Harnessing Innovation & Technology to BUILD A CULTURE OF INTEGRITY

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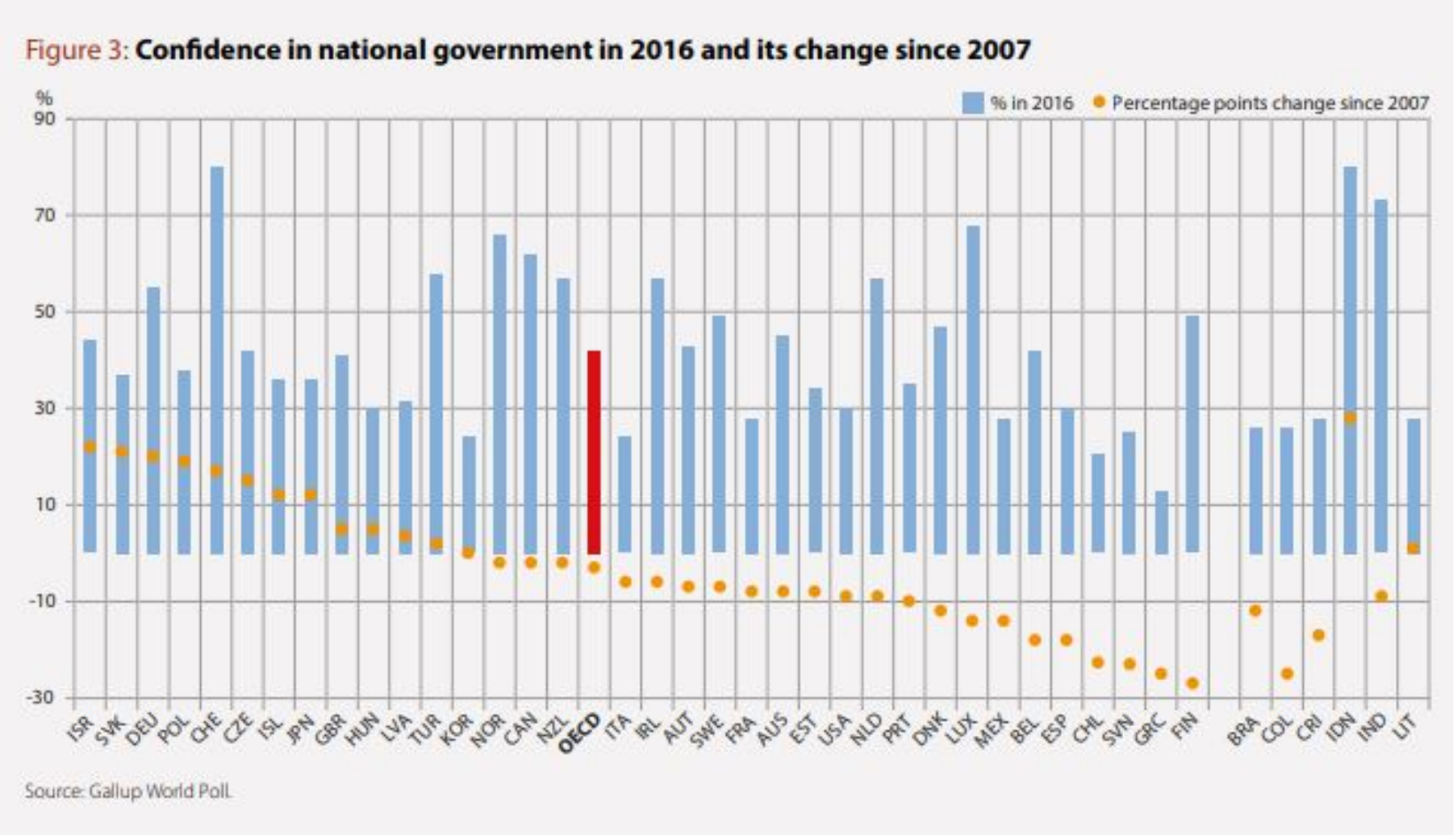
ICAC 廉政公署
7th ICAC SYMPOSIUM
廉政公署第七屆國際會議
WORLD BANK GROUP Governance

The Importance of Trust

The trust of citizens in their government institutions is the foundation for a culture of integrity.

Only 43% of citizens trust their government



and this rate is dropping…

Corruption is a key reason citizens have lost trust in their governments

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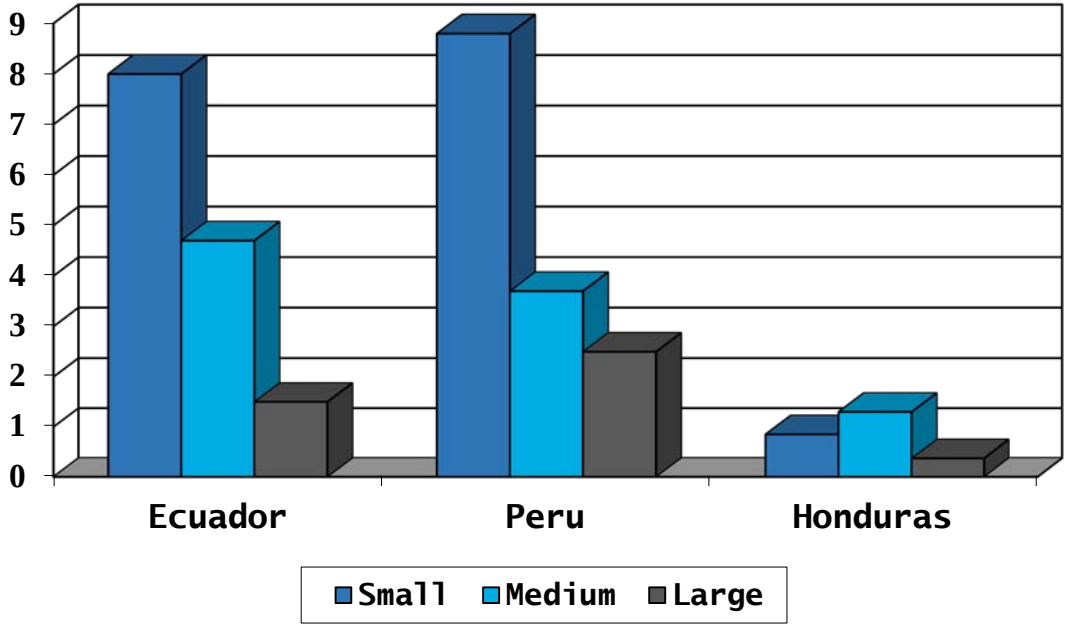
PUBLIC TRUST

