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USAID GUIDE TO COUNTERING CORRUPTION ACROSS SECTORS

September 27, 2022

Acknowledgements

This *USAID Guide to Countering Corruption Across Sectors* - the first product in a suite of technical guidance aimed at transforming Agency anti-corruption approaches and programming - was developed and written by USAID's Anti-Corruption Task Force (ACTF), with the contributions of staff from Offices, Bureaus and Missions across the Agency. Sincere thanks are given to ACTF Integration Officers Valerie Chien, Janine Mans, Natalie Eft, Seth McIntyre, Anamaria Andrei, and Jennifer Nikolaeff for their technical contributions to the research and sectoral guidance included in this integration guide and affiliated sectoral handbooks; to sectoral and Bureau colleagues across USAID offices and missions; to ACTF staff for their inputs and review; to ACTF Deputy for Programs and Pillar 1 Lead Jennifer Lewis for her technical contributions and overall leadership of this guide and the ACTF's integration agenda; and to ACTF Executive Director Shannon Green for her steadfast marshaling of USAID's anti-corruption agenda.

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Foreword

In launching the first U.S. Strategy on Countering Corruption, the White House noted, “Corruption is a cancer within the body of societies—a disease that eats at public trust and the ability of governments to deliver for their citizens. The deleterious effects of corruption impact nearly all aspects of society.” Corruption is indeed a cancer - one that sabotages public trust and welfare and denies human dignity. Every year, for example, a shocking \$500 billion in health funding around the world is lost to corruption; resources that could and should be used to save lives.¹ And while corruption continues to undermine democracy and sustainable development in countries around the world, corruption has also metastasized in scope, scale, and in the damage it inflicts. Today, globalized corruption networks operate at the intersection of public theft, crime, and exploitation, robbing countries of their national wealth and communities of their futures. And, as with so many human ills, corruption takes the greatest toll on the most marginalized within society. The reality is that, left unchecked, *corruption threatens to overturn decades of hard-won development progress*, and leave our vision for a more resilient and equitable world as just that—a vision.

In our prior roles as CEO of Global Witness and as Senior Director for Civilians in Conflict, respectively, as well as in our existing roles at USAID, we have been eyewitnesses to some of the most heart-wrenching impacts of corruption on societies; from inciting, fueling, and prolonging insurgencies and conflict, to undermining our ability to effectively address the climate crisis, the global existential threat of our time. Like so many of you, we have dedicated our careers to increasing transparency, accountability, and equity on behalf of individuals and communities who have much to gain but also so much to lose in a world wrestling with threats to democracy and our common future. Our global community simply cannot thrive in a world dominated by corruption.

Yet over the course of our careers, we have also witnessed *the power and transformational impact of decisive, collective action to push back against corruption*. We have witnessed ordinary citizens take to the streets to demand accountability for grave abuses of power in countries all over the world. We have admired the collective work of investigative journalists and activists who investigate and expose corruption rings, at great personal risk. And we have marveled at the heroic acts of individuals, who have made significant personal sacrifices to usher in new reform-minded governments. Repeatedly, brave citizens, journalists, entrepreneurs, activists, and private sector and government reformers have shown that concerted action against corruption can truly alter the course of history. We are united in our belief that harnessing collective human action and power will also allow us to counter the increasingly sophisticated nature of corruption.

And that is where you come in. With USAID’s vast development and humanitarian footprint, our Agency is uniquely positioned to answer this call and to bring the full weight of our investments to

¹ Source: Transparency International 2019 Report: *The Ignored Pandemic*

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bear in countering corruption. This will require an all-hands-on-deck approach, because corruption touches on all aspects and sectors of society, whether in health systems, multinational supply chains, public education, infrastructure projects, or conservation zones. Wherever you sit within our Agency, ***you have a role to play in countering corruption in order to safeguard the many crucial development outcomes our mission promises.*** These efforts will not only help us achieve our sectoral objectives, but they will allow us to meet our anti-corruption ambitions. Only by tackling corruption from all angles can we possibly expose it, prevent it, and ultimately transform our societies into ones that deliver for all.

Shannon N. Green

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SECTION 1: INTRODUCTION

A. USAID's Work and the Anti-Corruption Imperative

Fighting corruption and enhancing transparency, accountability and good governance have always been part of USAID's mission. As the world's largest bilateral donor, USAID has long understood that corruption not only corrodes democracy, but also undermines development outcomes across all sectors - including in health, education, economic growth, biodiversity, climate adaptation and inclusive development. We also know that corruption impedes the delivery of food assistance and life-saving relief and humanitarian aid, including through diversion and the misuse of needed resources.

Corruption is basically development in reverse. It harms long-term economic development, scares away private sector investment, deepens inequality, and even harms the environment... It also disproportionately harms the most marginalized in a society."

-USAID Administrator Samantha Power

USAID's sectoral programs have often treated corruption as either a political or democratic hurdle to be overcome, or as a contextual challenge to be identified, though not squarely addressed. Yet, the pervasive, systemic, resilient and highly-networked character of corruption - and its inroads across all sectors, countries and communities - underscore that corruption cannot be easily circumvented. Indeed, corruption **poses a fundamental constraint to the achievement of country development outcomes across all sectors, the resilience of democracy, and effective responses during times of crises, and therefore to the entirety of USAID's mission.**

At the country level, corruption diverts scarce resources for essential public services and infrastructure, robbing communities and nations of resources that should be used for development and leaving them dependent on foreign aid. The World Economic Forum, for example, estimates that corruption costs [a shocking \\$3.6 trillion annually; or 5% of the world's GDP](#). Likewise, the United Nations Conference on Trade and Development (UNCTAD)'s [Economic Development in Africa Report](#) has noted that every year an estimated \$88.6 billion — equivalent to 3.7% of Africa's GDP — leaves the continent as illicit capital flight. In addition to fueling this outflow, corruption stifles growth-enabling private investment, undermines local businesses and entrepreneurs, and impedes the use of natural resources for development.

Corruption is also a major obstacle to democracy and rule of law. Specifically, it erodes key democratic values and norms around transparency, accountability and citizen-responsive governance. It undermines the trust that communities have in their public institutions, such as the judiciary, the police, and legislatures. It often funds or enables labor and human rights violations, as well as the trafficking of wildlife, arms, drugs and people. It diminishes the integrity of elections and undermines the will of the people. And it provides a way for corrupt actors and organizations - including authoritarians - to profit from crime, terror and exploitation. This is harmful in established democracies and even more so in countries combating authoritarianism. Corruption intensifies social inequities, with undue consequences for women, minorities and marginalized communities and erodes the hopes that youth have in their future.

Finally, across all sectors, corruption deprives citizens of equitable access to critical public services such as water and healthcare, and diverts scarce public resources and goods, including during emergencies and humanitarian disasters. Corruption is particularly pernicious to efforts that safeguard biodiversity and halt the effects of climate change. Corruption subverts access to primary education, nutrition, sanitation services, and access to credit. Indeed, across all sectors, it is corruption that fundamentally undermines country development objectives.²

And while systemic corruption remains a pervasive challenge in countries around the world, corruption has also morphed in both scope and scale, transforming into a global phenomenon beyond the exclusive purview of individual countries or communities. Transnational corruption and related kleptocracy, organized crime and strategic corruption³ have dramatically increased over the last two decades, with corrupt actors and autocrats exploiting weaknesses in the global financial system to launder and hide the proceeds of their graft. The increasingly globalized nature of corruption - fueled by international networks of illicit finance, crime and exploitation, and leveraged by autocrats around the world - has created an untenable situation, one in which corrupt government officials, business leaders and kleptocrats are getting rich at the expense of citizens' well-being, democratic governance, and the achievement of human development outcomes.

For all of these reasons, countering corruption - including assessing risks and opportunities and applying anti-corruption approaches across sectoral programming - is an imperative for USAID. This commitment reflects equal acknowledgment that (1) *USAID cannot meet its development or humanitarian objectives without adequately addressing corruption*; and that (2) *Effectively countering corruption requires us to tackle the problem from multiple angles and across all sectors*.

B. New Anti-Corruption Directions

The groundbreaking 2021 [United States Strategy on Countering Corruption](#) (the U.S. Strategy) lays out a comprehensive approach for how the United States will work domestically and internationally with governmental and non-governmental partners to prevent, limit, and respond to corruption, including a special focus on countering transnational corruption networks and dynamics. Strategic

² More analysis on specific sectoral impacts is provided in [Section 4](#), and in sectoral integration handbooks that accompany this guide.

³ The U.S. Strategy on Countering Corruption defines strategic corruption as “when a government weaponizes corrupt practices as a tenet of its foreign policy”.

Objective 1.5 of the U.S. Strategy, titled *Integrate an anti-corruption focus into regional, thematic, and sectoral priorities*, states that “The United States will support the integration of anti-corruption goals into the strategies, implementation, and learning of non-democracy sectors (e.g., health, education, economic growth) to improve sectoral outcomes and tackle corruption from multiple angles.”

In June 2021, USAID Administrator Samantha Power created the agency-wide Anti-Corruption Task Force (ACTF) to work across Bureaus, Independent Offices, and Missions, to elevate, integrate and strengthen USAID’s work in countering corruption, and to deliver on the promise and ambition of the U.S. Strategy. As part of this mandate, the ACTF is working with colleagues across the Agency to enhance USAID’s programmatic responses and resources to address the increasingly transnational nature of corruption. As detailed in our new [USAID Anti-Corruption Policy \(forthcoming\)](#), this includes seeking out opportunities to augment and adapt existing efforts focused on addressing corruption within a nation’s boundaries to also counter corruption that cuts across borders.

As currently noted in the forthcoming Policy, USAID’s anti-corruption work will be focused on advancing the overarching goal of **protecting resources crucial for development and restoring the promise of democracy as a system that works in the public interest**. This goal will inform our work across all sectors, with interventions at the global, regional, and country⁴ levels aligned with three mutually reinforcing objectives:

- **Constrain opportunities:** USAID will reduce opportunities for those with entrusted power to engage in corrupt behavior, launder the proceeds of their crimes, and enjoy their ill-gotten gains.
- **Raise the costs:** USAID will impose consequences on corrupt actors – both as a means of accountability and as a deterrent – and increase the stakes of inaction.
- **Incentivize Integrity:** USAID will create positive inducements for controlling corruption and improving governance in the public and private sectors.

In order to achieve these objectives, USAID is also transforming its work **to address the inherently trans-sectoral nature of corruption**. Deepening and accelerating integration of anti-corruption across sectors - both to further sectoral outcomes and to tackle corruption from multiple angles - is central to this agenda.

SECTION 2: PURPOSE AND ORGANIZATION

The purpose of this guide is to lay out practical, practitioner-oriented guidance for USAID staff, implementers, and the broader anti-corruption community on ways to identify opportunities to address corruption across sectors and to bring anti-corruption concepts into sectoral programming. This guide recognizes and seeks to build on USAID’s successful experiences addressing corruption - including in the natural resources context (e.g., extractives, wildlife trafficking and illegal fishing and logging), in the economic growth and health sectors, and in humanitarian assistance - and *to boost and catalyze the integration of anti-corruption approaches across all sectors and Agency lines of work*.

⁴ USAID’s work at the country level includes national-level interventions as well as sub-national activities.

USAID Guide to Countering Corruption Across Sectors

This guide seeks to articulate corruption challenges and issues across different USAID sectors and lines of effort; explore points of entry for addressing them; spur thinking and creativity in decision-making around integration; and present high-level programmatic options for integrating anti-corruption approaches across USAID's portfolio. This guide is therefore intended as the overarching frame for a nested series of sector-specific handbooks that will describe in more detail particular sectoral corruption risks, challenges, and considerations, as well as programmatic options for addressing them. Informed by both the U.S. Strategy and the USAID Anti-Corruption Policy (forthcoming), these products as a whole will form part of a larger suite of USAID programmatic and policy guides aimed at transforming, adapting and strengthening our ability to address corruption. This Guide will be complemented by USAID's Anti-Corruption Program Cycle Guide (forthcoming) and USAID's Safeguarding Reference Guide (forthcoming). This Guide is also intended to work with, reinforce, and bolster existing and planned sectoral guidance on anti-corruption. Deliberately designed as a modular, living suite of documents, this guidance will continue to evolve and expand as the Agency's elevation of anti-corruption progresses.

SECTION 3: DEFINING CORRUPTION AND THE UNIVERSE OF PROGRAMMING

A. What Corruption Is

There is no single, agreed-upon definition of corruption. Historically, USAID has defined corruption as *the misuse of entrusted authority for personal gain* (see, e.g. USAID’s Anti-Corruption Strategy (2004) and Anti-Corruption Practitioners Guide (2015)). However, this definition does not fully encompass either the multiple actors involved in corruption or the linkages with political (including potentially transnational) power. The prior definition, for example, focuses exclusively on the behavior of public officials, yet it is clear *that corruption often involves not just elected officials and public sector employees, but also private sector entities and corporations, financial institutions, service providers, citizens, and even external foreign actors*. All these categories of actors can play a role in corruption - either by actively participating in and perpetuating it as willing partners, or by allowing, facilitating or even enabling it. Similarly, the prior definition’s focus on personal gain belies the increasingly political drivers of corruption, including linkages to both powerful elites who seek to retain their hold within countries, and external actors who seek to subvert institutions and actors for their political purposes.

As such, in line with the U.S. Strategy and elaborated in our new [USAID Anti-Corruption Policy \(forthcoming\)](#), the Agency defines corruption as “the abuse of entrusted power and influence for personal or political gain”. Whether corruption is perpetuated by public officials or external actors, in all cases its defining characteristic is that it seeks to subvert the public good in service of narrow personal, economic, and political interests. At the heart of this definition is the exploitation of power – both formal and informal – to divert, misappropriate, or capture resources, goods, and access that should be used in service of the public good. This definition recognizes that corruption can take multiple forms (see textbox), all of which carry significant societal and human costs. At its core, corruption is a cross-cutting phenomenon that affects every sector and element of society. It occurs at the national, sub-national, and community levels, and no sector is exempt. While always challenging, it is particularly difficult to address when it is endemic (rather than sporadic), and/or rooted in cultural norms and values that make it hard to disrupt.⁵

⁵ For useful definitions of these and other corruption terms, please refer to [U4’s Corruption Glossary](#).

In any given country or context, what constitutes corruption - and what distinguishes it from crime generally, or from unsavory behavior more broadly - is generally defined by both legal and normative traditions, which can often be at odds. Legal definitions tend to relate to specific categories of corrupt acts that might be sanctioned. For example, a country's legal framework might define corruption as including such acts as bribery, fraud, embezzlement of public funds, nepotism and patronage, or abuse of office. At the same time, social norms that value supporting family relationships over all else may contribute to actions that may be seen as socially acceptable but are legally sanctionable. There may also be actions that society believes to be corrupt (or that it believes should be legally defined as corrupt) that are not covered under anti-corruption laws.

