

## Covid-19 Emergency Support Packages in West and Central Africa

### An overview and analysis of fraud and corruption risks

The outbreak of the Covid-19 pandemic raises many challenges for governments around the world, with West and Central Africa making no exception. The critical consequences of the pandemic have particularly affected vulnerable and disadvantaged groups and communities, which already faced difficult living conditions sometimes aggravated by fragile security and conflict contexts. In order to sustain the health and livelihood of their citizens and avoid economic collapse, most West and Central African countries have taken significant measures over the past months.

This analysis provides an account of the measures setting up “emergency support packages” and economic safety nets in West and Central Africa, with a focus on the associated corruption risks. Such measures often include direct cash disbursements, short and medium-term forgivable loans and deferment of payments, as well as tax rebates. The need for urgent action with a rapid impact has been identified as a factor potentially leading policy and decision makers to overlook oversight and accountability mechanisms. Hence, the adoption and implementation of emergency support packages risks becoming a thriving ground for misuse, fraud and corruption.

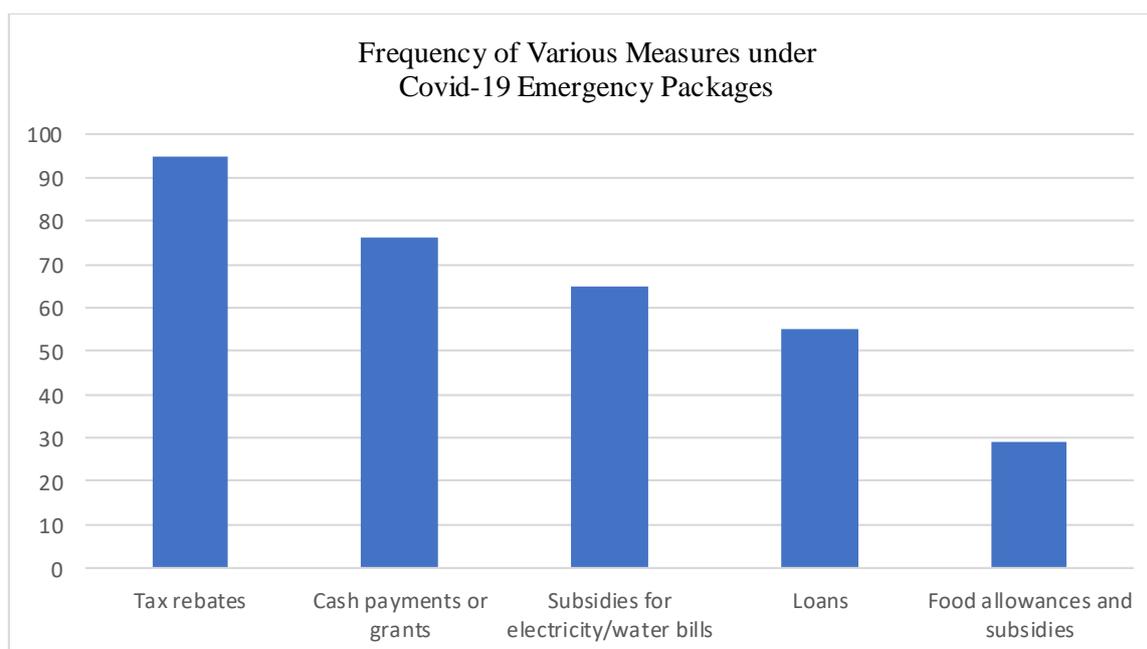
The data was compiled by UNODC through a questionnaire transmitted in May 2020 to anti-corruption agencies and government representatives of West and Central African countries, as well as civil society organizations (CSOs). The following study is based on the answers received, combined with direct research on existing emergency packages and Covid-19 regulations. The survey covers **21 countries**, namely **Benin, Burkina Faso, Cabo Verde, Cameroon, Central African Republic, Chad, Côte d’Ivoire, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone and Togo.**

The analysis takes a closer look at: (1) the measures adopted under the emergency packages, including the types of measures taken, the targeted beneficiary groups, as well as the entities responsible for their implementation; (2) the existence of a legal basis for such measures; (3) the institutional frameworks in place for the oversight and monitoring of the disbursement of the funds as well as the implementation of the support packages; and (4) the risks of fraud and corruption emerging from this assessment.