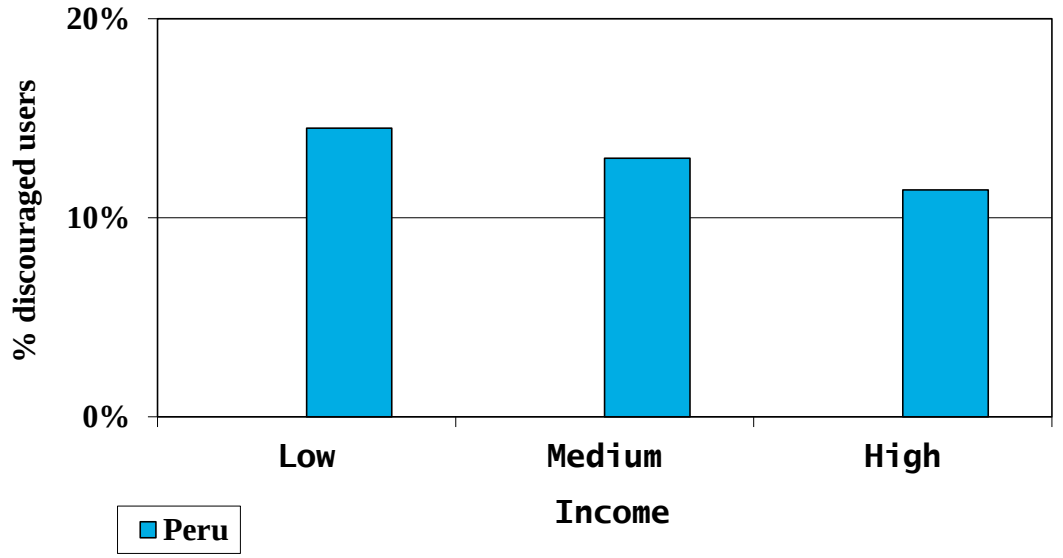
Corruption Also Worsens Inequality & Exclusion

Inequality - Corruption is a regressive tax: Poor & small firms pay more in bribes



WBI diagnostics. % of gross monthly revenue paid in bribes, as reported by managers 2001.

Exclusion - Corruption restricts access of poor households to public services



WBI diagnostics. Discouraged Poor Users Due to Bribes, 2001.

A Culture of Corruption

Corrupt systems make it very costly for individuals to behave honestly

Entrenched corruption creates a higher tolerance among citizens

This weakens incentives to behave honestly – and risks making corruption seem normal

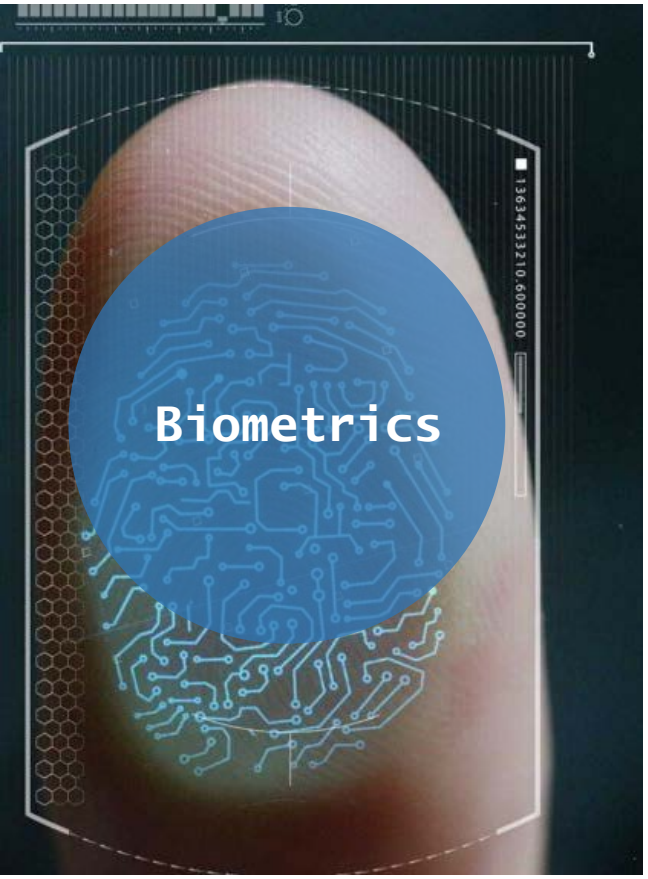
Underscores the Need to Move to a Culture of Integrity

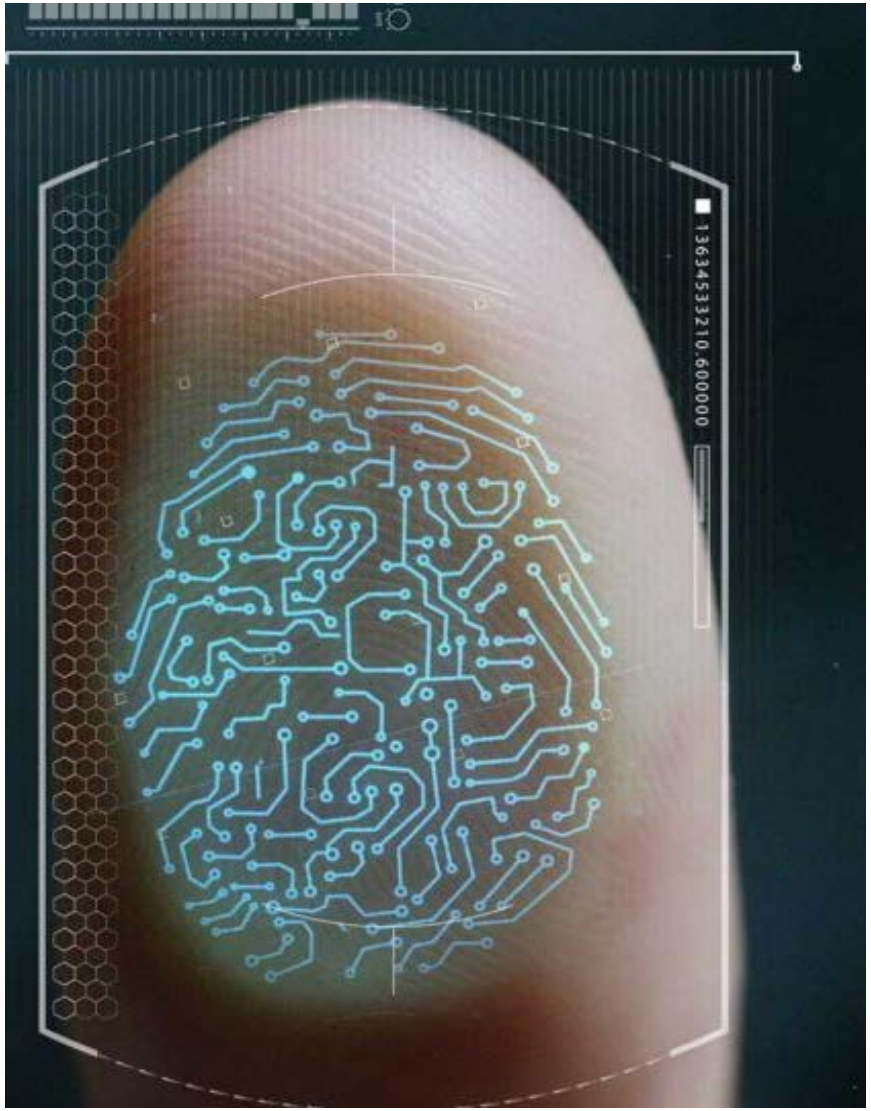
Grow citizen ownership of the anti-corruption agenda

Results in more trust that public institutions operate fairly and ultimately leads to an evolution of norms and standards

Innovations in technology empower citizens to be agents of change that create a culture of integrity...

