy agenda, and the fact that its constituent donors are among the most ambitious when it comes to facing up to the international supply side of corruption, this informal partnership perhaps offers a promising

vehicle for donor coordination on issues such as money laundering and illicit financial flows.[11]

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[11] Though individually several of the donors are quite small, their influence on the wider policy agenda has been disproportionate because they have acted as a coordinated group. When considered together, their combined financial resources are also considerable, making them influential on the ground as well as in international forums (JICA 2009).

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