## 1. Covid-19 emergency support packages

According to the answers provided, all surveyed countries have adopted Covid-19 emergency support packages. Graphs 1 and 2 show that a vast majority of countries in the region (i.e. 19 out of the 21 countries participating in the survey) have used tax rebates as support measures, while 16 of them, more than two thirds, have had recourse to cash payments or grants.

Other measures adopted by countries in the region include subsidies for electricity and water bills, introduced by 13 countries, loans, chosen by 11 countries, as well as food allowances and subsidies, introduced by six countries.



Graph 1. Frequency of various measures under Covid-19 emergency support packages, in %

	<i>CASH PAYMENTS OR GRANTS</i>	<i>FOOD ALLOWANCES AND SUBSIDIES</i>	<i>LOANS</i>	<i>SUBSIDIES FOR ELECTRICITY/ WATER BILLS</i>	<i>TAX REBATES</i>
<b>BENIN</b>	✓		✓	✓	✓
<b>BURKINA FASO</b>	✓			✓	✓
<b>CABO VERDE</b>	✓			✓	✓
<b>CAMEROON</b>	✓				✓
<b>CENTRAL AFRICAN REPUBLIC</b>			✓		✓
<b>CHAD</b>				✓	✓
<b>CÔTE D'IVOIRE</b>	✓		✓		✓
<b>GABON</b>	✓			✓	✓
<b>GAMBIA</b>	✓	✓			✓

GHANA	✓		✓	✓	✓
GUINEA	✓		✓	✓	✓
GUINEA-BISSAU		✓			
LIBERIA		✓	✓		✓
MALI	✓			✓	✓
MAURITANIA	✓			✓	✓
NIGER			✓	✓	✓
NIGERIA	✓	✓	✓		✓
SAO TOME AND PRINCIPE	✓		✓	✓	
SENEGAL	✓	✓	✓	✓	✓
SIERRA LEONE	✓	✓	✓		✓
TOGO	✓			✓	✓

Graph 2. Overview of Covid-19 measures country by country

In most of the surveyed countries, individuals and small and medium-size businesses are the main beneficiaries of these measures, with large businesses and industries not far behind (see graph 3 below). Moreover, almost all countries have allocated new *ad hoc* budgets to health services, including for the provision of additional supplies and medical equipment.

	INDIVIDUALS	SMALL AND MEDIUM-SIZE ENTERPRISES	LARGE BUSINESSES AND INDUSTRIES
BENIN	✓	✓	✓
BURKINA FASO	✓	✓	
CABO VERDE	✓	✓	
CAMEROON	✓	✓	✓
CENTRAL AFRICAN REPUBLIC	✓	✓	✓
CHAD	✓	✓	
CÔTE D'IVOIRE	✓	✓	✓
GABON	✓	✓	✓
GAMBIA	✓		
GHANA	✓	✓	
GUINEA	✓	✓	✓
GUINEA-BISSAU	✓		
LIBERIA	✓	✓	
MALI	✓	✓	✓
MAURITANIA	✓	✓	
NIGER	✓	✓	✓
NIGERIA	✓	✓	✓
SAO TOME AND PRINCIPE	✓	✓	
SENEGAL	✓	✓	✓
SIERRA LEONE	✓	✓	
TOGO	✓	✓	

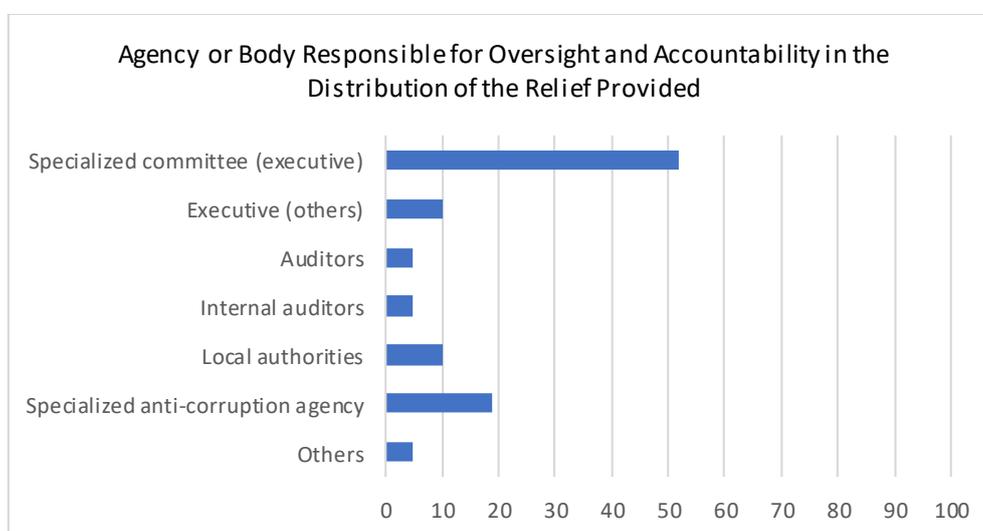
Graph 3. Beneficiary targets for the emergency support packages per country