Innovating Through Technology to Confront Corruption





Biometrics

Biometrics

Digital Identification Technology creates unique identities for citizens, increasing confidence that:

- Government money is going to intended beneficiaries
- Opportunities for corrupt officials to intervene are reduced

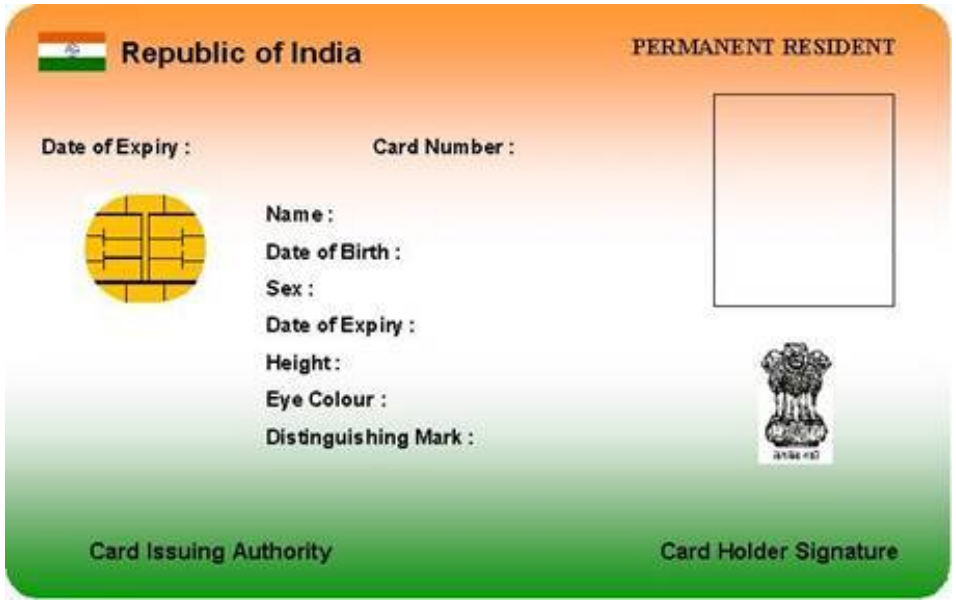
Biometrics

India

Smart cards reduce opportunities for corruption and fraud

Officials were taking a cut of social welfare payments meant for the poor, delaying payments and diverting payments to ineligible beneficiaries

- $5.5 billion was distributed across 19 million villages
- After two years, payments to smart card recipients were up 35% and they obtained payments almost 30% faster



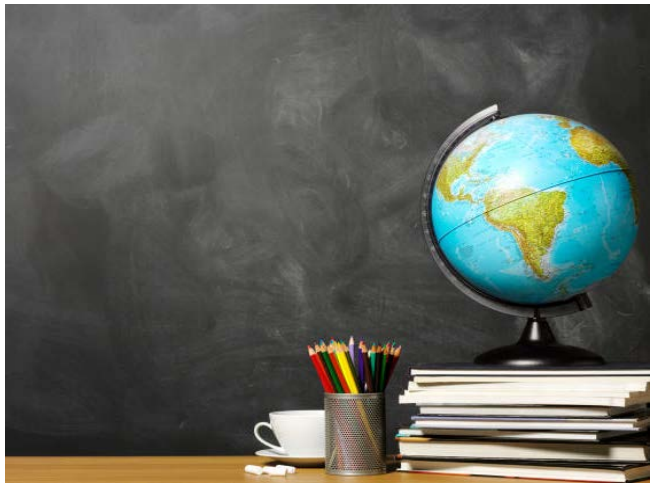
Biometrics

Fingerprints and facial recognition tools to prevent payments to ghost workers in government

Pakistan

World Bank funding has allowed the School Education Dept. in Sindh province to use fingerprint biometrics to monitor teacher attendance.

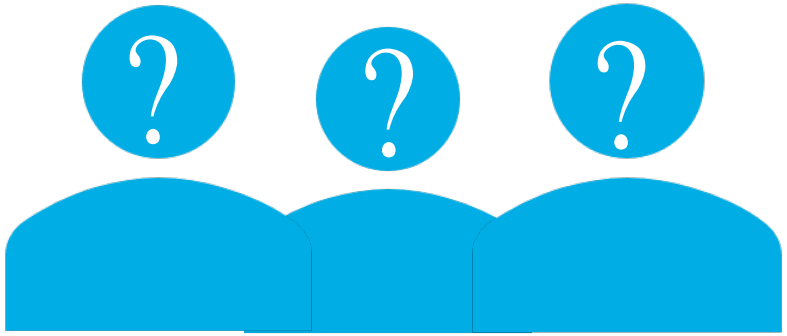
- Field teams are dispatched to thousands of schools across the province with smartphones and handheld biometric devices to identify absent teachers
- System detected fraudulent payments to 40,000 absent teachers



Guinea

The World Bank has supported the Guinean government's use of biometric data to identify civil service "ghost workers".