US Strategy on Countering Corruption: Forms of Corruption

Corruption can occur within countries or transnationally. **Transnational corruption** crosses borders, involves global networks, and employs sophisticated schemes to siphon off the wealth of a country from its rightful owners: the people. Other forms of corruption include:

Grand corruption: when political elites steal large sums of public funds or otherwise abuse power for personal or political advantage.

Administrative corruption: the abuse of entrusted power for private gain—usually by low to mid-level government officials—in interactions with citizens and the private sector, including to skirt official regulations and extort citizens in exchange for basic services.

Kleptocracy: a government controlled by officials who use political power to appropriate the wealth of their nation. Can include state capture.

State capture: when private entities improperly and corruptly influence a country's decision-making process for their own benefit.

Strategic corruption: when a government weaponizes corrupt practices as a tenet of its foreign policy.

Effectively addressing corruption requires understanding both the legal and normative aspects of corruption.⁶ Because corruption may present itself in any system or context, we must be aware of and ready to address corruption challenges both in the use of foreign assistance resources across all sectors and in the local systems we are seeking to strengthen in our partner countries.

⁶ For more see chapter 2 of USAID's Anti-Corruption Assessment Handbook, available here: https://pdf.usaid.gov/pdf_docs/pa00jp37.pdf.

B. What Corruption Is Not

While corruption can take on many different forms according to context and sector, it is important to note that not all acts that result in bad outcomes are due to corruption. There are many forms of illegal acts with negative social effects, for example, that do not meet the definition of corruption. For example, selling narcotics on the street is typically illegal, but unless it is facilitated by a public official for personal or political gain, it is probably not corruption. Likewise, ineffective, and perhaps even negligent delivery of key public services, such as water, electricity or education, may result in bad outcomes and perhaps even be driven by bad intentions (bias, apathy), but may equally be driven by low capacity. For example, one often pointed-to sign of corruption in public procurement is when unit prices significantly exceed costing benchmarks. While this may point to corrupt acts in some cases, it may also be due to weak capacity of officials to appropriately cost or negotiate for certain categories of goods and services and/or temporary deviations in market conditions.

Separating corrupt acts from more benign (yet problematic) forms of public mismanagement or even public misfeasance can be complex. Yet it is important to clearly define the problems of corruption within each sector we seek to address, so as to avoid anti-corruption programming aimed at addressing all public sector governance issues, without actually addressing the issues most related to corruption.

C. The Universe of Anti-Corruption Programming

USAID has a variety of programming aimed at combating corruption. These programs differ based on the scale, complexity and nature of corruption challenges. In some cases, USAID may decide to make anti-corruption the exclusive focus and primary objective of a program (anti-corruption programming). In other cases, USAID may choose to engage in programming that addresses corruption as one of several objectives or purposes (anti-corruption adjacent), or that addresses targeted corruption issues present within one or more sectors (integrated programming). In other cases, USAID may seek to build anti-corruption approaches into a sectoral program that is primarily focused on service delivery outcomes (sectoral programming with anti-corruption elements). Finally, across all Agency assistance - in both the development and humanitarian spaces - USAID must seek to safeguard against corruption and the diversion of U.S. taxpayer funds. [Table 1](#) below summarizes this universe of anti-corruption programming. For further information on the examples cited in the table below, please refer to [Annex 2](#) and [Annex 3](#).

Table 1. Anti-Corruption in USAID Programming

Type	Description	Example
Anti-corruption programming	Has a project purpose with an explicit focus on improving partner country systems and capacity to prevent, detect, investigate and disrupt corruption.	A project aiming to support national level anti-corruption agencies to better identify and investigate cases of corruption (e.g. Indonesia CEGAH).

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Type	Description	Example
Sectoral or cross-sectoral anti-corruption integrated programming	Has a project purpose that focuses on country system strengthening for a sector or set of sectors, and also expressly aims to address corruption and/or advance integrity.	A cross-sectoral program focused on enhancing expenditure controls and anti-corruption safeguards across the health, education, and agriculture sectors, but also addresses other sector finance issues (e.g., Uganda GAPP).
Sectoral programming with anti-corruption elements	Has a project purpose that focuses primarily on improving a set of sectoral outcomes, but which includes activities that address related corruption risks.	A project focused on improving maternal and child health outcomes, in part by working to reduce absenteeism and theft of resources in health clinics (e.g., Pakistan Maternal and Child Health Program).
Anti-corruption safeguards and controls	Required elements of USAID’s regulations, policies and procedures that enable more effective detection, prevention and response to corruption risks in USAID funded assistance activities.	Practices on a project seeking to streamline controls or document and report concerns related to commodity loss, sanction violations, waste, fraud, and abuse, and sexual exploitation and abuse (SEA) (e.g. USAID's Bureau for Humanitarian Assistance (BHA)'s Documenting, Reporting, and Responding to Program Irregularities).

A tool describing considerations to identify the appropriate type of programming to counter corruption is described later in this Guide.

SECTION 4: ANALYZING CORRUPTION ACROSS USAID'S WORK

A. Understanding the scale of the challenge across development sectors

Corruption undermines USAID investments across all sectors and perpetuates a vicious cycle of poverty and dependence on foreign aid. With regards to **economic growth**, for example, the World Economic Forum estimates that corruption costs developing countries an estimated \$1.26 trillion annually. According to UNCTAD's [Economic Development in Africa Report 2020](#), every year an estimated \$88.6 billion — equivalent to 3.7% of Africa's GDP — leaves the continent as illicit capital flight. Moreover, corruption serves as a hidden tax, making it more costly and unpredictable for businesses to establish or conduct their businesses or to access regional and international markets. A [2020 PWC survey](#) found that 30% of businesses had experienced bribery and corruption and that the financial impact of that corruption exceeded \$42 billion, not counting other impacts including on reputation and market share. Research has found that transnational corruption also tends to reduce investments in innovation.⁷

Corruption has a particularly pernicious effect on **democracy, human rights, rule of law and governance** outcomes. In particular, corrupt behavior drives and sustains governance dysfunctionality, impeding the delivery of key public services which is at the heart of public governance. Transparency International, for example, [estimates that 20% of people](#) across 15 countries in Asia paid bribes for access to otherwise free public services such as health care and education in 2019 and 2020. Indeed, the United Nations has estimated that in African countries with high outward illicit finance flows, governments spend 25% less on health and 58% less on education. Of particular concern, data shows a clear correlation between corruption and social exclusion, nativism, populism, and rising authoritarianism.⁸ Indeed, the same governance weaknesses, enablers, networks, tactics and resources that kleptocrats and other corrupt actors exploit domestically are often repurposed by authoritarians to undermine democracy abroad through corrosive capital, bribery, malign influence, election interference and other manifestations of strategic corruption. Today, the increasingly globalized nature of corruption - fueled by international networks of illicit finance, crime and exploitation - has created an untenable situation, one in which corrupt government officials, business leaders, and kleptocrats are getting rich at the expense of citizens' well-being, democratic governance and human rights.

⁷ Habiyaremye, A. and Raymond, W. (2013) Transnational corruption and innovation in transition economies. United Nations University Working Paper Series (noting that a one percentage point increase in bribery decreases R&D by 0.15% and introduction of new products by 0.26%).

⁸ Transparency International (2017) Corruption and Inequality: How Populists Mislead People.

In the **conflict, security and fragility space**, corrupt actors seek to obtain power, influence, monetary and/or commercial gains, wholly or in part by illegal means, while protecting their activities through a pattern of corruption and/or violence. Corruption in this space fuels and funds a range of criminal activities including drug trafficking, human trafficking, human smuggling, wildlife and natural resource trafficking, cybercrime, intellectual property rights violations, extortion, violent crime and money laundering. Corruption can bankroll atrocities, allowing perpetrators to hire violent actors, while also paying off those who would hold them accountable.

In the **water and sanitation** sector, Transparency International has estimated that corruption siphons almost a third of water and sanitation resources, equaling annual losses to the sector in excess of US\$ 75 billion.⁹ This has concrete country-level impacts. For example, in 2013 a reformed public financial management system in Malawi was misused to divert \$55 million in public water funds to the private accounts of officials.¹⁰ In Kenya, the Nairobi City Water and Sewerage Company routinely loses 40 per cent of its supply to theft and leaks while poor residents are forced to buy water from vendors at ten to 25 times the price they would pay the water utility.¹¹

In the **education** sector, corruption contributes to poor education outcomes in many ways, including by diverting funds needed for textbooks and infrastructure, increasing fraud-related teacher absenteeism, and perpetuating systems of bribery and exploitation that unduly affect the poor. A World Bank study recently found that teacher absenteeism was as high as 45% in Mozambique.¹² Disturbingly, a UNESCO study concluded that in Cote d'Ivoire, 47% of teachers had solicited sex for grades from students.¹³ In addition to diminishing key education outcomes for students, corruption in the education sector undermines long standing donor investment. In 2011, for example, forensic auditors in Kenya discovered that more than \$54 million of donor funding for basic education had been misappropriated by ministry officials.¹⁴

In the **natural environment and conservation** sector, corruption facilitates poaching, the illegal timber and fisheries trade, and wildlife trafficking. According to the UN Office of Drugs and Crime (UNODC), the annual illicit income generated from ivory and rhino horn trafficking between 2016 and 2018 was estimated at a total of \$630 million.¹⁵ In the **climate change sector**, the same corruption that has plagued the traditional fossil fuels industry now threatens the green minerals sector, with risks abounding within both climate finance deals and the race for rare minerals. Indeed many of the top green mineral producing countries suffer from continued governance weakness and corruption risks in their mining sectors, leaving them vulnerable to use of corrosive capital, illicit finance, and

⁹ See Transparency International Global Corruption Report 2008; and Corruption in the Water Sector; Water Integrity Global Outlook 2016, available at <http://www.waterintegritynetwork.net/wigo/>.

¹⁰ Ibid.

¹¹ Ibid.

¹² See World Bank 2014 Service Delivery Indicators, available at <https://datatopics.worldbank.org/sdi/>

¹³ See Education sector corruption: How to assess it and ways to address it, Monica Kirya, U4 Issue 2019:5, available at <https://www.u4.no/publications/education-sector-corruption-how-to-assess-it-and-ways-to-address-it.pdf>

¹⁴ Ibid.

¹⁵ UNODC, World Wildlife Crimes Report, Chapter 8: Value chains and illicit financial flows from the trade in ivory and rhinoceros horn, July 2020, available at https://www.unodc.org/documents/data-and-analysis/wildlife/2020/WWLC20_Chapter_8_Value_chains.pdf

strategic corruption to capture concessions, licenses, and exclusive rights to the extraction of these critical minerals.

Corruption is also rampant in the **health** sector. Transparency International estimates that an estimated \$500 billion is lost in health funding to corruption annually, and that everything from fraud to counterfeit medical schemes kills an estimated 140,000 children per year.¹⁶ As evident in the COVID-19 response, corruption diverts millions of dollars of medicines, equipment and services from those that need it most.¹⁷ Corruption also skews who can access health treatment, imposing disproportionate harm on the most vulnerable communities.

In **humanitarian assistance and disaster recovery**, corruption robs sustenance and life-saving aid from the victims of protracted conflicts, natural disasters, drought, and famine, and reduces a community's resilience to withstand conflict shocks and environmental calamities. In Syria, the USAID Office of Inspector General (OIG) found that humanitarian response efforts were undermined by systemic coordinated efforts to illicitly capture life-saving assistance through financial fraud, collusion, bid-rigging and kickbacks.¹⁸ Specific sector-based corruption issues are frequently exacerbated in humanitarian operations. The International Red Cross and Red Crescent Movement, for example, estimates it lost \$6 million of its 2014-2016 Ebola response funds to fraud and corruption. Theft, diversion, and interception of food and commodities is an ever-present concern in humanitarian environments.¹⁹ In 2019, the World Food Program estimated that approximately \$17.5 million per month in food assistance in Yemen was captured by rebel groups.²⁰ Furthermore, there is an inherent risk that malign political influence, often rooted in patronage networks, may exacerbate social inequities and threaten the impartial distribution of humanitarian assistance.²¹ Fatalities due to natural disasters are increasingly found in countries with higher levels of corruption.²² Researchers with the Imperial College London and the University of Boulder estimate 83% of all deaths due to earthquakes between 1980-2010 were located in countries with CPI scores above average for their

¹⁶ See Transparency International, *The Ignored Pandemic*, March 2019, available at <https://ti-health.org/content/the-ignored-pandemic/>

¹⁷ See e.g. Thornycraft, P. (2020, August 7), *Fury as Corruption Scandals Undermine South Africa's Coronavirus Fight*, The Telegraph, available at <https://www.telegraph.co.uk/global-health/science-and-disease/fury-corruption-scandals-undermine-south-africas-coronavirus/>; see also Harris, B. and Schipani, A. (2020, July 7), *Coronavirus Corruption Cases Spread Across Latin America*, Financial Times, available at <https://www.ft.com/content/94c87005-7eb1-47c4-9698-5afb2b12ab54>.

¹⁸ Ullom, T. (2021), Office of Inspector General, U.S. Agency for International Development, *Weaknesses in Oversight of USAID's Syria Response Point To the Need for Enhanced Management of Fraud Risks in Humanitarian Assistance*, Report Number: 8-000-21-001-P. Retrieved from <https://oig.usaid.gov/node/4625>.

¹⁹ Darden, J.T. (2019). "It's Time to Take Foreign Aid Theft Seriously." AEI Ideas. Retrieved from <https://www.aei.org/foreign-and-defense-policy/terrorism/its-time-to-take-foreign-aid-theft-seriously/>

²⁰ Holden, M. (2019). "WFP hopeful Yemen's 'good' Houthis will prevail to allow food aid suspension to end." Reuters. Retrieved from <https://www.reuters.com/article/us-yemen-security-wfp/wfp-hopeful-yemens-good-houthis-will-prevail-to-allow-food-aid-suspension-to-end-idUSKCN1TM1YR>

²¹ The Wilson Center. (2021). "Rethinking Humanitarian Aid." Retrieved from <https://www.wilsoncenter.org/microsite/2/node/107952>

²² Ambraseys, N. and Bilham, R. 2011 "Corruption kills," *Nature* 469, 153–155.

country characteristics.²³ Thus, corruption threatens to undermine humanitarian recovery efforts, prolong human suffering in the face of rapid onset of natural disasters, and increase death tolls.²⁴

B. Characterizing the challenge within and across sectors

Across sectors there are a wide range of tools to diagnose development concerns in a country context, many of which can and do address corruption. For example, the Inclusive Growth Diagnostic - which is used by Economic Growth officers to identify constraints to growth, which can include corruption - is a USAID methodology with the potential to identify corruption across a range of sectors. This section highlights several key assessment tools that staff might use in analyzing corruption risks and challenges within particular sectors.