The ever-evolving situation due to the continuous nature of the crisis, as well as the lack of precise data on budgeted and disbursed funds, make it difficult to determine the exact amounts committed for the emergency support packages. To date, the estimates collected range from USD 1.8 million to USD 3.1 billion. Some countries have made very significant investments, as is illustrated by Côte d’Ivoire’s support package being worth around 5% of its GDP.

Various regional and intergovernmental organizations have also provided support to national authorities in mitigating the consequences of the pandemic in West and Central Africa, including the International Monetary Fund (IMF), the World Bank and the West African Economic and Monetary Fund (WAEMF). The African Development Bank (AfDB) has launched a USD 3 billion “[Fight COVID-19 Social Bond](#)” and created a USD 10 billion Covid-19 Response Facility in order to assist governments and the private sector.

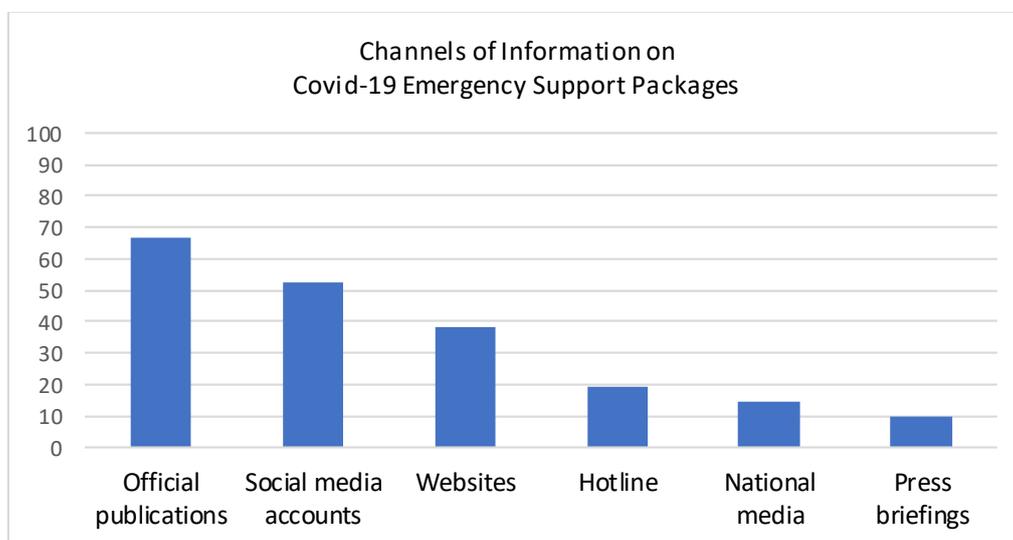
The setting-up and disbursement of the national emergency packages funds are generally carried out by entities composed of high-ranking national officials (see graph 4 below). While some countries relied upon existing institutions, for example Cameroon where the Ministry of Territorial Administration is responsible for oversight and accountability, other countries appointed special committees as part of an active response to this crisis, for instance Nigeria’s “*Presidential Task Force against Covid-19*”. These bodies often involve relevant ministries and representatives of the health sector. In The Gambia, a Special Committee was created, composed of the Permanent Secretaries of the Ministries of Health and Finance, the Accountant General, the Director General of The Gambia’s Public Procurement Authority, the Director of Health Services and the Director General of the Internal Audit Office.

Some countries have also relied upon existing local authorities. For instance, in Sierra Leone local councils have provided lists of target beneficiaries for the funds. Several countries have involved civil society organizations and/or auditors. In Côte d’Ivoire, for example, international audit firms have been appointed to support the management of rescue packages.



Graph 4. Agencies or bodies responsible for oversight and accountability in the distribution of relief provided, in %

In most countries, the public is informed about the existence and use of emergency support packages through institutional websites, social media accounts and official publications, while some States have created hotlines to disseminate information widely and efficiently. In Liberia, the Executive Committee on Coronavirus response (ECOC) holds regular press briefings (see graph 5 below).