- 11,080 out of 101,689 civil servants on the government payroll were either missing or nonexistent
- The government able to save 20 million dollars in just one year



Digitalization

Digitalization

Why Digitalization is Crucial

Reduce discretion through e-government

Reduce interaction with gate keepers

Reduce opportunities for corruption

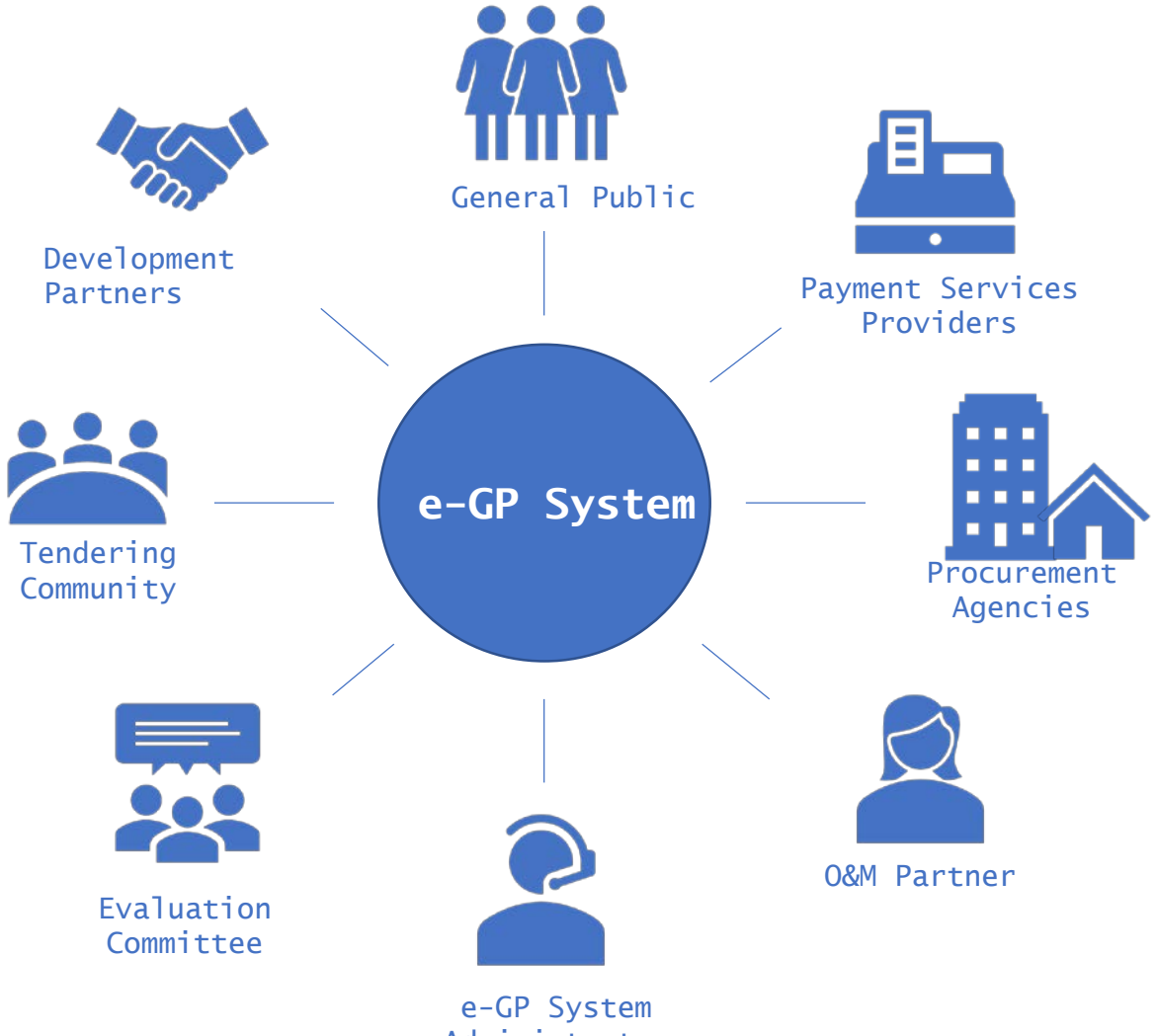
Bonus: generates data for both risk analysis and enforcement