USAID Anti-Corruption Assessment and Practitioner Guide: [USAID's Anti-Corruption Assessment Handbook](#) (2009) (currently being updated) provides step-by-step guidance on diagnosing the underlying causes of corruption by analyzing the state of laws and institutions as well as the political-economic dynamics of a country. The assessment includes five analytical steps and practical tools to implement each one: (1) analysis of the legal-institutional framework; (2) political economy analysis; (3) stakeholder mapping; (4) in depth diagnostic analysis of corruption vulnerabilities in key sectors and government functions or institutions; and (5) a review of anti-corruption programming to assist in making and prioritizing specific programming recommendations. The handbook also provides complementary tools, including frameworks to analyze sector specific corruption issues, and a discussion of corruption “syndromes”, which may permeate all sectors.²⁵ Each sector also has sector-specific question categories based on expert literature. This assessment was expanded on in the [USAID Practitioner’s Guide for Anticorruption Programming](#) (2015), which lays out critical assessment questions around the political economy dynamics of corruption, a mapping of key stakeholders, consideration of political will, and manifestations within sectors. Both of these resources may be useful for staff engaging in strategic planning or activity design.

Particularly in countries facing challenges of endemic corruption, Missions may choose to conduct an [Anti-Corruption Assessment](#) as a way of addressing anti-corruption across the Mission portfolio. In the absence of a whole of Mission assessment, an office may conduct an analysis of corruption dynamics affecting their sector and on that basis identify priority actions or areas of intervention. Some actions identified in this process may require cross-Mission collaboration.

Governance and Public Financial Management Diagnostics: There are several diagnostic tools used to assess the strength of Public Financial Management (PFM) and Governance systems that can also yield important information on corruption vulnerabilities. For example, the [Public Expenditure and Financial Accountability](#) (PEFA) module on “predictability and control in budget execution,” provides information on the extent to which there are appropriate checks in balances in public spending systems. The OECD [Methodology for Assessing Procurement Systems \(MAPS\)](#) tool has a specific

²³ Ibid.

²⁴ Juma, K. M. and Suhrke A. (2002). “Eroding local capacity: international humanitarian action in Africa.”

²⁵ Corruption syndromes are defined as “a distinctive and complex pattern of corruption problems reflecting the ways people pursue, use, and exchange wealth and power, as well as the political and economic institutions that facilitate and/or impede those processes.” These syndromes involve high-level elites, oligarchs, and inner circles, among others.

module on, “Accountability, Integrity and Transparency of the Public Procurement System.” At the sectoral level, tools like the [Public Expenditure Tracking Survey \(PETS\)](#) enable development partners or civil society to “follow-the-money” as funds are transferred down from the central to service delivery levels. More information on this category of diagnostic and assessment tools is in [Annex 4](#).

Sector Diagnostic Tools. USAID and other development partners have developed a number of specialized diagnostic tools and practitioner guides that enable Missions and other operating units to analyze corruption risks that are applicable within a particular development sector, such as health, education or economic growth. A few examples include:

- [USAID Private Sector Landscape Analysis \(PSLA\)](#) maps private sector actors in a sector, industry, or geography to identify areas of aligned interest, potential partners and opportunities for collaboration, including countering corruption. See [this example](#) from USAID/Indonesia, which incorporates corruption.
- [USAID Global Health Supply Chain Risk Management \(SCRM\) Model Assessment Tool](#) identifies, prioritizes, and supports the management of supply chain (SC) risks.
- [OECD Integrity of National Education Systems \(INTES\) assessment](#) provides guiding questions, underlying theory, and expected results to identify practices in education that qualify as corrupt and corruption vulnerability in education systems.
- [BHA Documenting, Reporting, and Responding to Program Irregularities and BHA Documenting, Reporting, and Responding to Sexual Exploitation and Abuse](#)

Additional examples can be found in the sector integration handbooks, the links to which are provided in [Annex 1](#).

Interagency joint analysis. Across the U.S. interagency, there is a recognition of the need to create meaningful opportunities to improve joint, politically informed analysis and decision-making to ensure that the flow of U.S. foreign assistance, writ large, is both effective at tackling corruption AND does not inadvertently feed into or exacerbate corruption. Where possible, USAID should engage U.S. interagency partners to assess and map vectors of corruption in our partner countries. Moreover, outside of formal assessments, the use of regular information-sharing mechanisms will help to maintain a common understanding of corruption risks and increase interagency coordination. USAID’s Anti-Corruption Response Fund (ACRF) pilot efforts in the Democratic Republic of Congo (DRC) and the Dominican Republic are expected to serve as valuable early test cases for providing lessons and developing modalities that could then be applied to more complex environments for such interagency planning and coordination, including regional, transnational, and global efforts.

C. Corruption Safeguards Assessment Tools

USAID maintains a robust system of safeguards and internal controls – at the strategic and operational levels – to prevent, detect, report, mitigate and respond to allegations of corruption in USAID programs. At early stages in the Program Cycle, such as strategic planning, Missions and Bureaus and Independent Offices (B/IOs) should apply a strategic safeguarding “mindset” that is focused on ensuring that USAID’s strategies, plans and interventions are fully informed by local context and carefully analyzed, designed, and implemented to, at a minimum, not inadvertently fuel

corruption in a country and, ideally, to target the core drivers of corruption. Strategic safeguarding puts the corruption context and its impact on development at the forefront of USAID strategic planning, including with our interagency and local partners, better positioning the Agency in its efforts to disrupt drivers of corruption and move towards an environment in which corruption is greatly reduced or managed.

Operational safeguarding is focused on protecting the integrity of foreign assistance efforts and stewardship of taxpayer funds. USAID's operational safeguarding architecture includes risk management systems, procurement and financial assistance practices and regulations, partner vetting, award management, monitoring and oversight, and capacity building and training, among others. [USAID's Safeguarding Reference Guide \(forthcoming\)](#) highlights operational safeguards and internal controls in place throughout the Program Cycle.

Government to Government (G2G) Risk Management approach

Over the past two decades, USAID has increasingly used G2G programming as a means to promote local ownership and sustainability of our programming. G2G programming, however, carries with it a unique set of fiduciary and other corruption risks, which require special analysis. [USAID's G2G Risk Management and Implementation Guide](#) documents an approach to assist Missions in identifying, assessing, evaluating, mitigating and monitoring the threats and opportunities that USAID may face when implementing direct U.S. Government (USG) assistance with a partner government. This risk management approach draws on the parameters set in [ADS 220, Strengthening the Capacity of Partner Governments through Government-to-Government \(G2G\) Assistance](#), as well as in the Agency's [ERM program](#). The G2G Risk Management process includes a holistic review of all risks. Corruption risks in integrated anti-corruption programming may manifest as programmatic, fiduciary risks and/or as reputational risks, depending on the nature of the corruption. Some illustrative risks that might appear in sectoral G2G risk assessment include (but are not limited to):

- Lack of a proper fixed asset register and verification processes may contribute to theft of physical assets purchased under the G2G for sectoral service delivery goal (eg., medical equipment);
- Excessive use of exceptional procurement procedures limits competition and creates risks for collusion in procurement; and/or
- Weak internal controls create risk that payments may be issued prior to appropriate verification and quality assurance processes for school or health facility construction contracts.

While the G2G Risk Management and Implementation Guide is designed specifically to address risks that might affect the implementation of a G2G activity, Missions may consider options to address some of the risks, including corruption risks, through technical assistance wrap-around support ([example of sample G2G wrap around support SOW](#)).

D. Complementary assessment and planning tools

Political Economy Analysis (PEA)

PEA provides a structured approach to analyze power dynamics and economic and social forces that influence development. USAID has been promoting [PEA and “thinking and working politically” \(TWP\) approaches](#) as a means to improve the effectiveness and sustainability of our programming. Ideally, PEA is not a one-off exercise, but is paired with Collaboration, Learning and Adaptation (CLA) to understand and adapt to foundational influences (such as history or geography); the impact of immediate events and actors (such as leadership changes or natural disasters); and the institutional framework (encompassing formal laws and informal practices) and how it shapes the behaviors and development outcomes. This type of analysis is particularly important in [understanding and being able to address corruption issues](#), which are often driven by understanding norms, values and incentives. For example, PEA may guide an exploration of the kinds of changes that may be possible when there is a new head of the Civil Service Commission who expresses a commitment to combating corruption in a context where patronage has historically guided decision making.

Systems/Causal Loop Mapping

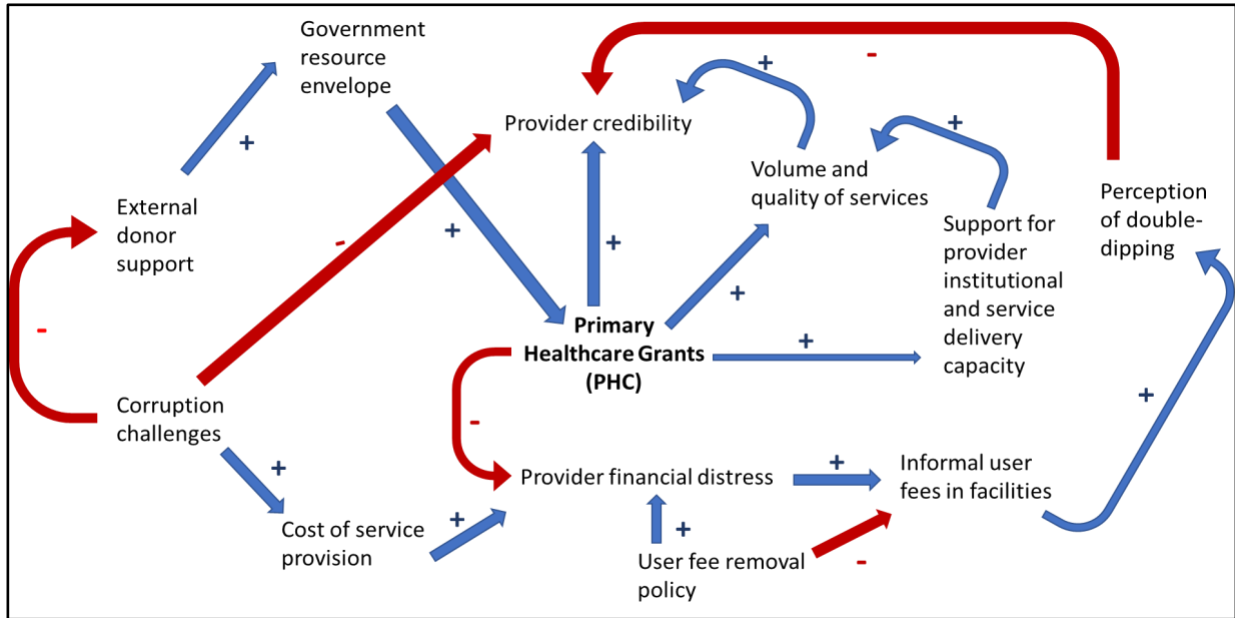
A systems map is a useful tool to capture the various interrelated factors that drive outcomes in a sectoral system. A causal loop diagram is one form of systems mapping that examines:

- *Factors*: drivers, enablers of system outcomes, including corruption.
- *Mental models/social norms*: deeply ingrained, often subconscious, ways of thinking about issues that frame behavior.
- *Causal links, shown as arrows*: indicating the relationship and direction of influence between variables.²⁶

Issues of corruption may be a factor within a causal loop map that looks at a sectoral issue or to unpack and better understand grand corruption. Figure 1 below demonstrates how this was used to analyze challenges related to the implementation of primary health care (PHC) grants in Uganda, and the role that corruption played in undercutting the credibility of this grants program, and ultimately the level of service provided.

²⁶ <https://sites.tufts.edu/ihs/how-to-read-a-causal-loop-map/>

Figure 1. Uganda Primary Health Care Grant Causal Map (adapted)²⁷



²⁷ Adapted from [Ssenyonjo et al. \(2018\)](#)

SECTION 5: DECISION-MAKING ON INTEGRATION

A. Mapping Programming Options

In line with prioritization of anti-corruption at the U.S. government and USAID levels, and as articulated in the new [USAID Anti-Corruption Policy \(forthcoming\)](#), *all staff should seek to identify opportunities to integrate anti-corruption throughout USAID strategic planning and programming*. Guidance on identifying these opportunities within the program cycle can be found in [USAID's Anti-Corruption Program Cycle Guide \(forthcoming\)](#), and the associated [Anti-Corruption Screen \(forthcoming\)](#).

The first opportunity to integrate anti-corruption in Mission efforts typically is at the stage of developing the Country Development Cooperation Strategy (CDCS) for bilateral Missions; regional (RDCS) for regional Missions, or the Strategic Framework for smaller or new Missions or non-Mission Operating Units (for more see Section 6). Within humanitarian contexts, Missions may consider operating frameworks that mitigate the influence of corruption on response activities, coordinating with colleagues across BHA Offices and with cognizant BHA field representatives.

Of course, opportunities to integrate anti-corruption may arise outside of these set timeframes, which is why anticipating and identifying windows of opportunity to address corruption in more rapidly changing contexts is also critical (see [Section 5 \(D\)](#), below).

However, even once a Mission has completed its assessment of the nature, scale and scope of corruption challenges in their context, it can be challenging to understand how best to address it. Each Mission will bring to bear its own considerations that are driven by their CDCS and their understanding of the local context. Additionally, Missions and operating units may consider the [categories of anti corruption programming](#) described in Section 3 of this guide.

Making a decision on programming options to address corruption across a Mission's portfolio is complex and multi-faceted. A Mission may consider the existing state of the anti-corruption framework and capacities to implement that framework both overall and within a given sector. The Mission may also consider where there is political will to take on corruption challenges, and the implications of corruption for the success of USAID's broader strategy. To explore how these factors might apply in your context, USAID staff should consult the [USAID Anti-Corruption Integration Support Tool \(internal\)](#) as a companion to this guide. This tool aims to facilitate conversation and draw on existing analysis conducted by the Mission to facilitate a nuanced analysis of programming options.

Staff designing programs are encouraged to do similar mapping of programmatic options, and to explore the best alternatives for nesting and implementing anti-corruption activities.



B. Identifying Technical Approaches



Once staff/Missions/Bureaus have identified the best programmatic option (anti-corruption programming, integrated or anti-corruption adjacent programming, or sectoral programming with anti-corruption elements), the next step is to identify the specific entry points and activities best


suites to the objectives of the program. The sectoral integration handbooks affiliated with this Guide contain concrete analysis and programmatic options by sector.