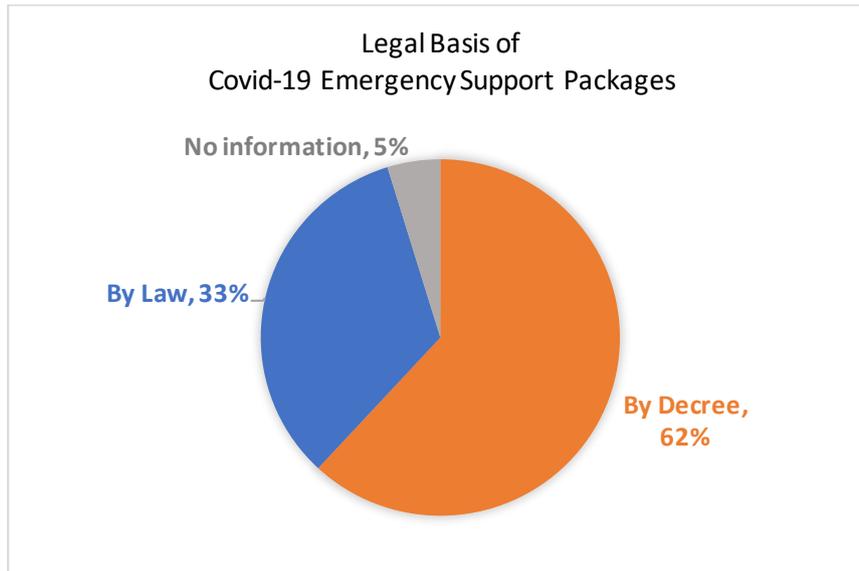
Graph 5. Frequency of use of channels of information on Covid-19 emergency support packages, in %

## 2. Legal frameworks to mitigate the impact of the pandemic

Around two thirds (62%) of the surveyed countries in West and Central Africa have adopted emergency support packages by decree, thus relying considerably on the executive. In fact, the wide majority of States in the region have declared a state of emergency, or a state of (public) health emergency. Even though they can differ in their constitutional consequences, both often entail an increase in decisions taken by decree.

Other surveyed countries have involved their national Parliaments and followed a legislative process for the adoption of such measures (see graph 6 below). In Cabo Verde for instance, the National Assembly held a special plenary session on 1 April 2020, and authorized the declaration of a state of emergency, while debating and approving legislative proposals by the government, including [emergency measures](#) in response to the pandemic and its socio-economic consequences.

In Senegal, the National Assembly voted a law enabling the President to exceptionally legislate by decree, while in Liberia the President addressed a letter to lawmakers, seeking and obtaining their approval of the suggested stimulus package.



Graph 6. Legal basis of Covid-19 emergency support packages, in %

Measures were sometimes taken in a complex political context, for instance slightly after or in the middle of presidential election campaigns, as Togo held its presidential elections on 22 February 2020, Guinea its legislative elections and a constitutional referendum on 22 March, and Mali its legislative elections a week later.

Voices have risen in the media and among civil society organizations to express the need for more scrutiny of governments' executive decisions, particularly in countries where a state of emergency was declared.

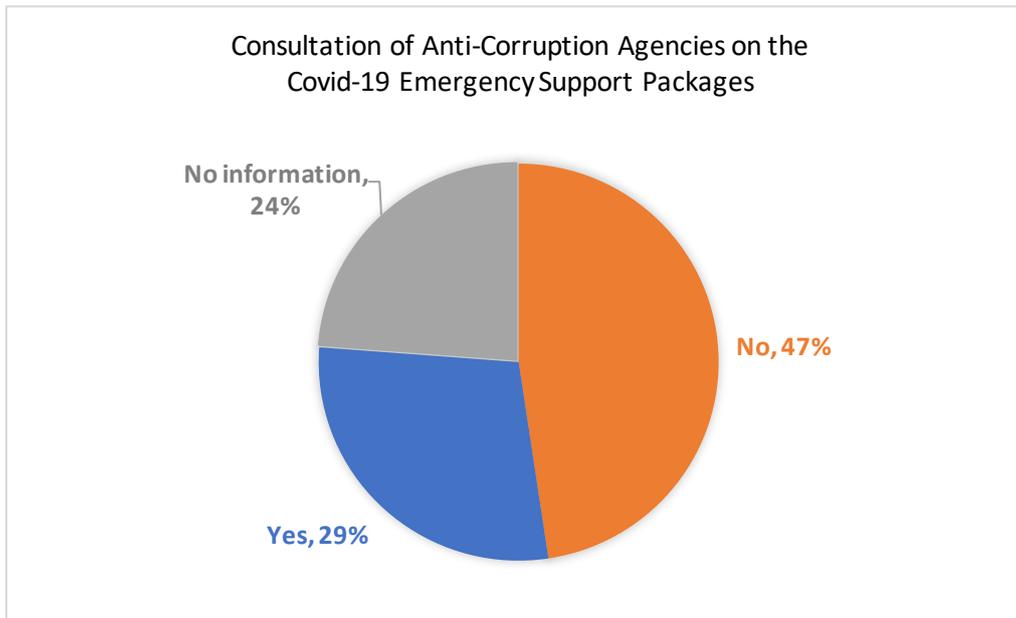
### 3. Institutional oversight and accountability