Digitalization

Bangladesh

Electronic procurement creates open access to tenders information

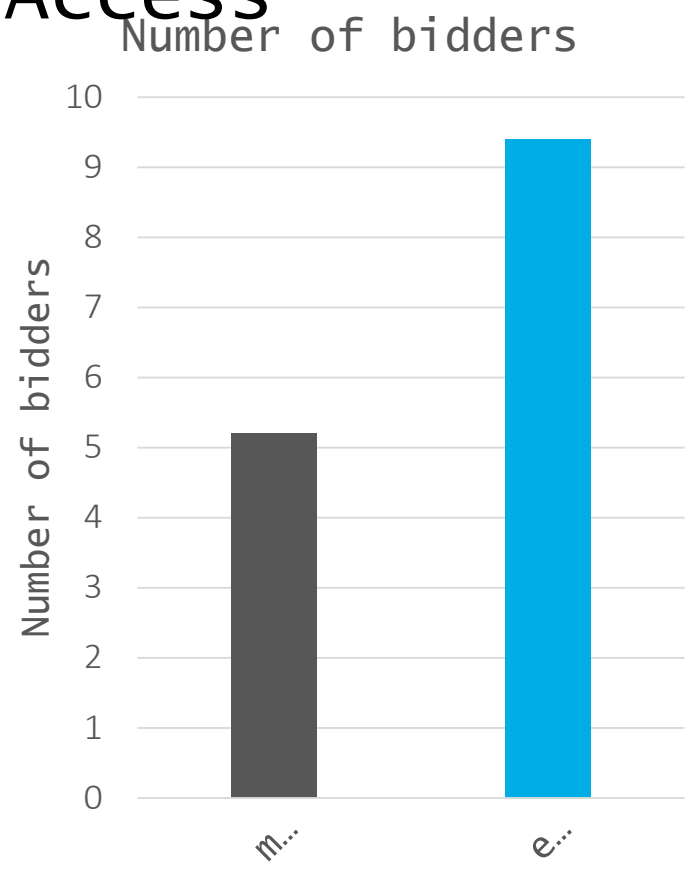
Dhaka, Bangladesh

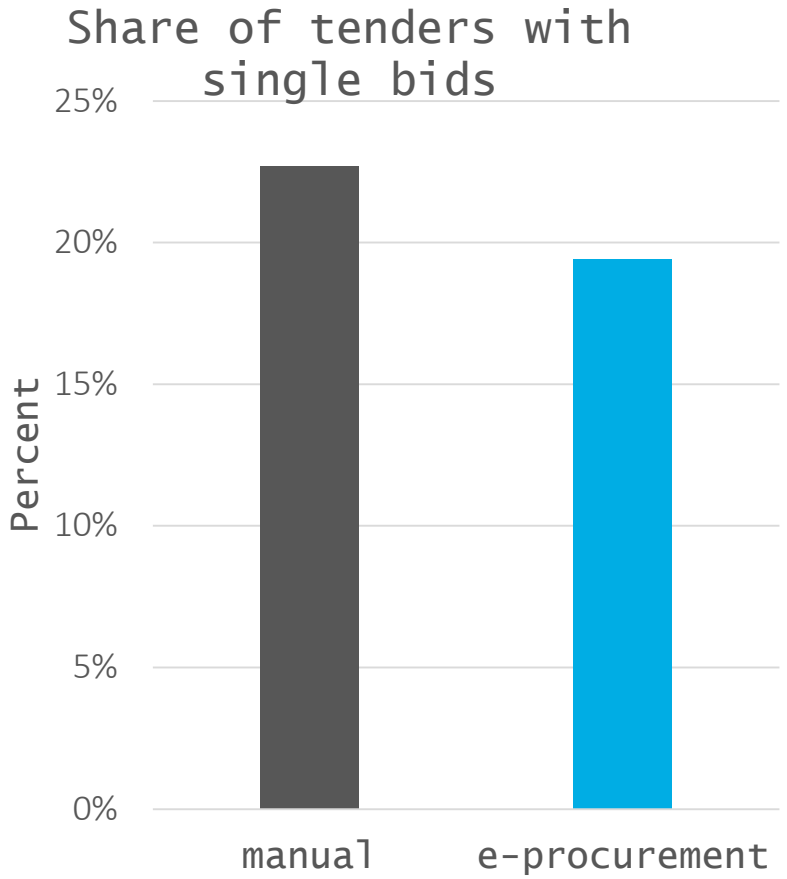


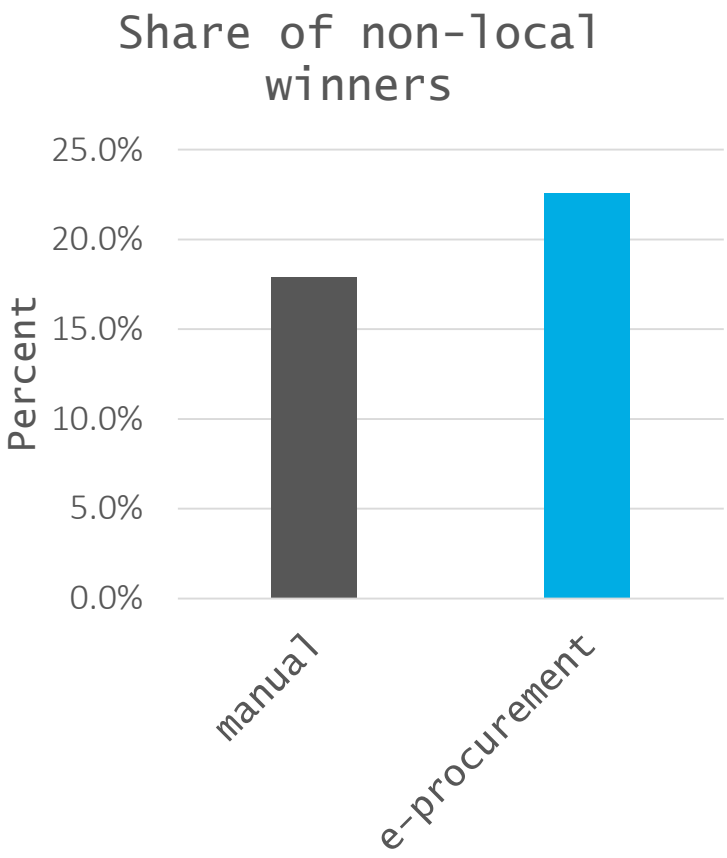
Digitalization

Bangladesh

Impact of E-Procurement on Access







Digitalization

Madagascar

Leveraging digitalization of data to reduce corruption in customs

The Port of Madagascar **collects 75%** of the country's total customs revenue

Advanced digitalization of data harnessed to monitor customs official's performance

Dramatically reduced tax evasion and common practice of inspectors requesting bribes

Revenues per container **increased by almost 40%** and clearance time **declined by almost 50%**

Digitalization

Kenya

Digitalization

Kenya

Digital payment services can both facilitate & undercut bribery

Kenya M-Pesa Digital Payment Service:

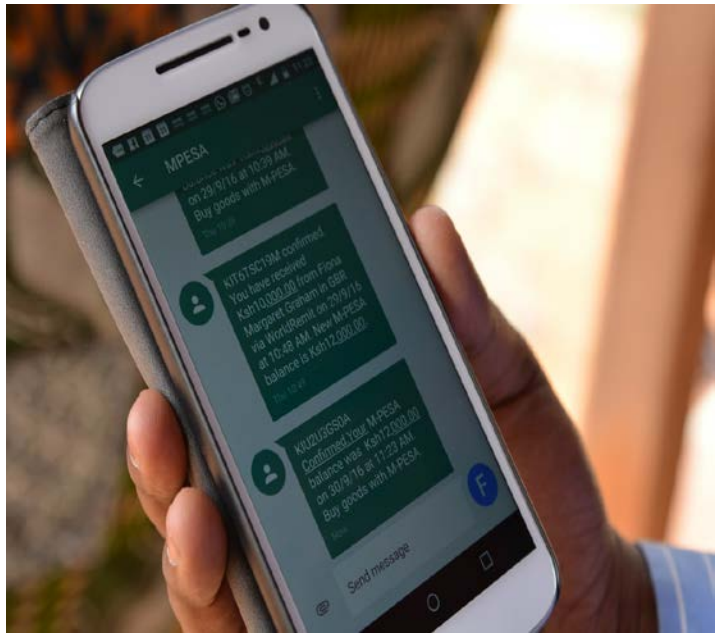
- M-Pesa uses a network of agents to accept the company's virtual currency for payment, and to convert it into real money to be dispensed
- Virtual currency transfers can be made through SMS or phone menu
- 1.7 billion transactions in one year

Digitalization

Kenya

Investigating Police Corruption

- Junior officers in the traffic department regularly transferred money through M-Pesa to senior officers
- M-Pesa kiosks around police stations were controlled by police officers to facilitate payments from motorists and junior officers
- Analysis of M-Pesa accounts for showed money transfers far exceeding police officers' salaries
- More than 350 senior police officers fired



Empowering Citizen Engagement

Empowering Citizen Engagement

Creating a Two-Way Conversation

Giving citizens a chance to be part of the solution by providing data back to government to help catch corruption