In all cases, anti-corruption approaches most suitable for sectoral application will fall into the following five buckets:

Table 2. General categories of anti-corruption approaches

	<p><i>Transparency and awareness raising</i></p> <p>Government transparency is at the heart of efforts to prevent, detect, and mitigate corruption. Both government and external actors alike rely on transparency to provide oversight and ensure accountability for the planning, use and delivery of public resources. This is especially important within complex sectors. Likewise, public awareness raising is critical to both informing the public of government action (or inaction), as well as to broadly socializing the importance of public accountability and creating demand for anti-corruption and integrity. Sectoral applications of this approach can include:</p> <ul style="list-style-type: none"> ● <i>Transparency and disclosure around sectoral data, service delivery, resources and more</i> ● <i>Open government processes</i> ● <i>Access to information rights/laws/protections</i> ● <i>Public awareness campaigns around the impacts of corruption on the sector or citizens’ rights and redress mechanisms</i>
	<p><i>Social and institutional accountability</i></p> <p>Accountability is at the heart of democracy, an essential element of both governance and of fighting corruption. Activities aimed at strengthening both social and institutional accountability may range from strengthening formal oversight roles, such as those related to Parliamentary committees, or may encompass efforts to strengthen external accountability measures, such as via media and press coverage or civil society activism. Sectoral applications of this anti-corruption can include:</p> <ul style="list-style-type: none"> ● <i>Strengthening parliamentary (or legislative) oversight</i> ● <i>Support for the specialized sectoral work of ombudsman or independent oversight institutions</i> ● <i>Enhancing the sectoral/technical understanding of civil society and media watchdogs</i> ● <i>Actively seeking private sector engagement to address prevention and corruption risks in the sector</i> ● <i>Engaging citizens and communities in social accountability to provide oversight at the service delivery level, and building advocacy pathways for higher-level reform</i> ● <i>Aligning diplomatic pressure and interagency coordination</i>

	<p>Prevention</p> <p>Public systems manage an enormous array and volume of resources - human, material, and financial. There are a multitude of prevention approaches the public sector might take to reduce the ability of actors within the system to undertake corrupt acts, prevent those actors from entering the system in the first place, or encourage actors to be better stewards of public resources. Sectoral applications of this anti-corruption approach can include:</p> <ul style="list-style-type: none"> ● <i>Strengthening public administrative rules, procurement processes, and procedures within pillar, functional and sectoral/line ministries, including at the subnational level</i> ● <i>Investing in leadership and change management around integrity and accountability</i> ● <i>Bolstering public financial management and supply chain management related to the sector</i> ● <i>Investing in capacity building at the sectoral level, including training in ethics and the anti-corruption legal framework</i> ● <i>Promoting the use of e-governance and digital technology tools to minimize discretion and prevent corruption</i> ● <i>Support for theft and fraud deterrence, including video surveillance and other tools</i> ● <i>Support for civil service reform, including hiring and performance management</i> ● <i>Enhanced donor safeguards to minimize corruption risks</i>
	<p>Detection</p> <p>To complement systems and processes that prevent corruption, it is important that public sector systems and actors are able to detect corruption when it does take place. Sectoral applications of this anti-corruption approach can include:</p> <ul style="list-style-type: none"> ● <i>Improving audit capacity, including forensic auditing specific to the sector, and the ability to “follow the money”</i> ● <i>Enhanced management oversight, including site visits and inventory check processes</i> ● <i>Improved complaints and community feedback mechanisms, including hotlines and other tools</i> ● <i>Whistleblower protections and reporting processes and protections</i> ● <i>Improving inter-governmental and global/regional information sharing to detect broader sectoral corruption risks and trends</i>

	<p>Response</p> <p>When corrupt behaviors are detected, it is important to have a clear and effective system to respond to those cases and to ensure accountability. Sectoral applications of this anti-corruption approach can include:</p> <ul style="list-style-type: none"> ● Enhancing reporting and referrals from sectoral authorities, partners, communities or whistleblowers, including referring cases to the justice sector ● Improving linkages to investigations of sectoral corruption, including by assisting in producing actionable data on corrupt actors and networks ● Supporting administrative sanctions, including suspension and debarment and civil fines ● Supporting uptake of corrective actions and remedies, including new oversight or strengthened controls.
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C. Choosing Best-Fit Anti-Corruption Applications

The set of approaches listed above - as well as the [USAID Anti-Corruption Integration Support Tool \(internal\)](#) - provide staff with a way of thinking through and mapping programmatic options. Importantly though, these are not intended to constrain best-fit or contextually specific approaches. Indeed, after having completed the mapping of and recommendations of programmatic options (i.e., core anti-corruption programming, integrated or anti-corruption adjacent programming, or sectoral programming with anti-corruption elements), staff should then discuss the best-fit anti-corruption approaches for each context and program (as outlined in Table 1). Questions to guide this include:

1. Where is sectoral programming already directly or indirectly addressing corruption?

In many cases, a review of existing programming may find that sectoral programs *are already* engaging in work that align with anti-corruption approaches, and that directly or indirectly are aimed at reducing the prevalence or risk of corruption in their sector. For example, an activity that supports district health officers to conduct more regular and rigorous supervision activities may not only result in improving service delivery efficiency and effectiveness but may also help to identify and respond to corruption. Similarly, sectoral programming that is aimed at strengthening the technical capacity of key stakeholders (government officials, the private sector, civil society or citizens) may already be providing indirect support for anti-corruption efforts. For example, building the capacity of school boards to better guide investments in their schools may also help board members reduce opportunities for waste, fraud and abuse in the use of education investment resources. Identifying where programming already incorporates anti-corruption elements is an important step in identifying points of entry for integration.

2. How can USAID build on and strengthen sectoral activities that already incorporate anti-corruption approaches?

Where a Mission or other operating unit’s sectoral programming already incorporates anti-corruption elements, the next step is to find opportunities *to scale and deepen these approaches to intentionally address the most problematic effects of corruption in the sector and across sectors.* For example, a

Mission team working to improve natural resource management (NRM) might first begin with activities aimed at enhancing transparency of the NRM sector, but later move to more intentional anti-corruption activities, such as supporting community-based monitoring to detect corruption or incorporating corruption-prevention steps into water quality assurance plans. Alternatively, a USAID energy program might initially include activities such as training of Ministry of Energy staff on anti-corruption provisions that relate to their roles; this program might shift over time toward supporting the country's Supreme Audit Institution (SAI) in applying forensic auditing techniques to audits of electricity generation projects.

In all cases, USAID teams should seek to find the most context-appropriate, sustainable and effective means to deepen integration of anti-corruption across their program(s). In addition, because so many of these approaches are common across sectors (particularly in the areas of government procurement, transparency, and social accountability measures, and in “following the money”), staff should seek to work across the Mission to identify common approaches to similar challenges. For example, community monitoring groups in Malawi were first piloted to address governance challenges in the health sector but were later expanded to other sectors based on their success. USAID teams might also look for opportunities for cross-sectoral collaboration that allows greater information sharing across partner government agencies that enables more effective detection and response to corruption (such as building in inter-agency agreements on the sharing of actionable corruption data in the wildlife, fisheries, trade or other sectors with central enforcement authorities).

3. How can including anti-corruption considerations or approaches improve the sustainability of sectoral outcomes?

Many of the results USAID sectoral programs achieve in partnership with local stakeholders will only be sustainable if those systems are robust enough to mitigate the corrosive effects of corruption. Thinking carefully about corruption risks and options to build the systems that will mitigate those risks over time are an important part of sustainability planning for sectoral programming - especially when corruption is not a major focus of that programming.

D. Identifying Opportunities for Rapid Response

Entry points for integrated programming may also emerge either during broader windows of opportunity to combat corruption (for example, when an anti-corruption reformer government is elected into power, a politician is indicted for graft, or popular uprisings call for corruption to be rooted out), or during times of crises and events that deepen corruption (such as the COVID-19 pandemic). As noted in [USAID's De-Kleptification Guide](#), these moments can also present historic openings for uprooting entrenched kleptocratic structures. During these pivotal transition moments, new governments often face pressure to deliver – not just on openness and accountability but also on public service delivery. USAID's ability to take a cross-sectoral approach to anti-corruption during these moments of high public expectations can help new reformers demonstrate progress in multiple domains at once and help to dismantle the broader systems that feed corruption. This is particularly important in regions and countries where USAID resources are earmarked for sectoral purposes and kleptocratic networks are deeply embedded across development sectors.

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To assist staff in identifying these opportunities, USAID is developing a new rapid-response framework to lay out ways to prepare for and respond to brief windows-of-opportunity for anti-corruption reform. In addition, the ACTF is managing the new Anti-Corruption Response Fund to support programming that capitalizes on and adapts to new opportunities to combat corruption, including across sectors. Missions and design teams should actively seek opportunities to respond to these moments, including by applying the integration tools below.

SECTION 6: TOOLS FOR INTEGRATION

Missions are encouraged to analyze anti-corruption issues on a whole of Mission and sector by sector basis, using some of the assessment approaches described above in [Section 4](#). Analysis of opportunities to integrate anti-corruption approaches starts with the development of a Country Development Cooperation Strategy (CDCS) for a bilateral Mission or a Regional Development Country Strategy for regional Missions. This integration is anticipated to extend into activity design, implementation, monitoring, evaluation, and learning. A high-level overview is provided below. Please see [USAID Anti-Corruption Program Cycle Guidance \(forthcoming\)](#) and associated [Policy Screen \(forthcoming\)](#) for more information.

A. Anti-Corruption Integration Across the CDCS Process

Before the CDCS process officially launches (i.e., Phase 0), Missions plan analysis and assessments to inform CDCS development. In line with the Strategy and to advance USAID's other policy priorities, Missions and B/IOs are expected to prioritize anti-corruption efforts, as relevant, by identifying corruption challenges and issue-sets, seeking opportunities to affirmatively address corruption across USAID's work, and mitigating corruption risks.

Missions, especially in countries with endemic corruption, should consider a whole-of-Mission approach to understand how sectors are affected by corruption to inform planning. In Phase 1 (concept development), a Mission should identify relevant corruption challenges across all sectors. In Phase 2 (Results Framework), a Mission conceptualizes a Results Framework and Theory of Change. Each Development Objective (DO) should consider the Mission and sector anti-corruption assessment findings, and other analyses, to develop their Theory of Change. Sector DO Teams should work closely with other DOs to identify opportunities to address the corruption challenges that affect multiple sectors. In Phase 3, the final step, the Mission completes its full CDCS document. The Sensitive But Unclassified (SBU) version of the CDCS should provide nuanced or sensitive relevant context and information on how programming is anticipated to combat specific corruption concerns. (The subsequent public version of the CDCS can be redacted if some language is deemed too politically sensitive for the partner government.)

In addition, the draft CDCS includes sections on Monitoring, Evaluation, and Learning (MEL) and Management. Given USAID's limited measurement and evaluation of anti-corruption in non-DRG programming to date, the design Team (and others at the Mission) should develop intentional ways of measuring integrated programming in the Performance Monitoring Plan (PMP). After CDCS approval, the Mission will develop the PMP as a tool to measure its performance against the Results Framework.

B. Applying Relevant Strategies and Priorities

Where corruption is a significant and identified constraint to development, and/or to the achievement of specific sectoral objectives, USAID staff should seek out concrete ways to further relevant anti-corruption strategies and policies, including but not limited to the U.S. Strategy and anti-corruption related aspects of the joint strategic plan (see textbox). Per [ADS 201](#), Missions should consider the relevance of each policy for their context (based on partner country needs and priorities, available

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resources, findings in analyses, and investments by other members of the development community, among other factors) to determine whether and how they should integrate the policy into their CDCS and other planning processes under the Program Cycle. Please see the current registry of USAID policies [here](#). Technical and design teams across all sectors should always reflect on and identify opportunities to support and further the objectives of the various USAID policies at play in a given context.

Importantly, this does not replace the importance or imperative of applying and implementing other critical strategies or policies, such as the Education or Economic Growth Policies, and others. Indeed, the application of U.S. and USAID anti-corruption strategies, policies and plans should be used to affirmatively complement, support, and further USG/USAID's policies and strategies across other key priorities. Staff should seek to align any proposed anti-corruption activities with other existing policies so that they are leveraging USAID assistance towards mutually reinforcing ends.

Box 1. Relevant Strategy and Policy References

The [United States Strategy to Combat Corruption](#) elevates anti-corruption as a core national security priority, while placing new emphasis on grand corruption, transnational corruption, and strategic corruption. The Strategy calls attention to the role of enablers in helping corrupt actors exploit weaknesses in the global financial system, and commits to improved collaboration within the USG and with a range of other partners. Mission and Sectoral teams should consider what resonates from the Strategy and may be advanced through cross-Mission or sector programming in the partner country. USAID's Action Plan on Countering Corruption (forthcoming) outlines the specific commitments and actions USAID is taking to advance this agenda over the next three years.

The U.S. Department of State and USAID [Joint Strategic Plan \(JSP\) \(2022-2026\)](#) notes that corruption, "wastes public resources, undermines development efforts, exacerbates inequalities in access to services and exercise of rights, fuels transnational crime, and is increasingly weaponized by authoritarian states to undermine democracy and governance." Further, Objective 3.3 (Prevent, expose, and reduce corruption) notes that USAID has a comparative advantage in its programming, "to build anti-corruption safeguards across the climate, health, education, economic growth, biodiversity, humanitarian response, and post-conflict sectors to ensure public resources are used for human development outcomes."

The new [USAID Anti-Corruption Policy \(forthcoming\)](#) seeks to modernize the Agency's approach to countering corruption, including by adopting new modalities and approaches at the global, regional, and country levels to confront transnational and strategic corruption, as well as kleptocracy; connecting our anti-corruption efforts with those targeting fragility and transnational organized crime, including by understanding the ways in which corrupt and criminal networks overlap, detecting and disrupting illicit finance and trafficking in high-value commodities, and improving information sharing across the U.S. government and with civil society; taking particular aim at corruption that is undermining the functioning or legitimacy of democracy, such as high-profile grand corruption or electoral corruption; and prioritizing the types of large-scale and high-level corruption that most profoundly limit development progress over the long-run. The Policy centers the Agency's anti-corruption efforts around three objectives – constraining opportunities for corruption, raising the costs of corruption, and incentivizing integrity in the public and private sectors – in order to protect resources from diversion and build democracies' resilience to corruption and co-optation.