About half of the surveyed countries have put in place specific safeguards to prevent fraud and corruption in the disbursement of the emergency packages' funds. On several occasions, anti-corruption agencies and CSOs have been consulted and involved in the discussions on the adoption of such oversight and accountability mechanisms.

The safeguards, and their monitoring, often rely on existing national institutions, notably anti-corruption agencies and internal auditors. In some countries, alternative solutions have been identified, like in Benin, where an *ad hoc* inter-ministerial committee oversees the mechanisms to prevent fraud and corruption, regularly reporting in the national media on the funds distributed and their use. In Côte d'Ivoire, the government decided to resort to the support of international audit firms.

## Involvement of anti-corruption agencies

Graph 7 shows how almost one third of the consulted countries confirmed having involved national anti-corruption agencies in consultations on the design and management of emergency support packages, notably with a view to ensuring oversight and accountability.



Graph 7. Consultation of anti-corruption agencies on the Covid-19 emergency support packages, in %

In some countries, anti-corruption agencies played an even more active role, providing practical guidance tools to uphold integrity and ensuring oversight, as per their mandate.

The Liberian Anti-Corruption Commission (LACC) designed guidelines for the Executive Committee on Coronavirus response, mandated to prevent the risks of fraud and corruption in the distribution of funds and food. In Nigeria, the Independent Corrupt Practices and Other Related Offences Commission (ICPC) developed an anti-corruption protocol for the Presidential Task Force in charge of monitoring procurements and financial transactions, introduced corruption prevention guidelines on Covid-19 relief measures, advised frontline agencies on intervention funds management, and set up a monitoring team with third-party observers to report abuses and offences.

Burkina Faso's High Authority for State Control and the Fight against Corruption (ASCE-LC) has requested the appointment of a manager in charge of handling Covid-19 special packages, as well as enhanced preventive measures to ensure transparency in the disbursement of the emergency funds. On a monthly basis, the Minister of Health informs the ASCE-LC of the specific use of these funds. The authority can also launch unannounced audits at any given time. Similarly, the Anti-Corruption Commission of Sierra Leone monitors the expenditures managed by the National Commission for Social Action (NACSA), ensuring a grievance

redress mechanism in real time, or reporting irregularities to the competent authorities for further investigation.

### Reporting mechanisms

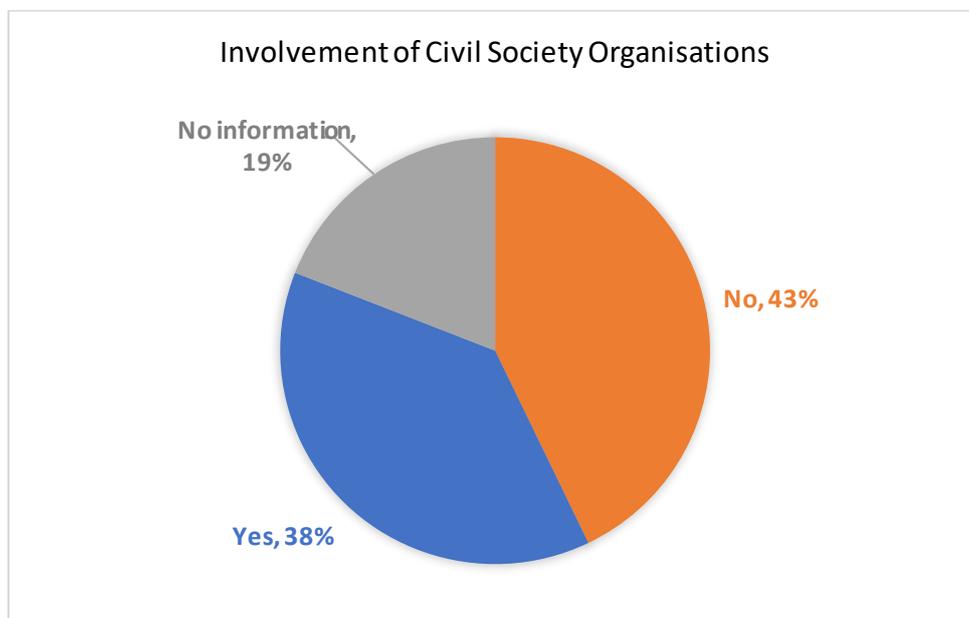
Most West and Central African countries resorted to their national anti-corruption agencies and existing mechanisms to report fraud and corruption in the disbursement of the funds. However, some have implemented special reporting channels specifically to face the Covid-19 context and challenges.