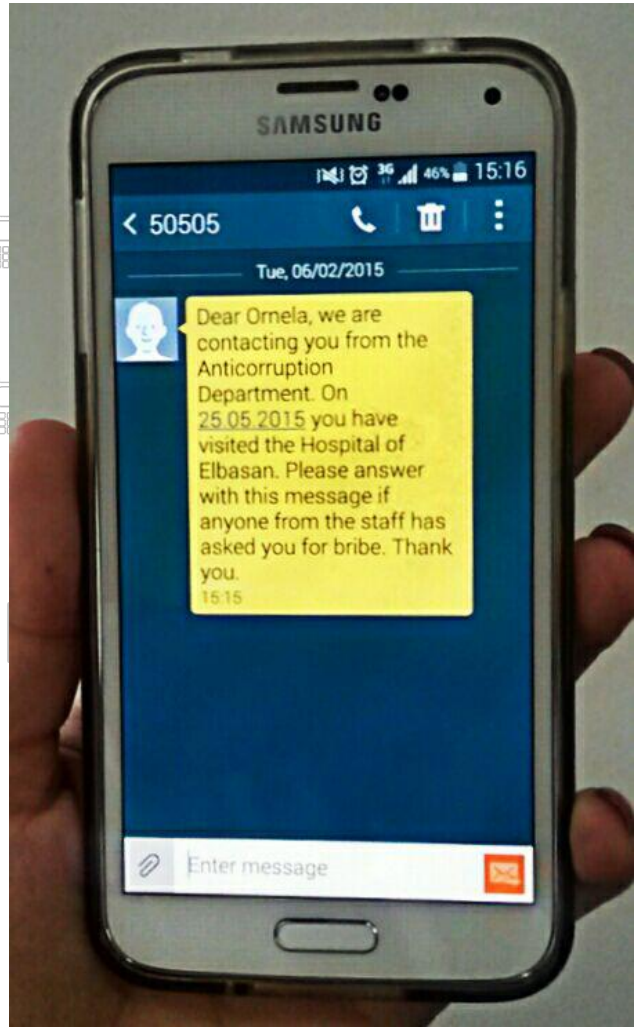
Empowering Citizen Engagement

Albania

Building trust in government one text at a time

SMS-based citizen feedback system proactively solicits information on bribery and service delivery problems within hospitals and property registration services, identified as highest risk for corruption.

System contacted **187,000 citizens** and investigated **189 corruption complaints** to date



Using AI & Analytics to Mitigate Risks of Corruption

Using AI & Data Analytics to Identify & Mitigate Risks

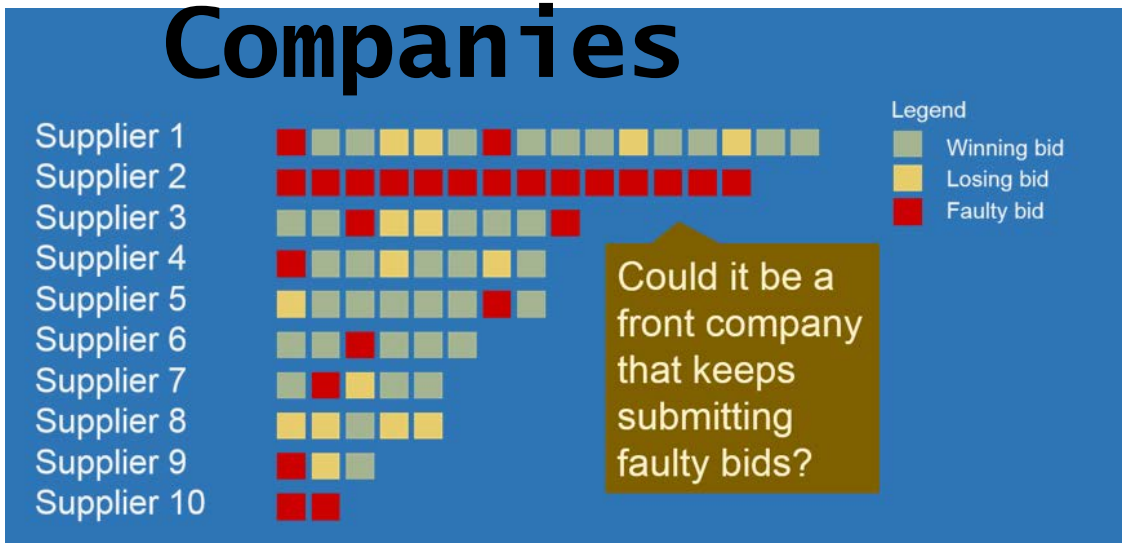
Data analytics and **AI** can create a new generation of powerful tools to identify hard-to-see vulnerabilities long before a bribe is paid

Citizens can rest assured that **corruption risks can be mitigated**

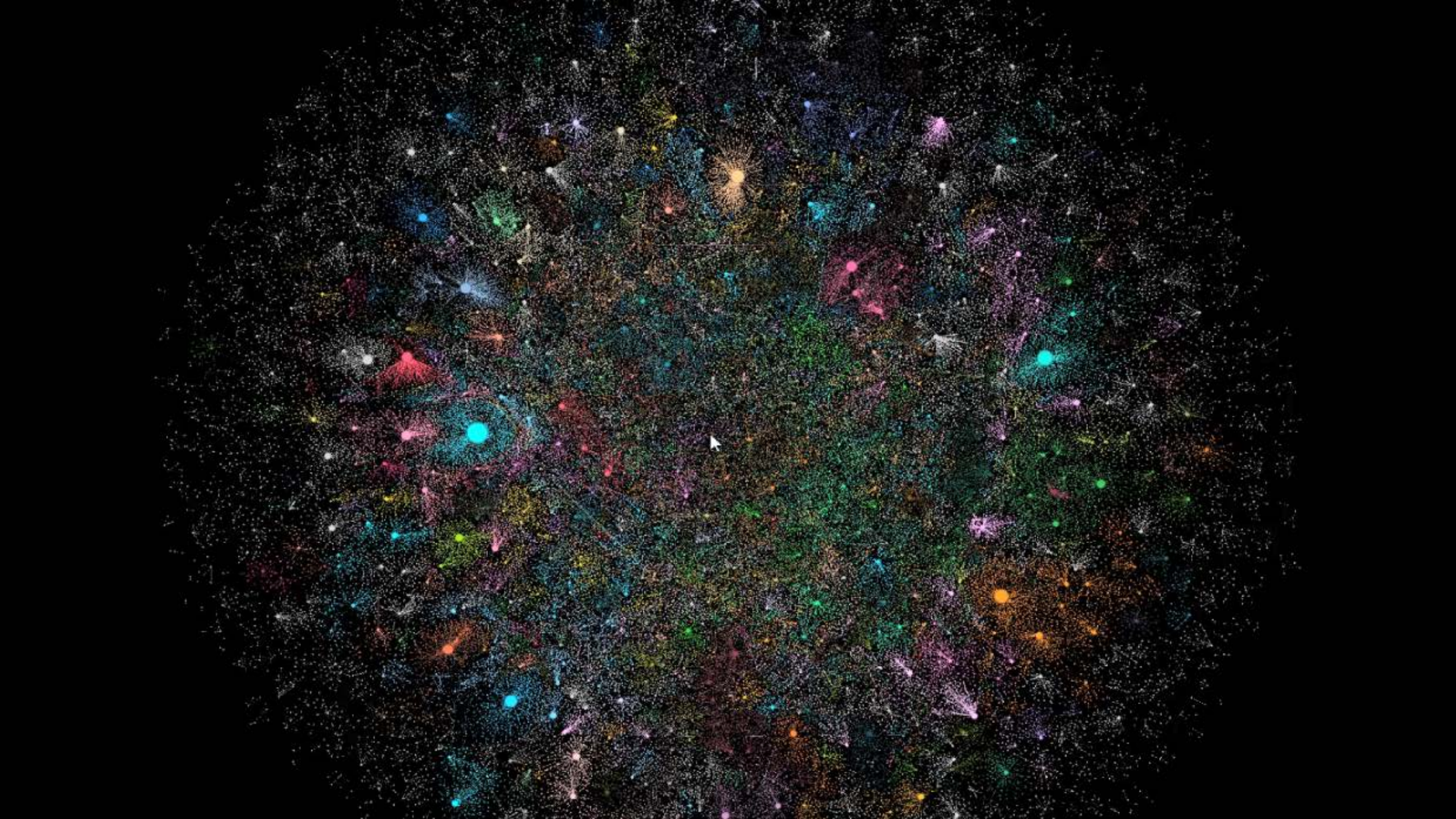
Using AI & Data Analytics to Identify & Mitigate risks