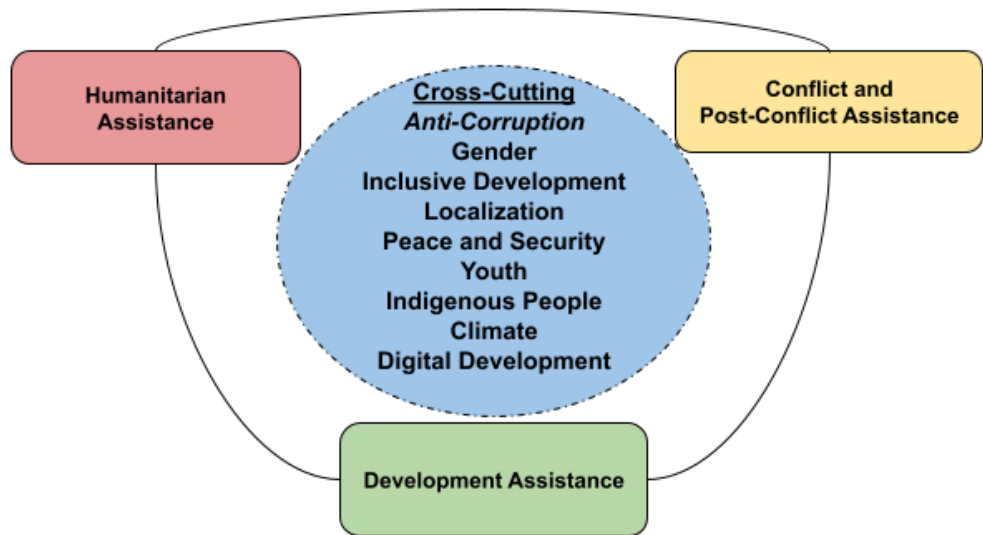
SECTION 7: INTEGRATION WITHIN INTEGRATION

Cross-cutting issues - including gender equity and equality, inclusive development, youth, LGBTQI+ and people with disabilities communities, and climate, among others - span and are addressed across all of USAID’s portfolio. As a pervasive ill that impacts all development objectives, corruption is a key impediment to progress on these cross-cutting priorities. This adds a layer of potential complexity as well as opportunity; a need to layer anti-corruption as a cross-cutting priority not just across sectors, but across other cross-cutting issues as well.

This is what this Guide refers to as “integration within integration;” in other words, opportunities to enhance and improve integration and harmonization of USAID approaches across the board. This includes drawing explicit connections to and finding concrete opportunities to also support other cross-cutting USAID and U.S. government priority issues, including gender equality, inclusive development, youth, localization, and digital development. This also includes drawing upon the connections that do and should exist between different lines of USAID programming that seek the same or similar ends (for example, from humanitarian aid through development assistance, and across both Democracy, Human Rights and Governance (DRG) programs and the catalytic programming supported under the Office of Transition Initiatives (OTI).)

This section lays out just a few of these opportunities; staff are encouraged to seek creative new ways of coordinating and collaborating in their anti-corruption work across the spectrum of USAID programming.

Figure 2. Elements of Integration within Integration



A. Advancing Humanitarian-Development-Peace (HDP) Coherence in the Anti-Corruption Space

Humanitarian Assistance and Anti-Corruption

USAID’s humanitarian efforts are critical and immense. Unlike the Agency’s development portfolio, humanitarian assistance is squarely focused on the imperatives of protecting life, alleviating suffering, and reducing the level of humanitarian need through non-emergency programming that is foundational to linking humanitarian assistance to long-term development. Because of the nature of humanitarian assistance, it must, at times, be treated as distinct and separate from development and peacebuilding efforts. While this distinction is critical to delivering humane, neutral, impartial, and independent humanitarian assistance, it is vital that it does not create an artificial divide between the humanitarian, development, and peacebuilding “spheres”, rather it highlights the distinct role that humanitarian assistance plays in advancing the Humanitarian, Development, and Peace (HDP) nexus. This is especially notable in the anti-corruption space where opportunities that leverage unique capabilities, promote continuity of efforts, and build coherence along the HDP nexus abound. Corruption in humanitarian response represents an acute challenge to the Agency’s lifesaving efforts. Large inflows of resources and a pressure to deliver needed relief can create fertile ground for corruption or boost existing corruption. Fraud and corruption in the use of humanitarian response resources can also weaken trust between the populations affected by the crisis and the parties involved in the response. A key to building continued trust between humanitarian actors and people affected by crises includes strengthening Accountability to Affected Populations (AAP), an initiative currently prioritized throughout the International Humanitarian System. While AAP itself is not specific to anti-corruption or anti-fraud efforts, the accountability, inclusion, and platforms for beneficiary feedback and reporting that AAP systematizes helps promote transparency, accountability, and responsiveness - all elements of fighting fraud, waste, abuse and corruption.

While the role of USAID’s humanitarian assistance is not focused on addressing long-standing development challenges, there is opportunity to strengthen coherence on anti-corruption policies that address issues across humanitarian, development, and peace programming. Humanitarian efforts occur in country contexts all along the conflict-post conflict-development spectrum, and in many cases where corruption is pervasive and systemic. This context is critical; not just to understand, but to address, both because it impacts humanitarian aid delivery and because the mass delivery of humanitarian aid itself can exacerbate existing corruption dynamics. Efforts must be taken to avoid the rapid influx of humanitarian funds from having negative unintended consequences such as, reinforcing social divides, solidifying patron-client networks, and leaving behind a legacy of substandard infrastructure and resources.²⁸ Research has shown that the best time to mitigate corruption risks in humanitarian response is to develop the “integrity infrastructure” before the crisis hits.

²⁸ As was the case following earthquakes in Nepal (2015) and Haiti (2010). See Jenkins, M.; Khaghaghordyan, A.; Rahman, K.; Duri, J.; (2020) The costs of corruption during humanitarian crises, and mitigation strategies for development agencies. Bergen: U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute (U4 Helpdesk Answer 2020:1)

For example, it is critical for our partners to have clear guidelines and systems in place to manage emergency procurements, or even pre-competed contracts for emergency response needs, to reduce the perceived trade-offs between rapid response and anti-corruption goals. It is also important for partner governments to have business continuity plans with anti-corruption measures in place in customs and border authorities so that the flow of emergency relief goods is not disrupted, nor is it vulnerable to predation from corrupt individuals.

Conflict-Prevention, Peacebuilding, Political Transition, and Anti-Corruption

In a similar manner, USAID’s work to support political transitions, conflict mitigation, violence prevention, and peacebuilding interventions has critical connections to the Agency’s efforts to elevate and integrate anti-corruption. In many countries, entrenched corruption is an important driver of conflict and extremism, particularly in cases where corrupt political elites act with impunity to the detriment of their broader populations. Moreover, [research has shown](#) corruption can also play an important role in fueling crime, and that terrorists and corrupt elites often maintain their operations and status on the basis of transnational illicit trade in arms, people, drugs, antiquities, minerals and other natural resources. Efforts to maintain these sources of revenue typically contribute to underdevelopment and pose a [threat to stability and peace](#). The [United States Strategy to Prevent Conflict and Promote Stability](#), which seeks to implement the Global Fragility Act, recognizes this connection and calls on USG agencies to, “incorporate peacebuilding approaches to address the drivers of conflict, violence, and instability, such as, inter alia, exclusionary politics, entrenched corruption, impunity, or capacity deficits.”

In some cases, the international community has privileged more immediate goals of peace and stabilization to the detriment of establishing strong anti-corruption norms and enabling longer term stability. For example, case studies examining programming and diplomacy in Liberia, Burundi, and Afghanistan identified examples of how peace agreements failed to disrupt existing patronage network systems or established new opportunities for financial gains as a means of securing agreement for peace.²⁹ Similarly, a study of the impacts of granting warlords key positions in government as a part of peace settlements found that these warlords proceeded to undermine the basic institutions needed to control corruption, including drawing on their power base to repress anti-corruption champions.³⁰ While such measures may enable short-term gains to establish peace, over the long term, this foundation of corruption undermines the ability to achieve a long-term, durable and positive peace. When working in fragile environments, USAID should be mindful of our various policy goals and objectives, and the ways in which they may interact with USAID’s conflict prevention and peacebuilding work must, thereby, apply an anti-corruption lens. Similarly, USAID’s anti-corruption work should apply a conflict sensitivity lens.

At the same time, periods of political transition create important opportunities to advance democratic consolidation, establish institutions to fight corruption and lay the foundation for just and enduring peace. As such, USAID’s political transition assistance, managed by the Office of Transition Initiatives

²⁹ Cheng, Christine S, and Dominik Zaum. “[Introduction - Key Themes in Peacebuilding and Corruption](#).” *International Peacekeeping* (London, England) 15, no. 3: Pg. 301-09, 2008.

³⁰ Dininio, Phyllis, “[Warlords and corruption in post-conflict governments](#),” in *Addressing the Nexus in Peacebuilding Practice, New Routes*. Life and Peace Institute, 3-4/2009, 27-29

(OTI) is a critical linchpin to rapidly and adaptively laying a foundation for long-term development in conflict-prone countries. To serve this function, OTI works closely with regional and technical Bureaus, Missions, and other counterparts to link transition programs to a longer-term development strategy, where it exists. This is particularly important in the case of addressing corruption issues, as building the institutions and norms needed to address complex and evolving corruption challenges requires continuity of effort and a medium to long term commitment of support.

Anti-Corruption in the Humanitarian-Development-Peace (HDP) nexus

Because humanitarian, peacebuilding, and transition assistance operate within a broader development context, *it is particularly important that anti-corruption efforts in the humanitarian, peacebuilding, transition, and development assistance spaces be designed to be mutually reinforcing, seek to coordinate in implementation, and ensure continual information sharing and learning.* This approach is consistent with [USAID's Humanitarian-Development-Peace \(HDP\) Coherence Principles](#), which include:

- Uphold and respect humanitarian principles to ensure HA remains unhindered, impartial, needs-based, and effective
- Plan jointly and seek a common agenda
- Create and strengthen communication, coordination, and learning platforms across different kinds of assistance
- Strategically sequence, layer, and integrate humanitarian, development, and peace assistance where appropriate
- Promote shock-responsive programming and data-driven adaptive management
- Champion conflict integration and opportunities for enabling or building peace where possible
- Ensure programming is with, by, and through local partners and systems

[Annex 5](#) provides a mapping of these principles with anti-corruption considerations.

B. Advancing Gender Equality, Youth and Social Inclusion in Anti-Corruption Programming

Disproportionate Corruption Impacts on Women, Youth, and Marginalized Communities

Gender equality, social inclusion and corruption have a complex and multi-dimensional relationship. This relationship is particularly important in the context of anti-corruption integration, because corruption can have an outsized role on access to and quality of public services, economic opportunities and social well-being for women, youth, and other socially vulnerable and disadvantaged groups such as religious or ethnic minorities, persons with disabilities or LGBTQI+ people. These vulnerabilities can be compounded by an individual's intersecting identities (for example, the intersection of an individual's sex and race). Because these groups are disproportionately affected by corruption, corruption in turn drives discrimination and exclusion. These nexus points are varied, but in particular, discrimination can result in greater exposure to corruption; corruption forms can be inherently discriminatory; discrimination can mean that

corruption has a disproportionate impact on certain groups; discrimination can present barriers to challenging corruption; and corruption can obstruct victims of discrimination from accessing justice.³¹

In many countries, for example, women as primary caretakers confront corruption in education, health and public service delivery on a daily basis. In the health and education sectors in particular, women are often subject to what UNODC calls the “gendered currency of corruption,” including sextortion as a means of gaining access to services. Youth, who represent about half of the global population,³² tend to be highly exposed to corruption due to their vulnerable positions in the education system and job market, and their exclusion from decision making.³³ Discriminatory corruption is also particularly pernicious with respect to indigenous groups, who are regularly subjected to corrupt environmental crimes that damage their lives, cultural legacy and livelihoods.³⁴ In addition to these direct impacts, across the board, corruption systematically limits the political influence and business opportunities for women and other disadvantaged communities, with patronage networks often dominated by men and cultural, religious and racial majorities. Understanding and unpacking the unique impacts of corruption on women and other disadvantaged groups in any given context is critical to USAID programming.

Women, Youth, and Marginalized Communities as Anti-Corruption Actors

It is important to note that women, youth, and other marginalized communities are not only targets of corruption, but important allies and actors in the fight against it. Precisely because they often face greater social sanctions when caught for corruption, for example, women leaders have tended to be more active in addressing corruption, particularly those aspects that touch on their lived experience.³⁵ For their part, youth are frequently seen on the front lines of activism to promote accountable governance and counter corruption.

Adopting an Inclusion Lens to Anti-Corruption Programming

Due to the differential impacts of corruption on women, youth, and socially vulnerable and disadvantaged groups, activity design teams working on anti-corruption integration should apply a gender equality and social inclusion lens. This might include, but is not limited to:

- Engaging with stakeholders or leaders who represent these groups as a part of consultations done during the design process to better understand how corruption in a sector affects each group differently, and unique barriers they may face in obtaining redress;
- Reviewing the anti-corruption legal and regulatory framework to see if it recognizes forms of corruption that are inherently discriminatory;

³¹ McDonald, Ellie et al. [Defying Exclusion: Stories and Insights on the Links between Discrimination and Corruption](#), Transparency International, July (2021).

³² In 2022, people under 25 represented 49% of the global population according to the UNFPA [World Population Dashboard](#)

³³ Wickberg, S.; (2013) Best practices in engaging youth in the fight against corruption . Bergen: U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute (U4 Helpdesk Answer)

³⁴ For more see [Uncommon ground: The impact of natural resource corruption on indigenous peoples](#)

³⁵ For more see: [Addressing the Gender Dimensions of Corruption \(UNODC, 2020\)](#)

- Requiring implementing partners to propose affirmative approaches to ensuring inclusion of socially disadvantaged groups in programming in line with do no harm principles, and as requested; and
- Enforcing requirements within monitoring, evaluation and learning plans for anti-corruption integration activities to disaggregate data by sex and other relevant populations as applicable.

[USAID's Youth Democracy, Human Rights, and Governance toolkit](#) provides several affirmative approaches for integrating youth into anti-corruption efforts. [USAID's Gender Integration in Democracy, Human Rights and Governance toolkit](#) is another such tool. Moreover, if missions decide to organize a cross-office anti-corruption working group, it is critical to include the participation of gender and social inclusion points of contact.

C. Localization

USAID's commitment to more intentionally and consistently promote localization is driven by the reality that achieving and sustaining development gains requires the coordinated action of a range of local actors. This is particularly critical in the case of countering corruption, which frequently embeds itself within a complex set of political dynamics and social and cultural norms that local partners are uniquely well-placed to understand, maneuver, and transform. While local partners are often already established as credible anti-corruption champions in the local context, which enables USAID to reinforce and elevate their work, USAID staff should also carefully consider the local system in which the local actor is situated. This may include better understanding how the local organization is perceived by local populations, how USAID support to a local organization may expose these actors to risks of repercussions, or whether the organization's efforts may drive anti-corruption efforts at one local level while exacerbating elite capture at another local level. And while national-level organizations may be able to better fight grand and transnational corruption, sub-national local organizations can drive change in anti-corruption efforts in their own communities (see Box 2).