While Cameroon primarily referred to existing (toll-free) hotlines of the police, the gendarmerie and the National Anti-corruption Commission (CONAC) to report misconduct, several States, notably Ghana, Liberia, Nigeria, Sierra Leone and Togo, have established a special hotline.

The Nigerian ICPC can also be contacted via Twitter and other social media, or even through a direct reporting channel to the Commission’s Chairman. In Benin, alongside the possibility of contacting the anti-corruption agency, claims may also be brought before the judicial body with specialized competence on economic crime. The Liberian LACC specified it already initiated criminal investigations following whistleblowers’ reports or detected irregularities in the use of emergency funds.

### Involvement of CSOs

Eight out of the 21 West and Central African countries surveyed, i.e. about 38%, have involved civil society organizations in the monitoring of the implementation of the funds under the Covid-19 emergency support packages (see graph 8 below).



Graph 8. Involvement of civil society organizations, in %

In addition to their essential role in disseminating information and increasing public awareness on the pandemic, in some countries CSOs have played an active oversight role by being involved in committees appointed to monitor the implementation of Covid-19 rescue measures.

In Liberia for instance, the above-mentioned ECOC, which ensures patient care, stimulus distribution and safety during the pandemic, is headed by the Government General Services Manager and composed of government officials, health experts, security personnel, public relations specialists, CSOs and citizens. Similarly, the Togolese multidisciplinary response committee in charge of verifying, approving and counting orders and deliveries and performing management audits also involves the National Consumers and Environment Alliance (ANCE-Togo).

Furthermore, in Senegal, a committee was set up to monitor the distribution of food and other supplies to vulnerable people. A group of CSOs is involved in this committee; representatives of these organizations participate in the identification of needs and distribution of supplies at the local level, detecting difficulties, flaws and cases of mismanagement along the process and reporting on alleged cases of misappropriation.

In Burkina Faso, a management unit, composed by Members of Parliament, government officials, several professional organizations as well as CSOs was created to monitor the use of emergency funds. The National Network for the Fight Against Corruption (REN-LAC), a national network of CSOs, publishes the results gathered on the use of the funds and ensures the monitoring with citizens to uphold accountability.

#### 4. Fraud and corruption risks

The study shows how West and Central African countries have made significant efforts to respond to the pandemic and its detrimental consequences, by launching emergency support packages to protect the welfare of their citizens and the sustainability of businesses.

Despite the necessity to react quickly, a third of these countries have taken the initiative to undergo a parliamentary process and hence base these packages on legislation. Moreover, some States have introduced specific safeguards to prevent fraud and corruption, including by appointing *ad hoc* committees responsible for oversight and accountability in the distribution of the relief provided. About a third of the surveyed States consulted or involved national anti-corruption agencies and civil society organizations in the establishment of mechanisms to monitor and report irregularities.

Relevant risks of fraud and corruption remain, notably with regard to the allocation, distribution and use of emergency funds. Several national anti-corruption agencies have received complaints regarding the implementation of Covid-19-related measures or are aware of complaints made to other state agencies in their country. Similarly, representatives of CSOs

consulted within the framework of this survey have raised concerns with regard to the vulnerabilities of national rescue packages to fraud and corruption.