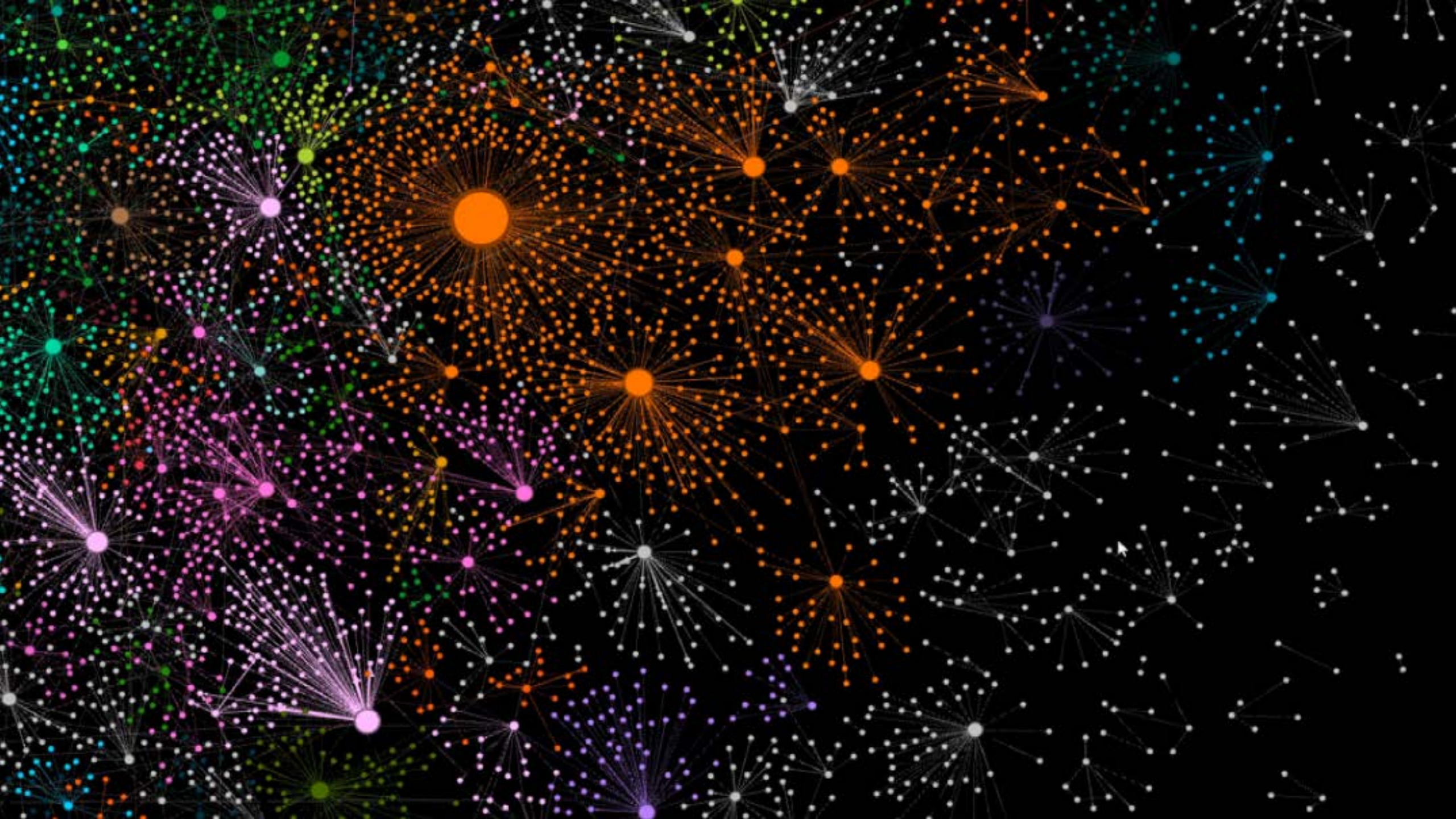
Investigating Bidding Patterns

Front Companies



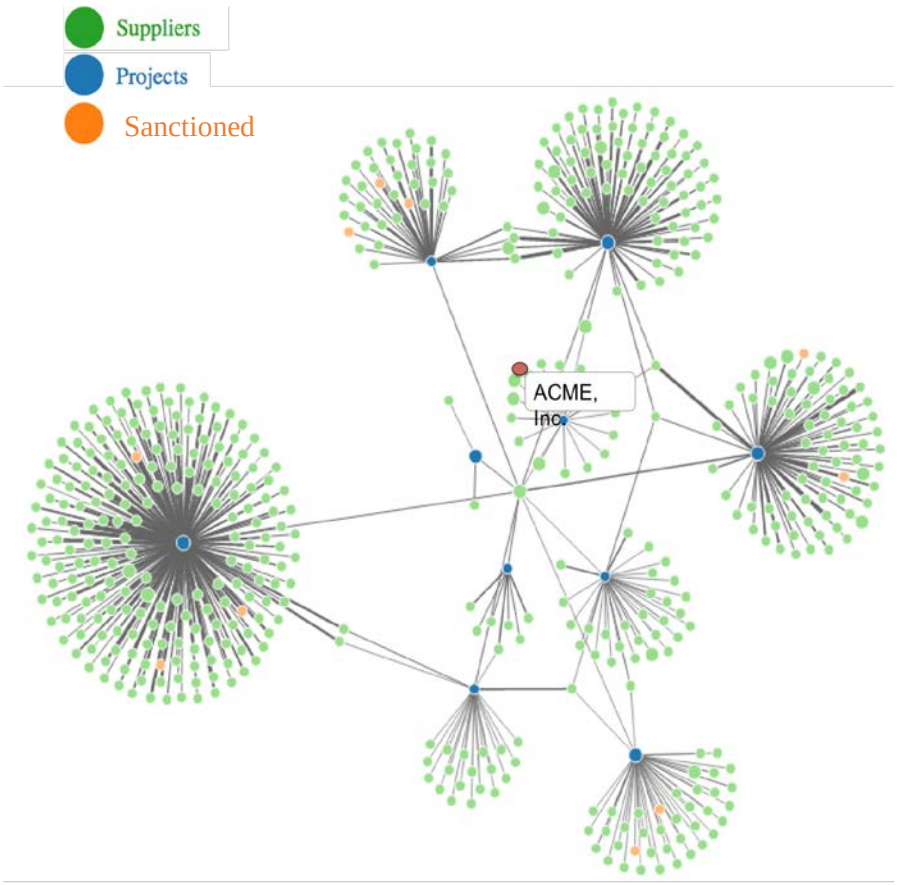
Collusion





Using AI & Data Analytics to Identify & Mitigate risks

Making connections the human eye can't see

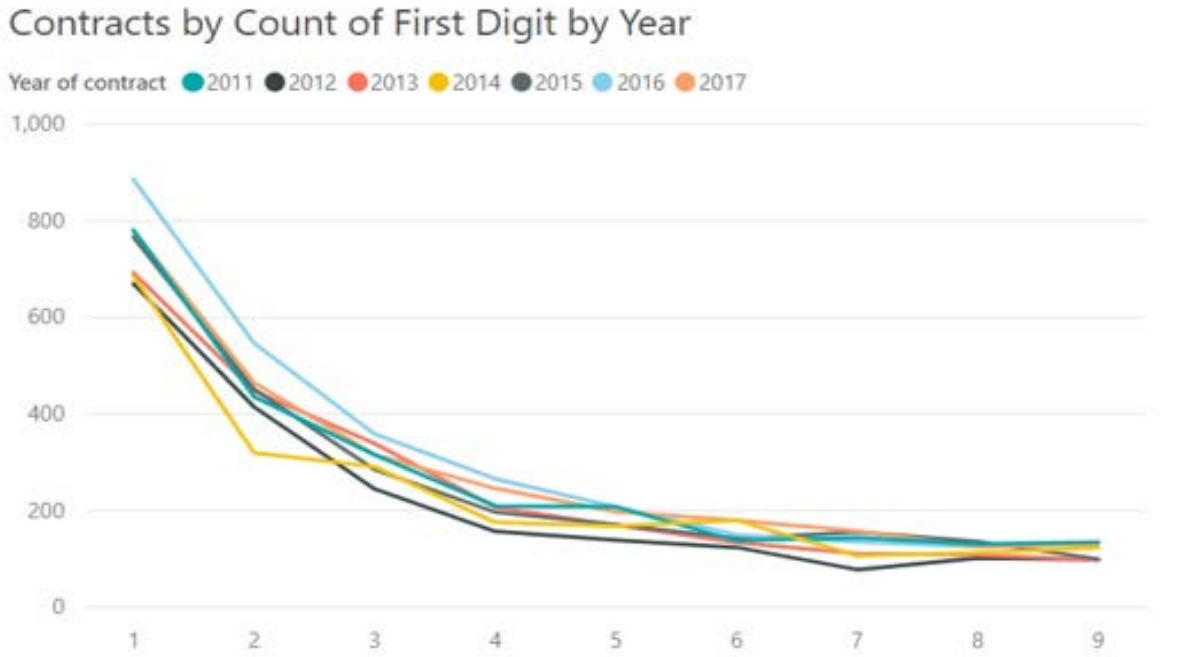


More connections possible…

- Beneficial ownership information
- Property records
- Civil and administrative actions
- News reporting