As such, localization for anti-corruption integration involves carefully identifying the critical local stakeholders in a sector's accountability ecosystem (e.g., civil society, media, professional organization, government

Box 2. Politics of Community Based Anti-Corruption in Forestry Sector in Madagascar

In Madagascar, community-based approaches in reducing corruption related to the illicit trade in protected hardwoods were limited by the political dynamics in the country. While this approach proved highly effective at addressing corruption at the local level, it did not take into account the political incentives and strategies of national level actors. More specifically, a number of well-connected rosewood operators, who had been operating illegally in protected areas, were elected into parliament and ministry positions and as a result benefitted from parliamentary immunity and destabilized the system of community based management of the area. This case highlights the need for careful political economy analysis of anti-corruption integration programming and consideration of multi-level approaches that consider the various actors who may impede efforts to disrupt illicit activities.

Source: Targeting Natural Resource Corruption (2021)

officials, citizens), and shifting leadership, ownership, decision making, and implementation of programming to these stakeholders. To advance localization, staff engaged on anti-corruption integration should actively engage with local sectoral accountability actors to set their anti-corruption integration agendas and co-create and implement solutions. Moreover, teams involved in anti-corruption integration should intentionally support local actors to develop the capacity, leadership, and resources to achieve change, to reinforce relationships between change-oriented actors in the local system, and to leverage local capacity to implement programming. When engaging in localization in anti-corruption integration, it is also critical to pair these approaches with careful political economy and stakeholder analysis to understand the incentives of each of the actors and how best to engage (see box).

As USAID advances its localization agenda, Missions must sustain robust, tailored safeguards against the risk of fraud, and the influence of corruption in our programming, which apply to the full range of USAID's implementing partners. This may include helping strengthen the governance, fiduciary, and other institutional capacity of local organizations, as discussed in USAID's new Local Capacity Development policy.

SECTION 8: ANTI-CORRUPTION AND MEL

A. Monitoring and Reporting

Anti-corruption efforts require holistic, integrated and systems-based approaches and activities. Reporting on impact should reflect activities and components that further those goals across all sectoral programming. This includes efforts across all sectors (i.e., democracy and governance, education, health, environment and natural resource management, climate change, infrastructure, economic growth, post-conflict interventions, or in the humanitarian and natural disaster response sectors) to discourage corrupt practices by promoting prevention and accountability, including through transparency, internal controls, oversight, sanctioning and enforcement.

In establishing metrics for work on corruption issues, USAID staff may choose to consult a number of third-party indices and indicators that help to frame a picture about the anti-corruption environment in a given country or region, and therefore to measure any change as a result of our programming. [Annex 6](#) provides some examples.

These indicators are *additive to any sectoral indicators around transparency, accountability and anti-corruption*, and are useful to assess a country's general corruption context. While no indicator can provide a full picture of the "state of corruption" within a given country, these also allow us to draw comparisons across countries in a particular year (while some of these indicators have long time series, they are not really comparable over time because their components change from year to year). Staff are encouraged to familiarize themselves with these broad indicators, as well as with useful snapshots of a selection of country context indicators found within [USAID's DRG Data Portraits](#).

When measuring change at an activity level, there are a number of cross-sectoral tools that USAID offices and operating units may consider to examine changes in corruption and strengthening of anti-corruption systems across sectors. These tools might be adapted to fit the needs of a specific sector or

may be measured across sectors. [Annex 6](#) provides a few examples of tools and approaches. Activity level people-based indicators must be disaggregated by sex.

In addition to these general categories on indicators or measurement, specific sectors may have very specialized measures related to corruption. These are discussed in the sector integration handbooks referenced in Annex 1. For other detailed discussions on monitoring and indicators to measure corruption, please see recent work by the [UNDP](#) and [U4](#) on the topic.

B. Evaluation and Learning

Corruption, by its nature, is dynamic and programmed to survive; able to quickly and nimbly respond to changes in the environment and any new measures that aim to constrain it. To effectively counter corruption, USAID programs need to be equally nimble, dynamic, and adaptive. The ACTF is leading USAID efforts aimed at re-thinking, innovating, and expanding programmatic approaches to address corruption in the technical sectors where we work. To ensure this programming is effective and well-designed, it is critical to intentionally build in learning and adaptation, use robust evaluation methods to establish a stronger evidence base on what is working, and share new approaches and lessons learned across missions and sectors. One important way of sharing learning on countering corruption across sectors is to align learning efforts with existing USAID learning plans and agendas, such as those included in the table below.

Table 5. USAID Learning Agendas with a Linkage to Anti-Corruption

Name	Description
USAID Agency Learning Agenda	USAID’s new FY 2022-2026 Agency Learning Agenda aligns with the goals and objectives of the Department of State and USAID FY 2022-2026 Joint Strategic Plan. It includes 9 learning questions, one of which is related directly to anti-corruption integration. This question asks: How can USAID work with host countries, interagency colleagues, and other development actors to address systemic corruption through multisectoral approaches? To submit evidence related to this question, please use the linked form .
DRG Learning Agenda	Includes a question on how USAID should foster anti-corruption reform in contexts where “political will” is weak.
Health Systems Strengthening Learning Agenda	Enables learning on mitigating corruption risks in the health sector through a system strengthening lens. Prioritizes learning to support high performing health care that is accountable, affordable, accessible, and reliable and which contributes to USAID’s Vision for Health Systems Strengthening 2030 goals of improving health system equity, quality and resource optimization. Includes six learning questions that aim to document evidence on the effectiveness of various system strengthening strategies including those that are locally led, draw on systems thinking and consider social and behavioral change.

SECTION 9: COMMUNICATING ANTI-CORRUPTION ACROSS SECTORS

In addition to ensuring technical and programmatic integration of anti-corruption, elevating, and refining the way USAID *communicates about anti-corruption* is a key component to strengthening the Agency's impact. Just as each sector has its specific corruption issues and challenges (see sectoral integration handbooks), each will also have its own communication means and needs.

The ACTF has developed tools to support staff in crafting anti-corruption communications,. Bureau and Mission communicators can work with the ACTF, in coordination with the Bureau for Legislative and Public Affairs, to develop strategic communications plans and messages in line with these goals, while also understanding local and sectoral contexts, challenges, and opportunities. ACTF can support coordination and synchronization of communications between Bureaus and Missions, LPA, and ACTF, which recognize the need to tailor based on sector and mission. Bureaus and Missions can also help the ACTF to strengthen our communications by sharing resources and content, like success stories, to utilize Agency leadership and platforms to amplify the work being done in the field by both USAID and local change agents, when doing so will be helpful.

SECTION 10: CONCLUSIONS AND ADDITIONAL RESOURCES

Corruption is a threat to country development and to both the delivery of life-saving humanitarian aid and the achievement of long-term development objectives across all sectors. In addition, while systemic corruption remains a pervasive challenge within countries, it has also become a transnational threat that causes severe harm to communities and democratic institutions around the world. For these reasons, USAID has placed countering corruption - at the local, national, and international levels - at the top of our development agenda. Our integration agenda is aimed at both addressing the pervasive corruption challenges that undermine USAID's work across sectors, as well as at seeking ways to tackle corruption from multiple angles. ***Working in a cross-cutting, trans-sectoral way will require staff across the Agency - and in every sector - to commit to finding new and creative ways to plan, design, program, implement and evaluate our critical work around the world.*** This work will be both challenging and exciting, as we seek to break down traditional sectoral silos and tackle our common development mission holistically and coherently. This Guide provides initial tools and approaches to assist staff, missions and other operating units working to advance this agenda.

This Guide includes a series of sector specific integration handbooks that provide concrete technical guidance on integration (see [Annex 1](#)), as well as a broader suite of ACTF programmatic and strategic guidance. A resource library of useful anti-corruption resources is included in [Annex 8](#). Deliberately designed as a modular, living suite of documents, this guidance and the accompanying resource library will continue to evolve and expand as the Agency's elevation of anti-corruption progresses.

ANNEX 1 - Sector-Specific Anti-Corruption Integration Handbooks

Phase 1: 2022

- **Sectoral Integration Handbook 1:** USAID Global Health and Anti-Corruption Integration Handbook (forthcoming)
- Sectoral Integration Handbook 2: Humanitarian Assistance
- Sectoral Integration Handbook 3: Economic Growth and Trade

Phase 2: 2022-2023

- Sectoral Integration Handbook 4: Education
- Sectoral Integration Handbook 5: Natural Environment
- Sectoral Integration Handbook 6: Climate Change, Energy and Infrastructure
- Sectoral Integration Handbook 7: Inclusive Development
- Sectoral Integration Handbook 8: Democracy, Human Rights and Governance

Phase 3: 2023

- Sectoral Integration Handbook 9: Conflict and Transition Environments
- Sectoral Integration Handbook 10: Water and Sanitation
- Sectoral Integration Handbook 11: Agriculture and Food Security/Nutrition

ANNEX 2 - Indonesia's CEGAH Program

Introduction

CEGAH, which means “prevent” in Bahasa Indonesian, was a \$25 million anti-corruption program in Indonesia that took place from 2016 to 2021. CEGAH was initially designed to build a broad “community of accountability” that would address both supply- and demand-side corruption issues by working with a wide range of government agencies, sub-national governments and Civil Society Organizations (CSOs). This approach evolved over the life of the program in response to changes in the political context and the varying levels of commitment from Indonesian counterparts; the program ultimately devoted a majority of its resources to a narrower focus on technical support to selected government agencies.

Main Anti-Corruption Components

Prosecution and adjudication (Justice sector)

Prevention (Anti-corruption Agency)

Detection (Civil Society oversight)

CEGAH Contract Details

Contract AID-497-C-16-00007

Indonesia's Anti-Corruption Challenge

Following the end of the authoritarian regime in 1998, Indonesia introduced competitive, pluralistic elections and relatively peaceful transfers of power. The election of reformist President Joko Widodo in July 2014 was met with widespread optimism in Indonesia and internationally; the New York Times described Indonesia as “a shining light for reform in the developing world.”

Indonesia also made notable achievements fighting corruption in this period. One major step was the establishment of the Corruption Eradication Commission, or KPK, as an independent and powerful anti-corruption agency in 2003, and its investigation and prosecution on corruption charges of several powerful and politically connected individuals.

Despite these successes, corruption continued to be pervasive and systemic, affecting all levels of Indonesia's economy, society and government. A [2013 poll](#) showed that 88% of citizens believed that corruption was common in government, and corruption was [identified](#) as the number one obstacle to doing business in Indonesia. USAID saw Indonesia's corruption challenge as a high-profile systemic problem affecting multiple sectors that was subject to significant political attention.



Factors Informing CEGAH's Approach

CEGAH's approach to these challenges was influenced by analytical, institutional and practical factors.

- **Analytical:** The approach was informed by several assessments, including the 2014 Indonesia DRG assessment, a DRG Center corruption assessment, analysis from a local anti-corruption expert, the mission's consultations with government agencies and civil society, and its learning regarding its own programs over the past 20 years.
- **Institutional:** USAID needed to work closely with the Indonesian government on the focus and approach of the program, especially with the Ministry of Law and Human Rights. This consultative process involved 21 government agencies engaged in anti-corruption efforts and identified specific objectives, challenges and organizational cultures to consider in the program's design. USAID also considered how CEGAH could contribute to the Government's national strategy on corruption.
- **Practical:** The mission was facing a reduction in available resources and wanted to consolidate three of the mission's smaller anti-corruption and rule-of-law programs into one larger project that shifted from providing broad support on the judicial sector, anti-corruption institutions, financial management, and organizational restructuring to support on specific functions related to corruption, such as transparency of court proceedings. The request for proposals (RFP) explicitly framed the effort around realistic expectations, noting that the budget was relatively small given Indonesia's size and population and the scope of corruption challenges.

Program Objectives

CEGAH was designed to build Indonesia's "Community of Accountability," bringing in a broad eco-system of actors from the public sector, private sector and civil society to support transparency, anti-corruption and good governance through three intermediate results, each of corresponding to one program component:

- **Effectiveness of the justice sector to prosecute and adjudicate corruption cases increased** by strengthening the Supreme Court's ability to gather and analyze data on corruption cases and reduce sentencing discrepancies, and by improving awareness of judges and attorneys on the linkages between corruption and countering violent extremism (CVE). CEGAH also improved anti-corruption education in tertiary institutions.
- **Key Government of Indonesia (GOI) corruption prevention institutions strengthened by increasing coordination of GOI institutions;** strengthened internal controls systems and civil service recruitment and promotion processes; enhanced engagement by accountability agencies with the media and civil society on corruption prevention campaigns; and strengthened prevention of corruption in selected Ministries and sub-national governments by following up audit findings from their Offices of Inspector General and the government-wide Commission on Audit (COA). CEGAH also facilitated training for the Ombudsman on System Investigations and the Ministries of Health and Education on reporting systems, corruption vulnerability, assessment management and performance auditing and monitoring.
- **Civil society and the media's capacity to provide oversight and hold the government accountable are increased** through increasing government adoption of CSO input on transparency and accountability policies; enhancing CSO advocacy capacity at the national and/or sub-national levels

regarding accountability generally as well as in the areas of health care, education, and/or the environment; and enhancing civil society capacity to research, analyze, and advocate on issues related to corruption and violent extremism. To promote anti-corruption education, CEGAH supported the Indonesia Corruption Watch (CW) to develop free e-learning platforms (Akademi Antikorupsi) for use across university campuses. Additionally, an anti-corruption film-festival was held for the public to make AC more understandable.

Program Implementation

Soon after launching, CEGAH began to face challenges to its intended approach. President Joko's administration launched a series of initiatives aimed at controlling corruption, but those reforms were largely blocked by powerful anti-reform groups benefiting from corruption. In fact, by the time CEGAH was awarded and began implementation, Indonesia's parliament had passed laws limiting KPK's ability to investigate and prosecute corruption cases. However, there was still an official anti-corruption strategy in place, and CEGAH prioritized support to that strategy and continued to work primarily within Government institutions like the judiciary and provincial governments. A USAID/Indonesia stakeholder described CEGAH as "agency-centric"; another noted, "we can't want it more than the government does."

While CEGAH had a sizable civil society component and provided 80 grants to 36 organizations, its grants did not focus on significant advocacy for changes in government policies or try to confront the systemic nature of corruption. Instead, CEGAH's civil society partners primarily worked with government institutions and on campaigns to educate and raise awareness about corruption. This effort aimed to increase the profile of corruption in ways that would not "ruffle feathers" in government. The instances where civil society did push back on the government were chosen strategically, for example in advocacy for greater transparency and equity in selection of civil servants. CEGAH also supported training for investigative journalists. CEGAH's choice reflected an analysis of what was feasible within the political context.