The table below provides an overview of the main risks associated to emergency support measures, as identified by the respondents within the framework of this survey:

#### **Corruption, trading in influence and related conducts**

- Simplified procurement rules, such as negotiated procedures or direct selection, providing room for the use of corruption to obtain the contracts;
- Procurement officers soliciting/receiving bribes or undeclared gifts and other undue advantages;
- Non-eligible beneficiaries circumventing regulations to obtain illegitimate access to Covid-19 support, in connivance with officials in charge of the payments;
- Eligible beneficiaries being asked to pay bribes to access the support they are entitled to.

#### **Embezzlement and misappropriation of funds and property**

- Third-party donations being diverted from the targeted beneficiaries;
- The extra profit made from the distribution of medical supplies being embezzled;
- Companies receiving government support not passing on this support to their employees as the support packages intend;
- Under the cover of the Covid-19 emergency packages, loan repayments for projects being unduly foregone;
- Inflated claims – requesting payment for services or goods higher than the agreed upon cost identified in the contract;
- Palliative care for Covid-19 patients being diverted.

#### **Conflicts of interest and related**

- Conflict of interest in the evaluation process (e.g. nepotism/favoritism or undue political influence);
- Political appointees joining boards of companies bailed out by the government;
- Emergency support packages being distributed on the basis of ethnicity and political affiliation.

#### **Enablers and facilitators of corruption and other criminal acts**

- Haste given the urgency of the situation and lack of time to go through the enormous number of applications, offering more room to embezzlement and bribery;
- Simplified procurement rules, such as negotiated procedures or direct selection, increasing the risks of embezzlement or that bribery is used to obtain the contracts;
- Abuse/excessive use of non-competitive bidding procedures, including by applying emergency-related considerations in the decision to opt for single source or limited source tendering;
- Weak oversight and reporting mechanisms.

### Consequences of misconduct

- Legitimate beneficiaries do not access the full support they would be entitled to

### Misuse of ICTs

- The use of social media, while efficient to raise awareness, opens the door to phishing, misinformation and further fraudulent activities by various interest groups and criminal organizations.

## 5. Conclusion

Emergency relief and post-crisis management efforts often come with enhanced risks of fraud and corruption. If left unaddressed, these risks can affect the integrity of the management of large-scale funds established to help addressing the socio-economic impact of Covid-19. The consequences can be even more far-reaching, affecting all sectors of public governance, long after the pandemic will have faded away.

In West and Central Africa, all surveyed countries have adopted Covid-19 emergency support packages, including tax rebates, cash payments or grants, loans, subsidies for water or electricity bills, and/or food allowances. In most of the surveyed countries, individuals and small and medium-size businesses are the main beneficiaries of these measures, with large businesses and industries not far behind. Moreover, almost all countries have allocated new *ad hoc* budgets to health services, including for the provision of additional supplies and medical equipment.

It is important to set up and implement adequate legal and institutional frameworks in order to prevent and mitigate fraud and corruption risks related to public health crisis management and economic rescue measures. By doing so in a reasonable timeframe, allowing for the involvement of all relevant stakeholders, including anti-corruption bodies, civil society and the private sector, and strong monitoring and evaluation processes, governments can ensure that their responses to current and potential future health emergencies effectively sustain public health, national economies, and the well-being of the affected communities.

In West and Central Africa, around two thirds (62%) of the countries surveyed have adopted emergency support packages by decree, thus relying considerably on the executive, while about one third followed a legislative process for the adoption of such packages (33%). The role of parliamentarians could be strengthened in the oversight over the design and implementation of Covid-19 emergency support packages, especially if the crisis persists in the longer term.

About half of the surveyed countries have put in place specific safeguards to prevent fraud and corruption in the disbursement of the emergency packages' funds. This is positive, while it also indicates that the other half of the surveyed countries could strengthen safeguards against fraud and corruption.

Almost one third of the surveyed countries involved national anti-corruption agencies (29%) in consultations on the design and management of emergency support packages, and civil society organizations (38%) in the monitoring of the implementation of the funds under the Covid-19 emergency support packages. Although this is a positive sign, it leaves room for increased involvement of anti-corruption agencies and civil society organizations to ensure oversight and accountability regarding the management of these packages.

Overall, West and Central African countries provided many examples of constructive engagement of parliamentarians, anti-corruption agencies and civil society organizations in their responses to the Covid-19 crisis. At the same time, the role of these actors could be further strengthened across many countries in the region to ensure transparency, integrity and accountability in the design and implementation of emergency support packages.