- Social Media

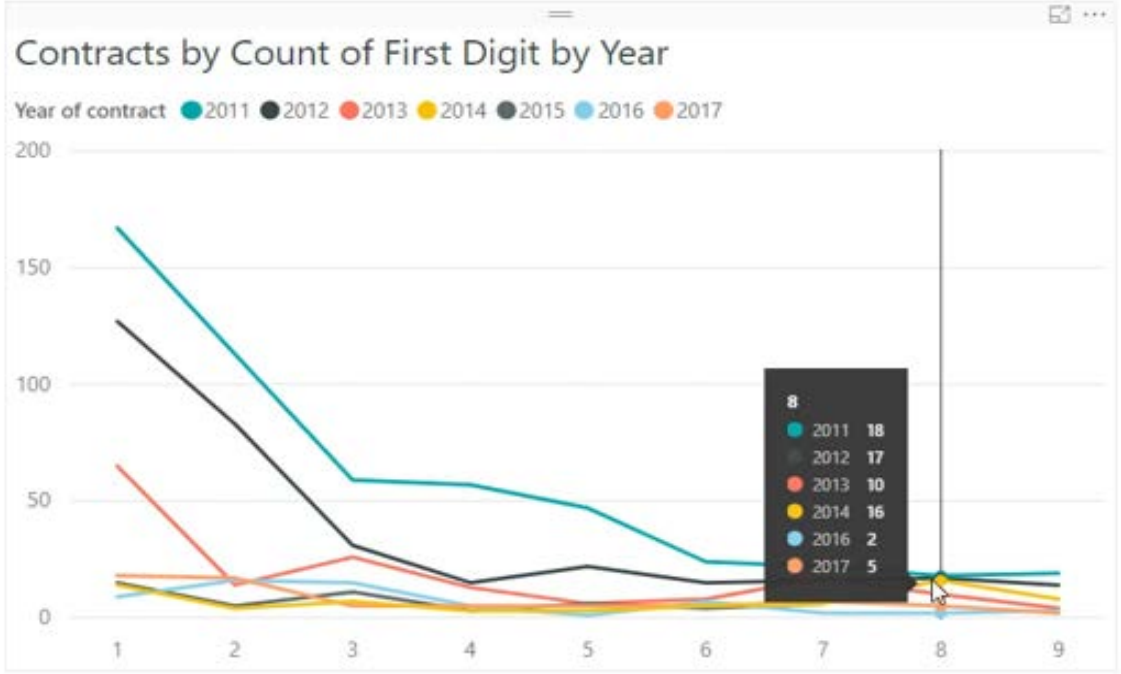
Using AI & Data Analytics to Identify & Mitigate risks

Benford's Law



Using AI & Data Analytics to Identify & Mitigate risks

Benford's Law: Identifying Anomalies



Building a Culture of Integrity

WHAT AWAITS THE NEXT GENERATION?

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THANK YOU

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