Selected Results

- **Improved Complaints Resolution:** CEGAH helped improve the operations of a government complaints resolution system called SPAN LAPOR!, leading to increased usage and government responsiveness to complaints. CEGAH integrated the system into the work of the pilot agencies and local governments, improved the system to handle larger volumes of complaints and improve user experience, and established an e-learning platform to help stakeholders at the local level use the system. In a recent survey of system stakeholders, 72% of respondents felt satisfied using SP4N LAPOR!. As of July 13, 2020, there were 801,257 registered users and 1,389,891 complaints.³⁶
- **Improved Judicial Case Management:** CEGAH's support to the Direktori Putusan (Case Directory) system, which collects and stores data from court rulings at multiple levels throughout Indonesia, has increased transparency and accountability by making information about court rulings easily searchable and accessible across the country. The new system is being widely used by the media, CSOs, courts and government agencies to ensure that sentencing decisions are consistent. The new system has reduced disparities in sentencing. More than 85 % of GOI judiciary beneficiary survey respondents (22 out of 26) stated that CEGAH's support strengthened their organization's ability to fight corruption more than support they received from other donors.³⁷

³⁶ Performance Evaluation, p. 27

³⁷ Performance Evaluation, p. 22

- **Inter-Agency Collaboration:** One unexpected effect of CEGAH's broad reach was that it fostered communication and collaboration between government agencies that were working on different aspects of corruption, particularly between the KPK and the Supreme Court. With increased internal dialogue, efficiency of processing cases was in turn made more efficient. The improved connection, especially between the Supreme Court and the KPK also made it easier for CEGAH to add a set of research themes focusing on a new area: studying and addressing the link between corruption and violent extremism.

Lessons Learned

- *The need for flexibility in response to political changes.* Corruption programs are always subject to changes in legislation and political direction. For CEGAH, at the beginning of the President's second term Indonesian oligarchs pushed through laws that significantly weakened the KPK's role in fighting corruption. As a result, while CEGAH continued to work with KPK in its new incarnation, it shifted resources to other components of the program.

One consequence of this flexibility was that CEGAH focused on a smaller number of agencies than initially expected - most notably the Supreme Court and LAPOR. CEGAH was initially envisioned as building a "community of accountability." While there was a clear increase in collaboration, political conditions meant that CEGAH evolved from a "community of accountability" approach to more of an "islands of accountability" approach.

- *There are advantages and disadvantages to working with many different institutions and actors.* Many grantees and beneficiaries praised CEGAH's ability to build and strengthen a network of actors across ministries, agencies, commissions, offices, and courts. They were able to flexibly work with many stakeholders and shift focus or partners when interventions did not produce desired results.

On the other hand, a frequent criticism of CEGAH was that it was "a mile wide and an inch deep." The RFP identified 52 tasks spread across 19 government agencies and a number of CSOs. That number was reduced over the life of the program but inevitably some aspects of the program did not receive sufficient resources and were left incomplete.

- *Evaluation of success is a challenge.* There are inherent difficulties in measuring levels and depth of corruption. CEGAH's reporting included perceptions of corruption in Indonesia - a flawed indicator but one that the government was concerned about. On the other hand, most of the data collected tracked tangible output indicators like completion of specific technical tasks, levels of public engagement in programs, etc. While this approach allowed CEGAH to make progress in those areas where there were openings in a difficult political environment, the emphasis on tasks and outputs may have come at the expense of an effort to, as one USAID stakeholder noted, would "move the needle" on the bigger corruption challenges.
- *Sustainability:* It is not clear that results are sustainable beyond USAID's engagement. For example, one USAID stakeholder noted that "there were good successes with LAPOR, but we don't see uptake from government agencies, and we don't see it being sustained and used into the future."
- *Keeping focus on corruption challenges:* The focus on technical support can result in successes that are valuable, but not always directly connected to corruption. For example, LAPOR is ultimately primarily a system for identifying problems with public service delivery; exposure of fraud and corruption is a secondary objective. Similarly, the Direktori Putusan is an important tool in strengthening the judiciary operations and transparency, which indirectly rather than directly contributes to reducing corruption.

ANNEX 3 - Uganda's Governance, Accountability, Participation, and Performance (GAPP) Program

Uganda GAPP was a seven-year (2012-2019), \$35 million contract co-funded by USAID and U.K. Department for International Development (DFID). It was managed by USAID/Uganda. GAPP was initially operational in 25 districts but was able to expand to 40 districts by the end of the contract with the help of the additional funding from DFID.

Main Anti-Corruption Components

Detection (Audit, Parliamentary Oversight)
Prevention (Public Financial Management, Procurement)

GAPP Contract Details

Contract AID-OAA-A-15-000-67
Implemented by RTI, with DAI and Palladium
November 2012 - November 2019

Anti-Corruption Challenge

Corruption in Uganda is widespread and leads to a severe leakage of scarce public resources. While it is impossible to quantify exactly the magnitude of the issue, a report from Uganda’s Auditor General in January 2019 estimated that at least 226 million USD in government funds were misappropriated or misused in fiscal year 2017-2018 alone.

Due to a patronage system that pervades all levels and branches of government, corruption’s corrosive effects have been difficult to address. Although Uganda’s decentralization reform, launched in 1997, aimed to improve accountability by bringing governance closer to the citizens, corruption and patronage systems have instead been decentralized.

Uganda’s anti-corruption legislation is generally viewed as adequate and provides for a complete set of semi-independent anti-corruption institutions. Their effectiveness, however, is routinely compromised due to siloed mandates and political interference.

Approach

- Strengthened national-level institutions’ oversight of local governments through the tripartite approach (see box next page)
- Collaborated with national civil society organizations (CSOs) and other stakeholders on policy advocacy
- Deployed three Embedded Technical Specialists (ETs) to support a cluster of 8–10 districts on PFM and DRM strengthening.
- Improved DRM processes in 15 districts, including registration and enumeration of taxpayers, taxpayer education, assessment, and billing
- Provided training and peer learning opportunities for internal auditors, Local Government Public Accounts Committees (LGPACs), and procurement teams
- Provided capacity building and grants to local CSOs/private sector associations to facilitate community mobilization, civic education, research and engagement



Tripartite Outreach Model

When GAPP began, the Parliamentary Local Governments Accounts Committee (LGAC), Office of the Auditor General (OAG), and Public Procurement and Disposal of Public Assets Authority (PPDA) struggled to coordinate their efforts to promote local government (LG) accountability. Moreover, district-level Local Government Public Account Committees (LGPACs) were not functional in all jurisdictions and where they did exist did not reliably complete reporting requirements or respond to audit findings.

In 2013, the initial round of tripartite outreach meetings brought together local government elected and administrative officials (accounting officer, councilors, local government public accounts committee, district commissioner, the police), civil society and private sector leaders and members of the Parliamentary LGAC. Meetings also included the representatives from decentralized offices of the OAG and PPDA. From the initial round of meetings, GAPP learned that most of the participants had never received or seen a copy of the audit reports issued annually by OAG and PPDA. In certain instances, those responsible for circulating the report at district level appeared to have deliberately shelved the report rather than taking action on the report. Judging from the level of engagement and demand for more regular meetings, GAPP found that there was a genuine information gap and desire to implement audit recommendations when participants had access to and understood how to act on audit information.

In 2015, the Tripartite outreach meetings became more formalized. Parliament began organizing the meetings as formal hearings, issuing the invitations and invoking its full powers of the high court with respect to summoning, production of documents and temporary detention of recalcitrant witnesses. It also used its Clerks to maintain records of the proceedings as GAPP withdrew its rapporteurs and allowed a plenary debate by the participants. This shift strengthened the ownership by the partner organizations and laid the ground for continued implementation of this approach after GAPP ends. To build sustainability, CEPA also engaged the department of the Leader of Opposition in tripartite outreach planning and coordination to ensure continued success of the tripartite model.

National accountability agencies came to take on a very direct approach to accountability. The hearings involved a direct question and answer session between Parliamentarians and the accounting officer. Further, a police detective was in attendance to observe and delve into criminal leads arising from the engagement as needed.

From 2013-2019, GAPP supported tripartite outreach engagements in 65 local governments. The tripartite activities gave rise to some immediate results. District Public Accounts Committees and District Service Commissions were established where they were non-existent. Contractors found to have misused public funds were blacklisted by PPDA. Several communities, including Kitgum district, also rose up to further demand local government officials to report to the communities and be tasked on the issues that came to light during the outreach meetings. Further, enforcement agencies were increasingly engaged in ensuring accountability, as shown in Apac and Lira districts where security agencies tracked the illegal actions associated with specific contracts. The districts have started to appreciate the need for transparency as part of good accountability. In Mukono district, the local government immediately put in place a notice board to display all procurement process information; while in Kiboga, the local government established a suggestion box to encourage suggestions and complaints from citizens. National accountability actors have also deepened their engagement as a direct result of learning from tripartite activities. The PPDA has crafted and is implementing their own model of outreaches named procurement barazas. The OAG as well, is drafting its engagement strategy to guide its future outreach and engagement activities with the wider public.

A number of important lessons were learned over the course of this activity. When stakeholders are truly engaged and believe in an approach (like Parliament and the OAG), it is useful to iterate the approach and explore alternative ways to arrive at a program result. Opportunities exist to improve interventions to make them even more effective. Further the GAPP team found that the tools for improving accountability and governance in Uganda were already there, but underutilized. Fragmentation of actors disempowers individuals and makes them ineffective in combating corruption and ensuring accountability. For example, with or without GAPP, the OAG and PPDA will produce the reports. And certainly, Parliament might discuss these reports at some future time. What GAPP did was to provide the enabling environment for the reports to be discussed in an open environment on a timely basis, improving the salience of the findings and creating pressure for action.

Selected Results

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- The Public Accounts Committee–Local Government (PAC-LG) cleared a 5-year backlog and met the 6-month constitutional mandate for timely consideration of accountability committee reports for FY2014/15 and FY2015/16.
- The Public Procurement and Disposal of Public Assets Authority (PPDA) increased procurement and disposal audits from covering only 28% of LGs in FY2011/12 to 78% in FY2018/19.
- The PPDA reduced average costs for procurement audits by using in-house staff— from UGX 25–35 million to UGX 3 million per audit (~\$805).
- The percentage of GAPP supported LGs with functional public accounts committees rose from 5% in FY 2013 to 74% in FY 2018.
- Percentage of LGs returning unqualified audit opinion increased from 34% in FY 2013 to 80% in FY 2018/19
- Percentage of targeted LGs that took action on audit recommendations increased from less than 55% in FY 2013 to 80% at the end of August 2019.
- Work with the Ministry of Health resulted in cost savings on capital projects, including Kawolo General Hospital, that resulted in savings of US\$463,642
- IGAPP LGs scored higher performance on the Local Government Performance Assessment than non-GAPP LGs, with 5 GAPP LGs in the 10 top-performing LGs in the country in 2018 (N = 138).
- After the conclusion of the project, the Parliament continued the Tripartite approach using government money without GAPP support.

Lessons Learned

- While grants to local civil society organizations to support the health sector, agriculture, and education did bring about some changes, they did not lead to more systemic changes because the CSOs were so small and disconnected.
- More effective CSO advocacy is also limited by a weak and shrinking civic space.
- Assessment tools are most effective when made publicly available and used to benchmark performance between jurisdictions. This creates a race to the top for local officials.
- There was not a need for the project to create new structures, but instead to change social norms and strengthen the overall accountability ecosystem -- breaking down silos and improving coordination and information sharing.

ANNEX 4 - PUBLIC FINANCIAL MANAGEMENT DIAGNOSTIC TOOLS WITH ANTI-CORRUPTION ELEMENTS

Diagnostic tool	Description	Modules or questions most relevant to anti-corruption
Public Expenditure and Financial Accountability (PEFA) Assessment	<p>A framework for assessing and reporting on the strengths and weaknesses of a central or subnational government's public financial management (PFM) system. It identifies 94 characteristics (dimensions) across 31 key components of public financial management (indicators) in 7 broad areas of activity (pillars).</p>	<p>Assessment dimensions included in the transparency of public finances, management of assets and liabilities, predictability and control in budget execution, accounting and reporting and external scrutiny and audit pillars may be particularly relevant to anti-corruption efforts.</p>
OECD Methodology for Assessing Procurement Systems (MAPS)	<p>A robust framework for assessing procurement systems. It was updated in 2020 and includes four thematic pillars, each of which has indicators, sub-indicators - qualitative and quantitative - and assessment criteria. The four pillars are: (I) Legislative, Regulatory and Policy Framework; (II) Institutional Framework and Management Capacity; (III) Procurement Operations and Market Practices.</p> <p>(IV) Accountability, Integrity and Transparency of the Public Procurement System</p>	<p>The Accountability, Integrity and Transparency of the Public Procurement System pillar will be most directly relevant to issues of corruption in public procurement. It includes such issues as transparency and civil society engagement in policy formulation, disclosure of information to the public, civil society oversight, control and audit systems, challenges and appeals, prohibited practices, sanctions and enforcement mechanisms, and other ethics and integrity systems.</p>
INTOSAI Supreme Audit Integrity Assessment (INTOSAIINT)	<p>The methodology includes a typology of corruption vulnerabilities for Supreme Audit Institutions (SAIs), a scoring matrix for the level of risk, and potential control mechanisms to mitigate those risks. On the basis of the assessment a SAI can design a customized action plan.</p>	<p>A self-assessment tool for SAIs to consider their vulnerabilities to corruption and control systems to limit corruption.</p>

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IMF Public Investment Management Assessment (PIMA)	<p>Framework to assess infrastructure governance practices across three key stages of the public investment cycle: (1) Planning; (2) Allocation; and (3) Implementation. Assessment includes both institutional strength (the organization, policies, rules and procedures on paper) and effectiveness (the degree to which the intended purpose is being achieved in practice or there is a clear useful impact).</p>	<p>Public investments are one of the areas most prone to corruption risks and political manipulation. The assessment tool includes 15 areas across the three public investment stages. Among the areas included, several are particularly closely linked to corruption challenges such as - project appraisal and selection, alternative infrastructure financing, procurement and portfolio management and oversight.</p>
IMF Fiscal Transparency Code / Evaluation	<p>An international standard for disclosure of information about public finances. The associated fiscal transparency evaluation gauges a country's performance against this standard and provides a structured approach to identify targeted recommendations.</p>	<p>The Code is built around four pillars: (i) fiscal reporting; (ii) fiscal forecasting and budgeting; (iii) fiscal risk analysis and management; and (iv) resource revenue management. For each transparency principle, the Code differentiates between basic, good, and advanced practices.</p>
IMF Governance Diagnostic Reports	<p>Governance diagnostic reports are in-depth, country-tailored assessments of corruption and governance vulnerabilities that draw heavily on local knowledge and expertise and provide prioritized and sequenced recommendations.</p>	<p>While the diagnostic is customized to the specific country, it broadly includes several topics of direct interest such as rule of law, the anti-corruption framework, anti-money laundering, public financial management, state-owned enterprise management, tax administration, central bank governance and financial sector oversight.</p>
Public Expenditure Tracking Survey (PETS)	<p>A methodology to identify leakages in sectoral financing systems or projects that transfer funds between levels of government or operating units. May be used at a macro level (e.g., all health sector grants) or micro level (e.g., specific results based financing activity)</p>	<p>May be used to identify specific instances or patterns of theft of public resources.</p>

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NOTE: Additional tools can be found on the PEFA website, [here](#).

ANNEX 5 - LINKS OF HUMANITARIAN-DEVELOPMENT-PEACE(HDP) COHERENCE PRINCIPLES WITH ANTI-CORRUPTION

HDP Coherence Principle	Linkage with Anti-Corruption
Uphold and respect humanitarian principles to ensure HA remains unhindered and effective	Anti-corruption measures can help promote adherence to humanitarian principles of humanity, neutrality, impartiality, and independence.
Plan jointly and seek a common agenda	Joint assessments and planning can help cross development assistance (DA)/humanitarian assistance (HA) silos in terms of anti-corruption work. Stakeholder or systems maps for DA and HA activities may enable missions to find complementarities. Alternatively, cross-mission joint planning on a specific anti-corruption issue (e.g., supply chains) can enable better, more integrated programming.
Create and strengthen communication, coordination, and learning platforms across different kinds of assistance	In many cases, missions may leverage existing coordination mechanisms to support integration of anti-corruption issues across DA and HA programs. For example, supporting Resilience Coordinators in resilience focus countries to convene interested partners in thematic anti-corruption discussions may be one opportunity. Moreover, USAID’s Programming Considerations for Humanitarian, Development, and Peace (HDP) Coherence notes the importance of an organizational culture for coordination of HDP coherence across the mission.
Strategically sequence, layer, and integrate humanitarian, development, and peace assistance where appropriate	Layering of DA anti-corruption programming on HA programming may provide opportunities for USAID to mitigate against enduring corruption risks that could imperil the achievement of HA outcomes. Similarly, layering of peace programming on anti-corruption programming may help to identify and mitigate conflict drivers that might be aggravated while addressing anti-corruption issues. Appropriate sequencing of HA and DA activities can enable gains or lessons learned during HA interventions to be leveraged effectively.
Promote shock-responsive programming and data-driven adaptive management	A shock responsive approach enables DA and HA operational approaches that, “help countries and communities mitigate, adapt to, and recover from shocks thereby reducing losses, preventing a downward spiral of divestment leading to destitution, and protecting hard-won development gains.” A shock responsive approach to anti-corruption integration in DA and HA helps missions adapt to evolving country conditions, including political transitions or periods of civic unrest following a corruption scandal.
Champion conflict integration	Building on Do No Harm principles and consciously seeking to reinforce

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HDP Coherence Principle	Linkage with Anti-Corruption
and opportunities for enabling or building peace where possible	societal connections, “ <u>conflict sensitivity</u> ” in anti-corruption programming looks for opportunities to build peace and reduce tensions or conflict based on a nuanced and evolving appreciation of the context. For example, a conflict sensitive approach in the health sector might address corruption risks for health services delivery to internally displaced persons.
Ensure programming is with, by, and through local partners and systems	Investing time to engage both formally and informally with a diverse set of local groups, along with careful analysis of the role of local partners within the local system can create opportunities for context driven approaches to anti-corruption integration that take into consideration the underlying drivers of the conflict (e.g., to counteract historic economic and social exclusion of certain groups).

Adapted from: [Programming Considerations for Hum-Dev-Peace Coherence, USAID 2022](#)

ANNEX 6 - ILLUSTRATIVE ANTI-CORRUPTION INDICATORS

Table A - Indicators and Indices to explore the anti-corruption environment

Name	Description
<p>Transparency International Corruption Perception Index CPI (ranks 180 countries and territories).</p>	<p>Designed as a composite index, using data sources from independent institutions specializing in governance and business climate analysis. The sources of information used for the CPI are based on data gathered in the past 24 months. For a country to feature in the CPI, it needs at least three CPI data sources. NOTE: This measures <u>perceived</u> corruption, not objective measurement of corruption or assessment of institutional frameworks. It does not distinguish between the different types of corruption. Perception can be <i>slow</i> to change and can also <i>increase</i> as efforts to expose and punish corruption gain steam.</p>
<p>Center for International Private Enterprise (CIPE)/ERCAS Corruption Risk Forecast (114 countries as of 2022).</p>	<p>Includes three main indices: (1) the Transparency Index (T-index), which measures the existence of free and accessible information on essential public websites, (2) the Index for Public Integrity, which analyzes a country's control of corruption by using 6 fact-based indicators (transparency is one) that measure the balance between opportunities for versus constraints of corruption. The online tool also includes country reports and a forecasting tool to anticipate how corruption risks may evolve in the future.; and (3) the Corruption Risk Forecast, a first-of-its-kind corruption tool that predicts the direction each country's corruption risk will move during the next two years.</p>
<p>Control of Corruption Index (perception) CCI</p>	<p>Included in the World Bank's Worldwide Governance Indicators (WGI). CCI captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. This is an aggregate indicator combining views of a large number of enterprise, citizen and expert survey respondents, and is part of the WGI. WGI covers six dimensions of governance: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, control of corruption.</p>
<p>World Justice Project (WJP) Rule of Law Index (includes data for 139 countries and jurisdictions as of 2021)</p>	<p>Captures changes in stakeholders' perceptions and experiences of the rule of law. Factor 2 of the WJP Rule of Law Index measures the absence of corruption in government, focusing on three forms of corruption: bribery, improper influence by public or private interests, and misappropriation of public funds or other resources. These three forms of corruption are examined with respect to government officers in the executive branch, the judiciary, the military, police, and the legislature.</p>
<p>Global Integrity and Mo Ibrahim Foundation</p>	<p>Includes 54 indicators divided into two main sections: Transparency and Accountability, and Social Development. The Transparency and Accountability</p>

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Name	Description
Africa Integrity Indicators (covers 54 countries in Sub-Saharan Africa)	section includes 30 indicators on the rule of law, accountability, elections, public management integrity, civil service integrity, and access to information. The indicators measure transparency of public procurement, media freedom, asset disclosure, judicial independence, and conflict of interest laws, among others. The Social Development section addresses gender, rights, welfare, rural sector, business environment, health, education and civil registration.
Control Risks Latin America Capacity to Combat Corruption Index (covers 15 countries in Latin America)	Evaluates and ranks countries based on how effectively they can combat corruption, rather than perceived corruption. Includes 14 key variables, including judicial independence, investigative journalism, and resources available for combating white-collar crime.

Table B - Cross-Sectoral Indicators and Tools for Measuring Anti-Corruption Change

Category	Description
Experience-based user surveys or citizen score cards	These surveys aim to measure changes in reported prevalence of certain patterns of corrupt behavior. For example, this type of survey could be used to assess whether students are requested to pay bribes for higher test scores, or if private sector operators passing through customs are requested to pay a bribe. This may also include citizen service delivery scorecards that include compliance with anti-corruption measures.
Perception-based stakeholder surveys	These surveys gather the views of citizens, public service users, private sector and/or government officials on corruption. May be specified with respect to a specific service or sector -- such as tax collection. In interpreting results, it is important to note that perceptions are slow to change, may be biased by increased media reporting on corruption (perhaps with USAID support) and may be systematically more positive in countries with more repressive governments.
Corruption risk monitoring	This is a systematic approach to identify critical corruption risks within a sector or program and estimate key performance indicators that can track changes in the severity or probability of a risk. For example, if tracking corruption risks related to conflicts of interest of government officials, you might track the % compliance of personnel in completing annual asset and income disclosure requirements, or a change in audit findings.
Measurements of process improvements	Particularly in cases of administrative corruption, it can be useful to track the number of scale of process improvements that streamline and/or reduce discretion. These indicators may consider reductions in the time and steps required for a specific

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Category	Description
	process due to automation or may track the number of processes improved to address corruption risks.
Direct outcome measurement	In some cases, corruption issues may be directly observable either through conduct of specialized diagnostics or direct tracking. An example of a diagnostic might be the use of a public expenditure tracking survey (PETS) to measure the leakage of funds in education transfers between the national and local levels. An example of direct tracking might be using biometrics to track absenteeism rates in health and education facilities. Another example might be to use DNA analysis for forestry products to track the presence of illegal products from protected areas.
Social norms surveys and tracking	Careful analysis of the social and institutional norms that reinforce or counteract corruption, followed up stakeholder surveys to assess how these norms evolve over time. An example of how to conduct this type of monitoring is available here .
Individual capacity building	This type of measurement should aim to capture not only the number of people trained and their satisfaction with the training, but also the acquisition and application of anti-corruption knowledge, skills and attitudes, and ideally translation of the capacity into targeted results.
Organizational capacity building	Measurement of the resources allocated by organizations toward anti-corruption goals. This might include budgeted and actual expenditures, personnel, equipment, or facilities. It may also consider the quality of those resources.

ANNEX 7 - USAID ANTI-CORRUPTION TOPLINES

(For Internal USAID use only)

ANNEX 8 - USAID ANTI-CORRUPTION READING LIST

NOTE: This annex is a living resource library of initial anti-corruption materials for reading by USAID staff across sectors. This is not a complete listing of all relevant anti-corruption technical resources. This list will be updated from time to time as new resources are finalized and disseminated

Resource	Source	Description
Strategy Resources		
United States Strategy on Countering Corruption	U.S. White House	The United States Strategy on Countering Corruption, which puts greater emphasis on grand corruption, transnational nature of corruption, the role of intermediaries and global financial system, strategic corruption of external actors, and improved collaboration with USG and other partners. Mission and Sectoral Teams should consider what resonates from the strategy and may be advanced through cross-mission or sector programming in the partner country. USAID’s Implementation Plan provides key goals, commitments, and approaches for work on anti corruption issues across the agency.
Joint Strategic Plan (JSP) (2022-2026)	U.S. Department of State and USAID	The U.S. Department of State and USAID Joint Strategic Plan (JSP) (2022-2026) notes that corruption, “wastes public resources, undermines development efforts, exacerbates inequalities in access to services and exercise of rights, fuels transnational crime, and is increasingly weaponized by authoritarian states to undermine democracy and governance.” Further, Objective 3.3 of the Plan (Prevent, expose, and reduce corruption) notes that USAID has a comparative advantage in its programming, “to build anti-corruption safeguards across the climate, health, education, economic growth, biodiversity, humanitarian response, and post-conflict sectors to ensure public resources are used for human development outcomes.”
ACTF Resources and Guides		
USAID’s Anti-Corruption Policy (forthcoming)	USAID/ACTF	This Policy seeks to modernize the Agency’s approach to countering corruption, including by adopting new modalities and approaches at the global, regional, and country levels to confront transnational and strategic corruption, as well as as kleptocracy; connecting our anti-

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		<p>corruption efforts with those targeting fragility and transnational organized crime, including by understanding the ways in which corrupt and criminal networks overlap, detecting and disrupting illicit finance and trafficking in high-value commodities, and improving information sharing across the U.S. government and with civil society; taking particular aim at corruption that is undermining the functioning or legitimacy of democracy, such as high-profile grand corruption or electoral corruption; and prioritizing the types of large-scale and high-level corruption that most profoundly limit development progress over the long-run. The Policy centers the Agency’s anti-corruption efforts around three objectives – constraining opportunities for corruption, raising the costs of corruption, and incentivizing integrity in the public and private sectors – in order to protect resources from diversion and build democracies’ resilience to corruption and co-optation.</p>
<p>USAID's Anti-Corruption Program Cycle Guide (forthcoming)</p>	<p>USAID/ACTF</p>	<p>This Discussion Note is aimed at USAID staff who work to integrate policy priorities into the Program Cycle. It discusses how Missions and Bureaus/Independent Offices (B/IOs) might incorporate anti-corruption into their strategies and program plans at all stages of the Program Cycle. This Discussion Note is part of a larger suite of tools and forthcoming guidance developed by USAID’s Anti-Corruption Task Force (ACTF), including technical guidance on developing anti-corruption programs and integrating anti-corruption across USAID’s sectors.</p>
<p>USAID's Safeguarding Reference Guide (forthcoming)</p>	<p>USAID/ACTF</p>	<p>USAID’s safeguarding architecture includes risk management systems, procurement practices and regulations, partner vetting, award management, and monitoring and oversight, among others. This primer is intended to highlight a number of these safeguards and internal controls in place throughout the program cycle but is not meant to be an exhaustive list.</p>
<p>USAID Practitioner Resources</p>		
<p>Anti-Corruption Assessment Handbook (2009) (currently being updated)</p>	<p>USAID</p>	<p>Provides step-by-step guidance on diagnosing the underlying causes of corruption by analyzing both the state of laws and institutions as well as the political-economic dynamics of a country. The assessment includes five analytical steps and practical tools to implement each one: (1) analysis of the legal-institutional framework, (2) political economy analysis, (3) stakeholder mapping, (4) in depth</p>

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		<p>diagnostic analysis of corruption vulnerabilities in key sectors and government functions or institutions, and (5) a review of anti-corruption programming track records to assist in making and prioritizing specific programming recommendations. The handbook also provides complementary tools for analysis, including frameworks to analyze sector specific corruption issues, and a discussion of corruption “syndromes”, which may permeate all sectors. Each sector also has sector-specific question categories based on expert literature.</p>
<p>USAID Practitioner’s Guide for Anticorruption Programming (2015) (currently being updated)</p>	USAID	<p>Offers practical programming and implementation advice for USAID field Missions to support their development of effective anti-corruption programs. The advice is based on lessons learned from past anticorruption programming by USAID, other donors and host governments. Guidance is also provided on the use of political economy analysis tools that can assist practitioners in identifying corruption dynamics, challenges and opportunities for programming, as well as highlighting initiatives appropriate for different sectors. Approaches to developing effective and targeted monitoring and evaluation systems for such programs are also presented in this Guide.</p>
<p>USAID De-Kleptification Guide (2022)</p>	USAID/ACTF	<p>This guidance is a resource for USAID staff working in countries that face kleptocracy and strategic corruption, particularly countries whose courageous citizens open windows of opportunity for reform. It is one component of a suite of anti-corruption policy and programmatic products that contribute to USAID’s elevation of anti-corruption and implementation of the U.S. Strategy on Countering Corruption.</p>
<p>Centralized Anti-Corruption Toolkit</p>	USAID-State	<p>Consolidated toolkit for identifying anti-corruption priorities in particular countries and USG responses (developed 2016, revised 2018)</p>
<p>Top Management Challenges</p>	USAID OIG	<p>As required by statute, OIG identifies and reports the most daunting challenges facing the agencies we oversee and the progress made in managing them.</p>

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Insufficient Oversight of Public International Organizations Puts U.S. Foreign Assistance Programs at Risk	USAID OIG	OIG's audit of USAID's oversight of public international organizations (PIOs). The audit objectives were to (1) describe USAID's approach for overseeing PIOs and any unique authorities underlying that approach; (2) review USAID's efforts to identify, assess, and manage risks before awarding funds to PIOs; and (3) assess USAID's policies, processes, and guidance for managing PIO awards.
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